

Rethinking complaints

1. Keeping the customer satisfied

Customer satisfaction in UK business is declining. The 2023 survey by the Institute of Customer Service reported a drop of 1.8 points compared to July 2022. This is the lowest score for 8 years. But complaints are also rising with 48% of customers who experienced a problem saying that it took longer than they expected for the problem to be resolved, compared to 37% in July 2022.

Service and complaint handling needs to keep on improving if it is to meet consumer expectations.

27%

experienced a negative behaviour when reporting a problem, up by 5 percentage points compared to a year ago.

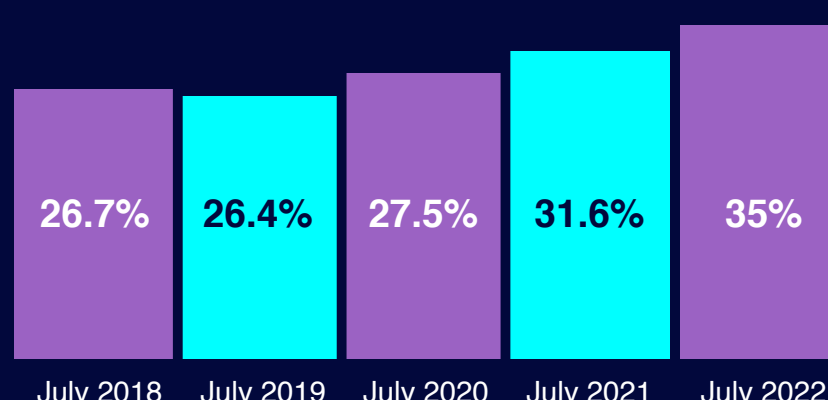
2. Adding value with complaint handling

Complaint handling is the biggest single factor in consumer satisfaction. Companies that handle complaints effectively get the biggest boost to satisfaction. Those that get it wrong suffer the most.

Service commands a premium. One in three consumers report they are willing to pay more for excellent service, up from one in four in 2018.

Complaint handling is not an add-on. High quality complaints handling adds value to your business.

Preference for excellent service, even if it costs more



3.

The Human Touch

Consumers are increasingly using online channels, but most still want to combine this with human interaction.

They want three things to improve:

14.3%

To speak to the right person

12.9%

To speak to helpful and friendly staff

11.8%

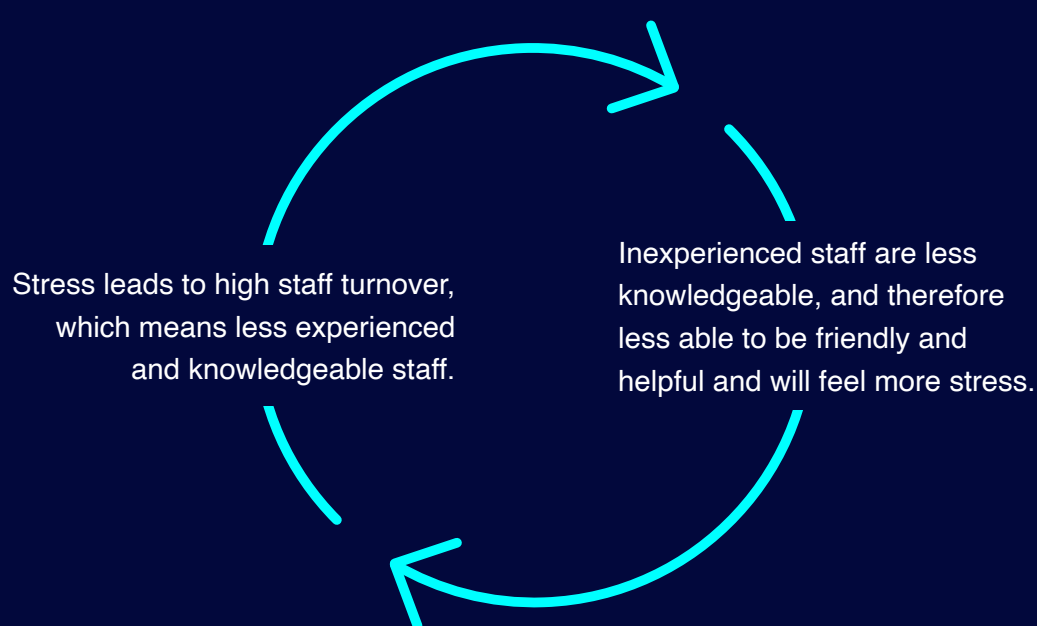
To speak to knowledgeable staff

9.1%

Speed of resolution

4. Getting it wrong – a vicious circle

Weak complaints handling damages satisfaction and retention – not just for customers. Stress and mental health are a widespread problem in complaint handling. Dissatisfied and stressed staff leads to high employee churn. Call centre staff turnover is around 26% compared to just 15% across all types of employment. Staff turnover costs between £6,000 and £9,000 per employee.



5. Key recommendations for organisations

One

Resolve complaints as quickly as possible as delays create frustration and decrease trust

Two

Develop the right balance between digital and human interactions to design experience around customer needs

Three

Provide straightforward ways for customers to complain across different channels

Four

Be empathetic when customers report a problem or complaint.

Technology can never replace the human touch, but it can help improve human interactions by providing complaints handlers with the tools to do their jobs most effectively and giving complaints executives the tools to study and analyse those interactions for improved results.

The result is happy, confident teams who are loyal to the team and happy, confident customers, who are loyal to your company.