



Build a Better Business Using Customer Complaints

How to use customer complaints and negative reviews to grow your business, build trust, and keep customers happy.



BUILD A BETTER BUSINESS USING CUSTOMER COMPLAINTS

Created September 2017 by:

Mike Blumenthal,

Co-founder, GatherUp

Aaron Weiche,

Chief Marketing Officer, GatherUp

GatherUp

5205 Prospect Rd. #135-163

San Jose, CA 95129

(408) 809-0800

www.GatherUp.com

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Introduction

In *Build a Better Business Using Customer Complaints*, we take an in-depth look at customer complaints – whether through direct feedback or online reviews – and show you how to turn them into a boon for your business instead of bane.

In the digital media world, complaints can come from any place – and you need to be listening and ready to respond. Most, however, will come directly from customers or from written reviews. By being proactive in both areas, you will learn to deal with each, to maximize their value and minimize any negative impact.

We start by calculating the ROI of complaint handling, both from a financial and emotional standpoint. Following that, we list four reasons why complaints can help your business improve.

Next, we delve into the psychology of complaints and assist you in understanding the effect they can have on you as a business owner and what you can do to overcome negative emotions and attitudes.

Finally, we address how to manage reviews in multi-location settings, and conclude by showing you how to draft a plan that lets you deal with complaints proactively and use them to improve your business processes, customer service, and resolution ratio.

The ROI of Complaint Resolution

CUSTOMER BEHAVIOR

Consumer surveys consistently show that online reviews impact purchase behavior. According to Nielsen's Global Trust in Advertising Report¹ from early 2015, when it comes to consumer trust, "consumer opinions posted online" come in behind only "recommendations from people I know" and "branded websites." In certain vertical markets targeting millennials, we now see online reviews passing word of mouth as the leading source of new customers.

Data from multiple sources, including the Local Search Association, Opus Research, G/O Digital, BrightLocal, and others, document that consumers look at reviews before spending money offline. More than 80% of Internet users follow this pattern.

Consider these statistics, from Help Scout²:

- In 2011, 7 in 10 Americans said they were willing to spend more with companies they believe provide excellent customer service. *Source: American Express Survey, 2011*
- 78% of consumers have bailed on a transaction or not made an intended purchase because of a poor service experience. *Source: American Express Survey, 2011*
- A typical business hears from only 4% of its dissatisfied customers. *Source: "Understanding Customers" by Ruby Newell-Lerner*
- On average, loyal customers are worth up to 10 times as much as their first purchase. *Source: White House Office of Consumer Affairs*
- It takes 12 positive experiences to make up for one unresolved negative experience. *Source: "Understanding Customers" by Ruby Newell-Legner*
- It is 6-7 times more expensive to acquire a new customer than it is to keep a current one. *Source: White House Office of Consumer Affairs*

A complaint, if successfully resolved, will retain the customer more than **73%** of the time.

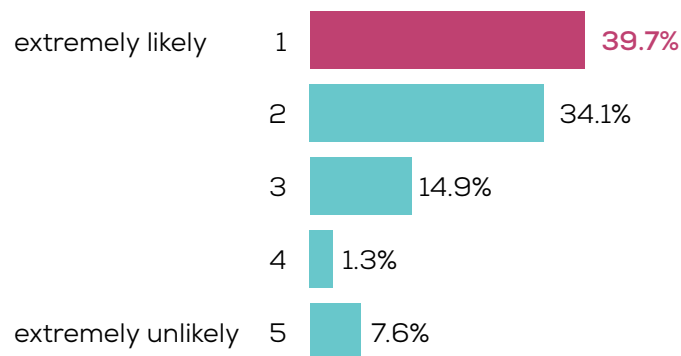
Acquiring a new customer is expensive, and, for many businesses, most of your sales come from your existing customers, not new ones.

If you handle the complaint well, not only will you keep the customer, you will also avoid getting a bad review.

A large-scale consumer survey that GatherUp ran revealed that 73.8% of customers were either *likely* or *extremely likely* to continue to do business with a merchant once the complaint had been resolved. That makes for a compelling ROI, certainly worth your while to solve the problem.

We asked this question: *If a local merchant resolves your complaint, how likely are you to continue to do business with the merchant?*

73.8%
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or extremely
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been resolved. .



EMOTIONAL ROI

The ROI of managing customer complaints will not only impact your business financially but can also affect you emotionally.

After all, you have invested immense amounts of time, energy, and money into the business (and lots of blood, sweat, and tears, too!). So it's not unusual for you to take customer complaints to heart, leaving you with feelings of anxiety, sleepless nights, and even a sense of personal failure.

The financial aspects aside, no one wants the sting of a complaint or negative review to cast a shadow on his or her business.



Good Things About a Complaint

Despite what you may think, receiving customer complaints is a good thing that can actually help your business. Here are four reasons why:

1. GETTING A COMPLAINT MAY SEEM BAD, BUT NOT GETTING ONE IS MUCH, MUCH WORSE.

When customers are unhappy with your service, most (94%) will leave, say nothing, and just not come back. A few (4%) will typically complain. Consider yourself lucky if they do complain instead of just abandoning you and your business. At least with a complaint, you know that something went wrong and can try to fix it for both this and future customers.

94% of unhappy customers **STAY SILENT.**

You don't even
know what went
wrong to fix it.

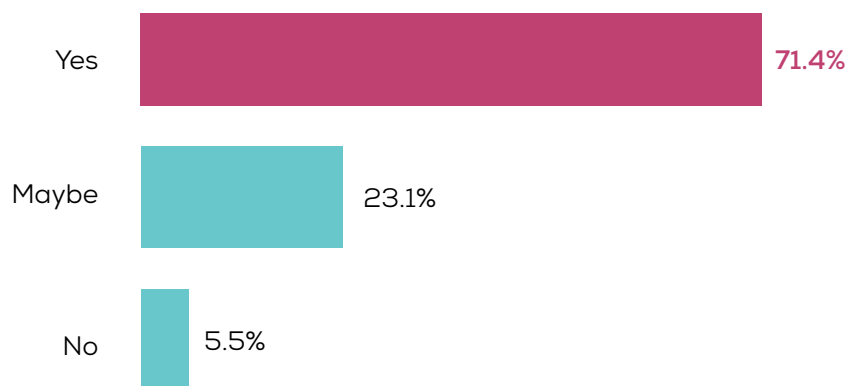
2. CUSTOMER COMPLAINTS PROVIDE AN OPPORTUNITY; SILENCE DOES NOT.

There is some good news in the complaint arena. Surfacing these silent, dissatisfied customers and bringing them to light can offer tremendous benefits.

How do you do that? Take the time, one way or another, to find out if your customers are satisfied and whether your company did a good job. We created GatherUp to help businesses ask every customer about their experience: It's simply that important.

Surprisingly, according to a survey we conducted, if you ask your customers how their experience went, almost all (71.4%) of your unhappy customers will tell you.

If the local business owner solicited your feedback, would you express your complaint?



3. A COMPLAINT IS A BUYING SIGNAL.

A complaint can be a buying signal that customers want to do business with you but are feeling so much pain they are not sure they can. It is often a cry for help so that they can maintain their relationship with you. It can, at times, feel like a personal attack, but it's just the customer attempting to reconcile his or her conflicting feelings.

A customer
complaint
can be a
**BUYING
SIGNAL,**
a call for
help to
continue the
relationship.





4. A COMPLAINT IS A WAY TO LEARN WHAT NEEDS TO BE IMPROVED.

A complaint reflects a failure of some sort either in your business processes or in setting customer expectations. A careful examination of the causes can help you improve and, hopefully, avoid the situation in the future.

There is a saying: “What doesn’t kill you makes you better.” Complaints are much like that. The trick is to be better with that customer rather than without them. As local search expert Earl Netwal has said, “Complaints are the raw material out of which a better business is built.”³

If you can intervene early, with integrity and a genuine desire to learn and resolve the problem, not only will your business be better but you will also likely keep that customer.

The background of the slide is a monochromatic blue-tinted photograph of a construction site. In the upper right, a crane's lattice structure is visible against a cloudy sky. In the lower half, two workers in hard hats are silhouetted against the bright sky. One worker is on a raised platform, pointing upwards, while the other stands on a lower level, gesturing with his hands. The overall mood is industrial and focused.

Complaints
are the
RAW MATERIAL
out of which
a **BETTER
BUSINESS**
is built.

The Impact of Customer Complaints

GatherUp conducted a series of consumer surveys to better understand the impact that customer complaints can have on a business and learn how to minimize their negative consequences and maximize the possible benefit of handling them well.

WHY CUSTOMERS COMPLAIN

We asked a representative sample of U.S. consumers (n=499) an open-ended question: *When dealing with a local merchant, what will cause you to complain?*

We then categorized their responses into themes, as represented in this topic cloud.



Here's what we found:

Customer service and employee behavior cause the most complaints: 57%.

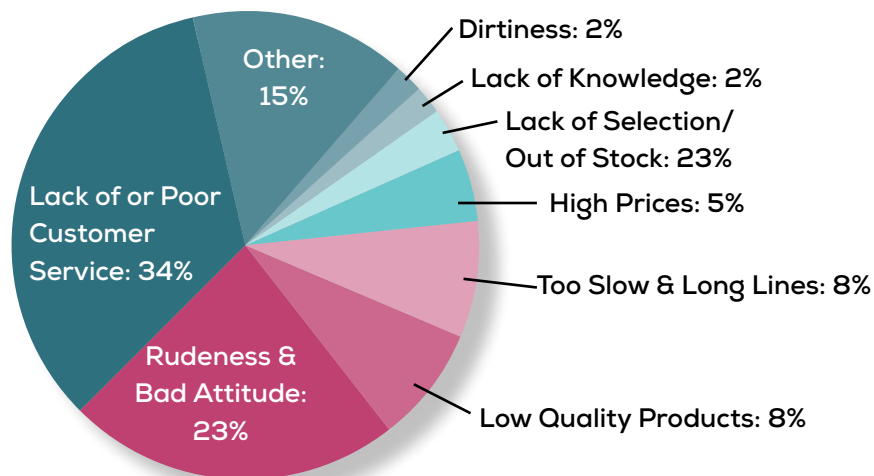
Customer service (or the lack thereof) and employee behavior dominated their thoughts and clearly outpaced the other annoyances. This isn't a surprise, and these two are tightly, if not completely, intertwined.

Service issues represented 34% of the responses and employee attitudes or behavior accounted for 23% of the answers respectively.

Together, these two areas accounted for 57% of the total responses.

Low product quality, speed, and high prices combined for 21%.

Low product quality, speed of product delivery, and high prices together garnered 21% of the mentions. These eight areas collectively accounted for 78% of the answers and obviously provide a framework for a business to start analyzing its processes to reduce the likelihood of these issues occurring.



Something that most businesses should take heed of is that pricing is way down the list of complaints, accounting for a mere 5% of responses. In the end, despite the fact that we fear we will need to continue lowering prices to keep customers happy, there are other factors of greater importance to consider.



Are We as Good As We Think We Are?

Business owners all think we are doing a great job running our businesses. But are we doing as well as we think we are?

Cognitive bias – the tendency for humans to see things the way that they want to and not the way that they really are – is a common idea in psychology.

WHAT SMALL BUSINESS OWNERS THINK VS. WHAT CONSUMERS THINK

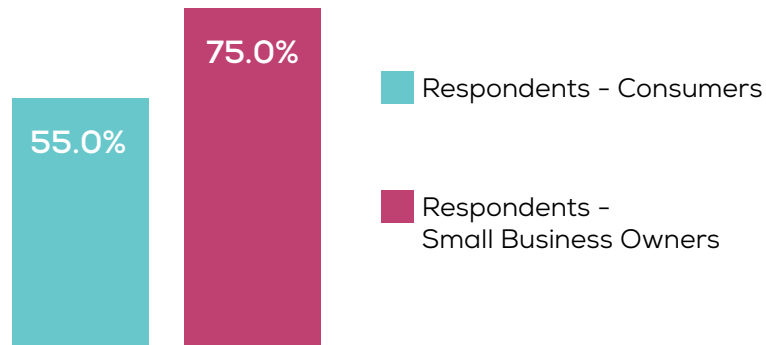
What's your first reaction when you hear a complaint? If like many small business owners, you think you typically provide excellent service, then you may be suffering from the bias of overestimation. That is, you consider your service to be better than what consumers believe.

In thinking about customer complaints, GatherUp were curious whether cognitive biases influenced a small businessperson's viewpoint and impacted their ability or willingness to hear complaints and understand their benefit.

To test that theory, we performed a small experiment. Google Surveys gave us access to two distinct audiences: U.S. adult Internet users (consumers) and small business owners and managers. We hypothesized that these two groups would respond to some questions differently, and that disparity might reflect their distinct bias.

We asked the two groups the same question:

What percentage of local merchants provide excellent service?



Consumers answered in a way that positioned their sentiment very close to the middle, saying that 55% of local businesses provided excellent service. Small business owners and managers, on the other hand, shifted out of that mid-range, responding that 75% of local businesses provided excellent service.

Clearly, this group of small business people felt that their peers (i.e., local merchants) offered excellence in service more often than their consumer counterparts.

THE DANGER OF BIAS IN CUSTOMER SERVICE

The tendency of small business owners to overestimate the quality of their customer service presents a subtle danger: If we think we are excellent, even when we may have failed, we are likely to be less receptive to legitimate criticisms and complaints and less able to fix them without doing more harm.

If we assume that we have these biases, we have to be aware of them, particularly when dealing with complaints. We have to entertain the idea that our blinders are, in reality, preventing us from seeing that we might have erred. Doing so will allow us to achieve better outcomes. In the case of business, that means more profitability and happier customers.

But if we suffer from these unconscious biases, how can we avoid their pitfalls so that when we get a valid customer complaint, we handle it correctly?

The answer: Remain open to your customers' point of view.

If we think we are excellent even when we may have failed, we are likely to be **LESS RECEPTIVE** to legitimate complaints.

And less able to fix them without doing more harm.



REMAINING OPEN TO YOUR CUSTOMERS' POINT OF VIEW

A Harvard Business Review⁴ article sums it up nicely: Because most of us tend to be overconfident in our estimates, it's important to "nudge" ourselves to allow for risk and uncertainty. The article suggests the following steps:

- **Think twice** - When people think more than once about a problem, they often come at it with a different perspective. Give yourself some time for reconsideration.
- **Use "premortems"** - In a *postmortem*, the task is typically to understand the cause of a past failure. In a *premortem*, you imagine a future failure and then explain the cause. This technique helps you identify potential problems before they occur.
- **Take an outside view** - Take an objective stance and ask what advice you would give someone else if the problem was theirs, not yours.

These are much the same as the steps to resolving a complaint successfully. Moreover, if you keep them in mind and entertain the idea that the customer may have a reasonable point, you and your business will be better off for it.

How to Make Your Company Complaint-friendly

The Kaplan Insurance Agency, run by Allen Kaplan, president, is located in an incredibly competitive and crowded insurance market just north of New York City.

Customer service is a top priority for Kaplan, who maintains a Net Promoter Score⁵ (his word-of-mouth index) in the 90's, one of the highest we have seen in his industry class.

An independent agency like Kaplan's sells insurance but does none of the billing or claims adjustment. The national insurer bills it, a third party does the accident appraisal, and a different division takes care of claim reimbursement.

His client may have a terrible experience with the insurance carrier's customer service along the way, but Kaplan doesn't usually hear about it until renewal time. By then, the client is already lost.

After he implemented a follow-up survey immediately after the sale (using GatherUp) and started encouraging feedback, Kaplan seemed to be "doing complaints right," so we interviewed him to learn how he was able to be so successful.

We took his ideas and added a few more to come up with this checklist, to help make your business more complaint-friendly:

BE READY TO HANDLE COMPLAINTS

- Recognize your biases and think about how you will overcome them.
- Have a plan that is written and followed.
- Be ready for that moment of misery and don't fall prey to your emotions.

MAKE IT EASY TO COMPLAIN

- Make a preferred complaint channel easy and obvious to your customers:
 - » Post an SMS/text number readily visible in-store, which you monitor.
 - » Put a form on your website to encourage feedback and complaint.

- » Post your feedback link in your newsletter, email, on your receipt, and in-store.
- Listen to all channels, including Facebook, Twitter, Messenger, and anywhere else customers may mention you;
- Actively solicit feedback – Survey your customers regularly by email and ask how your business is doing.

DON'T HIDE THE FEEDBACK BUTTON

A member of our staff responded to a survey from Delta regarding a flight he took that turned out to be an absolute disaster. He saw it as an opportunity to let Delta know how he felt about his experience.

It was a numbers-only survey, and he had to spend an additional ten minutes on Twitter and Delta's website to actually find the complaint form, which was completely separate. It left him with the impression that the airline did not want to hear what he had to say.

The lesson: Everyone will have a different avenue where they feel comfortable giving you a complaint. Your job is to make sure they have the opportunity to do so *easily*. **Like having a phone number visible everywhere on your site, you should make a feedback button readily available on every page of your site.**

WELCOME COMPLAINTS WHEN THEY DO COME

- Make a complainer feel like your most valued customer because, in some ways, he is. (Read the book *Hug Your Haters*⁶ to understand this idea in greater detail.)
- Lead by example and model optimal behavior for your staff and co-workers.

RESOLVE COMPLAINTS QUICKLY

- Empower employees to act on your behalf.
- Respond quickly. Customers often perceive the fast action as caring.

Just like your sales process, handling a complaint should be well thought out and efficient. If you are proactive rather than reactive and anticipate the possibility of complaint, you can make the best of a bad situation.

STEPS TO DEALING WITH A COMPLAINT

Here is an eight-step process you can follow to best handle complaints when they arise.

1. Own the issue.

When faced with handling a complaint, some employees may pass the buck to another person or department. It's a behavior that sends a message the company doesn't care about the customer. If instead, we own the issue, the customer will take notice.

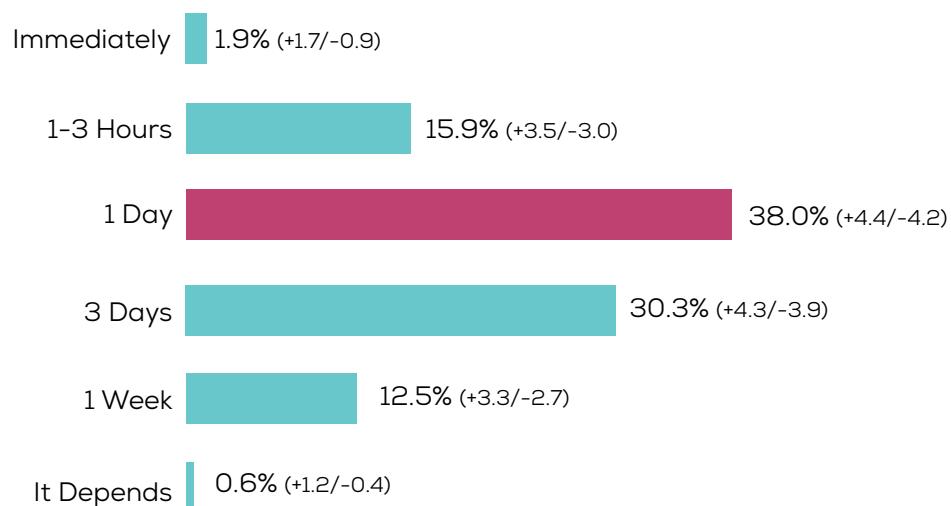
2. Respond quickly to all complaints. Think minutes or hours, not days.

People want their voice to be heard, and nothing shows you are listening more than a fast response.

Most small businesses attempt to deal with complaints in real-time, but as your business grows and communication channels fragment – phone, text, social media, email – that becomes more difficult.

But what is the optimal time from a consumer point of view?

We asked a representative sample (n=480) of U.S. adult consumers the question: *When you complain to a local merchant, how long is reasonable for them to respond and resolve?*



Set a
customer
complaint
response
and
resolution
time.

RESPOND
in an hour,
RESOLVE
in a day.

The answers were somewhat more lenient than we expected. Nearly one-third of respondents indicated three days was soon enough, and another 12.5% were satisfied with a week.

Dealing with national organizations that do not prioritize complaint resolution means that it can take anywhere from three to seven days to receive the first response. For smaller businesses, such a delay isn't ideal. Set a customer complaint response and resolution time. If possible, respond in an hour and resolve the problem in a day.

3. Don't pretend to listen; really hear what the customer is saying.

People want respect and fair treatment. Part of that comes from active listening, being sure that you hear them out.

It's hard, but you need to be able to listen carefully and acknowledge your customers' pain and their complaint in a sincere manner. Take the time to ask questions and better understand exactly what went wrong.

4. Explain what went wrong to the customer.

All too often, companies jump right from "listening" to "resolving." The customer deserves an explanation that is forthright and honest. Sometimes, it's not possible to provide the complete, unvarnished tale of events that caused the problem, but many times a good explanation is all the customer expects.

5. Occasionally put the customer (or yourself) in timeout.

These conversations can be hard and, on occasion, go south. If the customer remains angry, capture her info and call her back. Give her time to cool down. Trying to resolve a problem with an angry person is far too difficult. Too hot to handle is just too hot!

Conversely, you might find that it is you who gets angry and, in doing so you make the problem worse. Take a moment to excuse yourself, and if you can't find the needed composure, ask your team for reinforcements.

6. Take action to resolve the situation.

Come up with a solution that doesn't just fix what went wrong but also leaves the customer feeling good about you and your business. The customer needs to feel that they have been made whole – and this may require something more than just the cost of the original purchase.

It costs a lot to replace a customer and even more in lost business if hundreds or thousands of others see the person's bad review.

At times, you may find it impossible to resolve the situation. Imagine that you are a local agent for a national insurance firm and receive a complaint about pricing. There is no real resolution. In that situation, it's best to move from an effort to resolve to advocacy on the customer's behalf.

A legitimate complaint is worth its weight in gold, and the customer has already paid in suffering. It is also true that sometimes customers can be silly, or even malicious, but erring on the side of generosity, even in the face of irrational behavior, will serve you well in the long run.

7. Reward them for their effort.

Customers who took the time to complain not only didn't get to experience your product or service fully but also wasted time doing so – and spent additional time returning to your place of business.

While it may have been hard for them, they reached out to resolve the situation. Recognize their contribution and help ease the pain with a gift of some kind. That could include a gift certificate, discount, or other special consideration.

8. Follow up with the customer and ask how you did with their complaints.

When it's all over, ask for feedback one more time.

At GatherUp, we think that it's better to earn positive reviews by being a great business than to ask for them and cross your fingers. However, to build the best business possible, be willing to encourage complaints.

We have baked the complaint process directly into our system. It not only minimizes the chance of a bad review, but also gives you an opportunity to improve and shine in your customers' eyes.

A complaint
is a contribution
to your business.

Consider
REWARDING
the customer
for their effort.





Which Complaint Path Is Right for You: Active or Passive?

There are two customer complaint paths you can take: active and passive. The active path involves asking every client for feedback, while the passive approach relies on the use of listening posts, such as social media.

We recommend a combination of the two. Customer feedback is valuable whether it comes in the form of a complaint or compliment, so find as many ways to get it as you can.

Being proactive enables you to put as many customers into the review process as possible. The more opportunities you create for customers to share their thoughts, ideas, and opinions, the better off your business will be.

On the other hand, monitoring social channels for mentions of your brand, products, or services is a way to catch potential problems that you didn't hear about directly, preventing them from reaching critical mass.

Passive methods include asking for feedback via a link on your website or in an email, placing signage in your place of business, and monitoring for mentions of your brand, products, or service via social networks. Also, be sure to monitor for online reviews from Google, Facebook, and Yelp.

We strongly support the idea of soliciting private feedback from every customer. By reaching out and asking, you can request a complaint in email and respond using the same channel. By being proactive, you can control the channel that works best for you and get out in front of the complaint.

Our suggestion: Solicit feedback as a standard process; distance yourself through process; gather data to help you improve, and use a feedback mechanism like GatherUp to automate the process.

ACTIVE: ASKING EVERY CUSTOMER

When you ask every customer for feedback, you are accomplishing something many businesses fail at – having a proactive conversation with your customer. You're letting them know you care and want always to improve.

When you proactively ask customers to share their experience, often you learn about problems or customer issues before they have a chance to share it with friends, or with the world at large in a negative online review. Giving your customer a place to communicate allows you to own the problem, correct it, and ensure satisfaction.

Another benefit of the proactive feedback request is that it allows you, the business owner, to segment your customers. You will know which are happy and which are not. These customer segments can then be used to manage review solicitation and future marketing efforts. When you ask only a few or ask without consistency, you're lowering the number of customers you might want to follow up with for a review. Make feedback a priority and bake it into your business process.

Using a platform like GatherUp makes it easy to ask your positive feedback customers for online reviews while following up with customers who left negative feedback and resolving their complaints before you ask them for a review.

PASSIVE: TAKING THE MONITORING APPROACH

Social networks such as Facebook and Twitter have empowered consumers to speak out about the brands, products, and services they love – and hate! And we better listen to what they have to say.

But is passive monitoring of customer complaints sufficient?

According to Greg Sterling, VP of Strategy and Insights for the Local Search Association, most small business customers fall into the category of the “happy silent majority.”⁷ These customers are not necessarily inclined to write reviews on their own and will likely need prompting.

“By being passive and not encouraging consumers to speak up or engage on review sites, business owners are missing the opportunity to benefit from the ‘happy silent majority,’ a satisfied group that is willing to write about its positive experiences,” Sterling said.

That doesn’t mean you shouldn’t monitor; just don’t rely on it as the sole means by which you get customer feedback.

Here are some tips to help you along the listening path:

- Monitor social media touch points and pay close attention to what’s being said;
- Subscribe to a social listening tool, such as Mention, Hootsuite, or Talkwalker, to make listening easier;

Getting Your Head (and Your Company) in the Right Space

WHY COMPLAINTS ARE SO HARD

Many business owners are wary of online reviews. They fear getting burned by the unreasonable or disgruntled customer. Plus, it's hard on the emotions to hear that your company, products, or services don't meet customer expectations.

The feeling may be: "No review is better than a bad review." Yet avoiding reviews is both a terrible strategy and nearly impossible.

THE PSYCHOLOGY OF HEARING A COMPLAINT

There are two types of business owners: those who dismiss customer complaints and those who give them the utmost attention, respecting themselves and the customer.

It's the latter group which is most likely to be impacted emotionally when it receives a complaint or negative review. The business becomes an extension of their personality and, as such, they see complaints as a threat to their future.

Complaints, psychologically speaking, can feel like a form of personal rejection. Just like a salesperson has to rebound emotionally from a rejection, business owners need time to recover after reading a customer complaint.

Fear of failure is another factor that plays into customer complaint psychology. We imagine the worst and fail to realize things are rarely as bad as they seem. Also, dealing with demanding customers can arouse feelings of impatience, irritation, and anger. In the worst cases, our fight or flight response kicks in.

To protect ourselves from negative emotions, we often erect defense mechanisms such as denial (we pretend the complaint doesn't exist), passivity (if I ignore the complaint, perhaps it will go away), or grandiosity (we think it's impossible for our company to provide anything less than excellent products or services; what right would anyone have to complain?).

HOW TO OVERCOME PERSONAL AND BUSINESS IMPEDIMENTS

Change your attitude. Overcoming the fear of hearing customer complaints starts with a change in attitude. You must see that customer complaints can be good for your business and help it improve.

Don't be defensive. One suggestion we often give to our clients is to send a draft of your response to someone who doesn't work at your company. Ask the person to delete anything that sounds defensive.

Take your time. If a negative review arouses anger, resist the temptation to reply quickly. Put distance between you and the complaint. Otherwise, unless you have superhuman emotional control, the response is likely to sound angry.

Apply safeguards. Respond via email or ask a trusted associate to address the complaint.

Refuse to take complaints personally. Most people aren't out to do the company harm, nor do they mean it personally. They are merely sharing their experience. Refuse to let yourself take the experience personally.

Own the issue. Are you going to own the issue or make excuses? Ownership is the biggest and most important piece when complaints come in. Owning the issue doesn't mean that the customer is always right; it means taking responsibility for solving the customer's problem.

Know that you can't satisfy everyone all the time. The adage says, "You can please all of the people some of the time and some of the people all of the time, but you can't please all of the people all of the time." When you've done your best to satisfy the customer and resolve the problem, be content in that knowledge.

Have a plan in place. One of the reasons we fear hearing customer complaints has to do with the lack of a plan. Following a standardized process each time you receive a complaint builds confidence. You have something to rely on that has worked in the past and will likely work in the situation you currently face. You will benefit by putting steps in place, which you follow routinely.

How one small business owner overcame her reluctance to ask for feedback and reviews

Barbara Oliver is a graduate gemologist, jewelry store owner, and GatherUp' customer.

In the past, she testified to being "consistently embarrassed, forgetful, and slow to accept reviews as a critical part of my marketing."



Oliver's approach to getting reviews began to change thanks to her relationship with GatherUp – particularly when she realized that good reviews translate into sales.

She reported the following news to GatherUp co-founder, Mike Blumenthal: "This week, six new customers came into the store based on reviews alone, which resulted in six sales. If we continue to do this right, we can forego some of the expensive advertising and build up my business."

Citing another example, Oliver said: “Just got a \$7,700 sale. The customer had tried shopping at a competitor and was dissatisfied. They read our reviews, liked what they saw and came in to the store.”

Oliver’s short-lived stigma over asking for reviews did not carry with it a reluctance to address customer complaints, however.

“I have always been receptive to complaints and proactive in addressing the problem,” she said.

She cited one such case, a negative review on Yelp where a long-term customer complained about an alleged breach in customer service, resulting from a failure on her part to follow-up.

Oliver quickly jumped into action. With help from an outsider, she wrote and rewrote a number of versions of her response prior to posting. (She wanted to hit just the right tone so as to remove any hint of defensiveness.)

Finally, in response, she expressed her openness to receiving feedback and willingness to listen and said that she had, in fact, called the customer to discuss the issue but received no reply. She then invited the customer to come by the store to “have a chat” about how to, once again, make her happy with the store’s service.

Not that Oliver has to worry too much about getting bad reviews or customer complaints – she rarely receives them.

Rather, she routinely gets reviews like this one, from Gian F.:

“It was a great experience working with Barbara. She made me comfortable about my big purchase and delivered the beautiful ring in a timely way. The quality customer service coupled with the outstanding selection of rings made for a wonderful time. She even gave me a beer while looking with her and champagne and cookies when I received the ring...not to mention the very nice Facebook post! Needless to say, I would highly recommend her to anyone!”

Or this one, from Joe K.:

“Barbara was phenomenal with helping me pick out the perfect engagement ring for my fiancé. Her knowledge and customer service was outstanding. I highly recommend Barbara to anyone who wants great quality, excellent service, with the personal touch you don’t get at the big box store.”

While Oliver welcomes customer feedback, she does not, in her words, “chase five-star reviews.”

“We like to get feedback, and we especially like hearing when our client thinks it was a job well done,” she said. “We don’t chase five-star reviews, but if we work hard and exceed our customers’ expectations, we have found they generally follow. On the rare occasion when things don’t go as planned, we’ll work diligently to make sure we get it right. From our perspective an unhappy customer is not wrong; it means that their expectations went unfulfilled. And that’s all on us.”

Oliver offered the following advice, to help other small business owners learn how to address customer complaints that appear as reviews:

- Respond to complaint reviews promptly, but take some time to think about what you want to say. Don’t respond in haste, in case you let your emotions get the better of you.
- Always acknowledge the issue and, if necessary, apologize. Offer to make things right.
- When you receive a negative online review, the first step should be to attempt to settle the matter out of public view via the platform tools, an email or perhaps offline with a phone call before responding publicly.
- The best way to deal with a complaint is to listen. Most often, when people are upset, they just want to be heard.

Oliver’s story is just one of the many examples of how GatherUp’ customers have learned to make getting feedback and addressing customer complaints proactively (which often result in good reviews) an essential part of their marketing strategy.



Handling Customer Complaints in Multi-location Businesses

Managing customer complaints and public reviews when you have one location can be challenging enough, but what changes in the plan and execution when your business grows from one to two, three, five, or even more locations?

The good news: You have options.

You can let each location manage its own complaints and reviews (we call that distributed management), centralize management with one person being responsible for all locations, or use a combination of both.

Here are the pros and cons of each.

DISTRIBUTED MANAGEMENT

Pros

Treating each location as a “stand alone” business allows your managers to monitor the customer happiness for each location rather than your company as a whole. You will be able to quickly identify if there are isolated problems unique to a particular location or learn from a business location that produces exceptionally happy customers and apply what you learned to your other sites.

Cons

Managing at the individual location level can be more complex.

For example, it requires much more planning. You will need to develop policies and procedures to standardize how your entire business responds to customers, deals with positive reviews or remedies complaints. (That's a good idea with even one location.)

You will also need to have someone monitor and respond to reviews at each site and then train the person on your policies and practices.

It also makes seeing the big picture harder – that is, unless you have a review management system designed with multi-location management in mind.

CENTRALIZED MANAGEMENT

Pros

Having one person (or a small team) manage feedback, listen for complaints and monitor reviews across the enterprise comes with some advantages. Having fewer “cooks in the kitchen” simplifies the process. Responses will be more consistent and retain a singular brand voice.

The person may also be able to compare and contrast individual locations, identify best practices, and create standards for those that under-perform. With one person in charge, you may be able to catch complaints quicker – before a customer might voice his concern on Yelp or Google.

Cons

Centralized management removes “ownership” for responding to customer reviews from managers at each location and could make them feel less accountable for satisfying an unhappy customer and less likely to make decisions that are in the best interest of the individual location.

Also, by taking an entirely centralized approach, you may miss the on-location complaint altogether, which can lead to bad reviews and worse if the staff do not or are not allowed to resolve it.

MIXED MANAGEMENT APPROACH

Pros

Combining the two approaches leaves at least some of the decision-making in the hands of local managers while, at the same time, affords oversight at the company level. You can also charge the person at the company-wide level to provide training, identify best practices, and develop standardized policies and procedures.

Centralization allows those aspects that can be scaled, such as managing a large number of feedback surveys and review monitoring, to be systematized and regularly executed.

Having well-trained staff on the ground, empowered to deal with complaints, can catch problems missed by the less personal survey from escalating into bad reviews.

Cons

A mixed approach demands that you use a review tracking and management system designed with the flexibility to accommodate both local review management and company-wide administration. This approach also requires great field staff training and clear guidelines as to how to resolve complaints.

While a mixed management approach requires both centralized resources and significant training, in the end, it is likely to consistently produce the best results. Be aware, however, that this solution is also likely the most expensive.



Developing a Plan

Customer complaints are a fact of business life. And while they can be hard to deal with, it makes sense to plan for the inevitable and try to minimize the impact they can have on your business.

It's best to have a process that you have thought through ahead of time and can stick with. If you follow the plan, you can focus on the issues at hand and not let emotions get the best of you.

Spend some time thinking about how to make the complaint process easy for your customer.

Make it conspicuous on your website and offer some alternatives for contacting you, including email and text messaging. Post signage in your store or place of business. Integrate your complaint process directly into the follow-up procedure and let folks know that you welcome their opinions.

ASK THESE QUESTIONS

Some questions to ask in preparation for developing a plan include:

- Are you going to be proactive or reactive in handling complaints?
- What channels will you monitor? (Social networks, rating and review sites, etc.)
- Is it worth automating the process using a platform such as GatherUp?

- When do you ask the customer for feedback: immediately post-sale or wait until later?
- How will it integrate the feedback mechanism into existing processes in a way that is sustainable? (You don't want to create any more work for yourself than necessary.)

ENGAGE YOUR EMPLOYEES

One of biggest reasons customers complain has to do with poor attitudes among employees. Therefore, it is imperative that you train every employee on customer service best practices and how to do their jobs well.

It is also vital that you train employees on how to handle complaints and empower them with the ability to resolve problems. If you can't do that, create a clearly-defined funnel that moves the complaint quickly and efficiently to the right person.

Ultimately, complaint handling is the business owner's responsibility, but the more people you have in the organization who can share the task, the better off you're going to be.

FIND A TONE THAT FITS YOUR COMPANY

The tone you use in responding to complaints has everything to do with the type of organization and its personality. For example, the tone employed by a high-end jewelry store may differ from that of a tire shop.

Ask, does the tone match our customers' expectations? Is it authentic and genuine? Is it respectful and courteous? Does it sound businesslike?

Test the tone to ensure it engages clients appropriately.

KNOW WHEN TO FIRE A CUSTOMER

Every business has to know when to draw the line on abusive customers – those who are wrong in their allegations and ardently disrespectful. Even though the business has to be the adult in the situation, there are points when you may need to take a time out or, worse, fire the customer.

Epilogue: Learning to Love Complaints

Learning to love customer complaints requires a change in attitude – one that says, despite the difficulties involved with handling the complaint, in the end, my business will be much better off.

It begins with an understanding that the ROI of successful complaint management far exceeds any anxiety caused by dealing with a dissatisfied customer. Remember what Earl Netwal said, “Complaints are the raw material out of which a better business is built.”

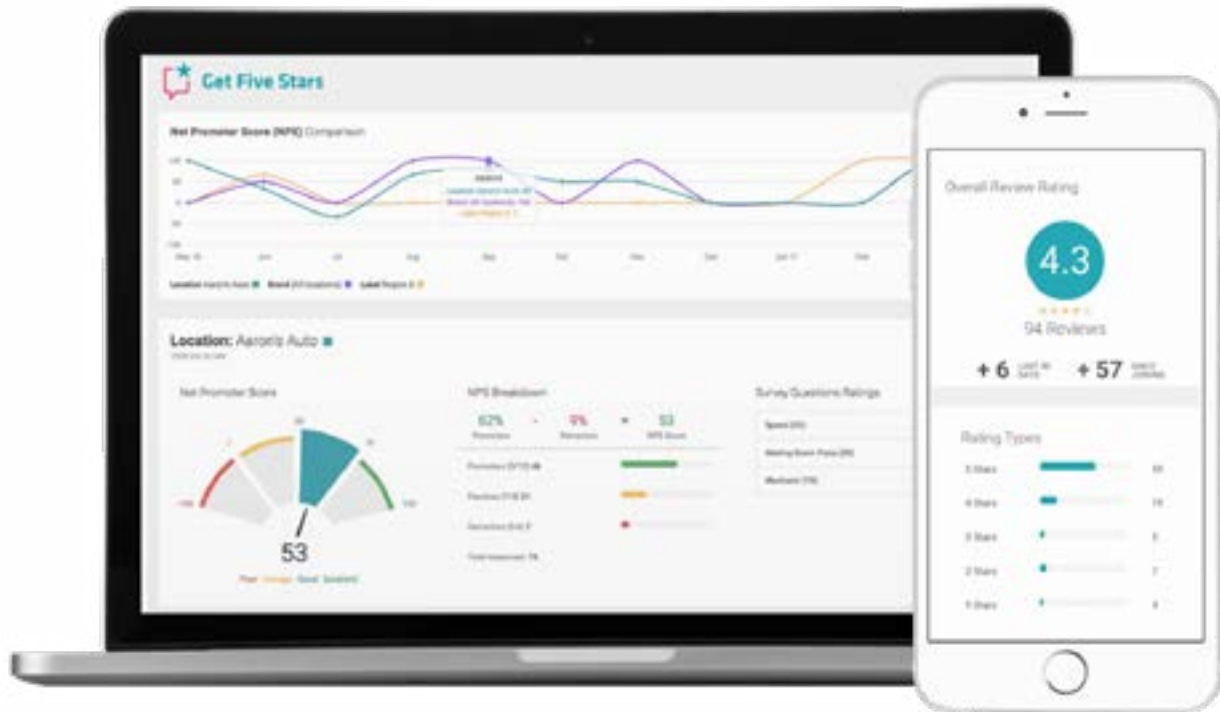
In *Build a Better Business Using Customer Complaints*, we have equipped you with the tools needed to make handling complaints and responding to bad reviews less of a burden.

We’ve shown you how to:

- Prepare for the impact complaints and reviews can have on your business;
- Make your company complaint-friendly;
- Respond proactively;
- Deal with negative emotions;
- Manage multiple locations using one of three options;
- Develop a plan that engages your employees and fits the tone of your business.

By making changes to your business processes based on customer feedback, you will see fewer complaints, more positive reviews, and a smaller number of sleepless nights.

So the ball is in your court. Take the information provided in this eBook and put it to use to build a better business based on customer complaints and negative reviews!



About GatherUp

GatherUp is a customer experience platform that puts you in control to engage, manage and market your customer's feedback and online reviews. Unlock valuable insights through our reports while you engage your customers by requesting feedback, online reviews, Net Promoter Score and short surveys. Affordable for any small business and robust enough for Fortune 500 companies, GatherUp will help you build a better business.



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GatherUp.com

5205 Prospect Rd. #135-163

San Jose, CA 95129

(408) 809-0800

www.GatherUp.com