The Key to Business Growth Is Achieving Customer Service Excellence

Better understanding the complaint journey enables you to grow your business

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Introduction

Customer service isn't easy, and without happy customers, it’s nearly impossible to grow as a business. Because of this, many financial services organizations are putting customer service at the heart of their business. Feedback and complaints play a vital role in driving product, service and process improvement. Most companies, however, still struggle to understand and act on customer feedback. A complaints management solution (CMS) can help improve customer interactions, accelerate case resolutions and generate actionable insights on how your business can do better.

In short, changing the face of customer outcomes is all about aligning the day-to-day, customer-facing tasks with executive and customer priorities. It's so valuable to understand the connection between complaints management, customer experience (CX) excellence and organizational performance. Without recognizing the interconnectivity of customer service with every other department, there are bound to be gaps within your business.

This whitepaper will provide some complaints and feedback insight from the customers' perspective; we've collated and distilled quite a bit of research, and what we've discovered is pretty enlightening. Within these pages, you'll find insight on how to improve the customer experience.

Understanding What Customers Care About Most

Companies that succeed often follow the same simple rule: you must put your customers first. Customer service shouldn't be an isolated department but a practice that's employed in every aspect of your business. With all your employees making decisions with a customer-first mentality, you can't help but improve the customer experience, and make no mistake, they expect nothing but the best. In a recent study conducted by Microsoft, it was discovered that as technology continues to drive the customer experience, customer expectations are rising.

54% of respondents say they have higher expectations for customer service today than they had one year ago.

68% of customers have a more favorable view of brands that offer or contact them with proactive customer service notifications.

72% of respondents expect customer service agents to have insight into their purchase history and previous engagements with the brand.

96% of respondents say customer service plays a role in their choice of and loyalty to a brand.

These numbers are too high to ignore. Instead, use those numbers to motivate executives and employees alike to put customer service excellence at the heart of the business. The payoff promises to be worth it if organizations seize the opportunity.
The Institute of Customer Services (ICS) has studied behavioral patterns of customers over a year, and the chart above highlights what it is that customers value as most important when evaluating an organization; it’s a shortlist of what they consider when forming their opinion of a company.

Simply put, complaint handling is the management of customer complaints. It’s about how employees within an organization process a complaint from start to finish. The businesses that handle complaints most effectively tend to retain their customers, have clear communications (both internally and externally), and operate efficiently.

The chart above indicates that complaint handling and problem resolution are critical pieces of the customer journey. It’s worth noting that those other attributes aren’t mutually exclusive to problem resolution - they need to permeate through that customer journey too. ICS indicated that the highest performing organizations for customer satisfaction tend to be highly rated across all dimensions of customer satisfaction that are measured, and that includes complaint handling.

Businesses that address complaints in a timely, genuine manner are setting themselves up for success; conversely, firms who don’t take customer complaints seriously are positioning themselves for failure. A Microsoft study indicates 56% of global respondents have stopped doing business with a brand due to a poor customer service experience. It’s a risk not worth taking. A CMS can help you manage and address the complaints your business receives. It’s important to remember: if a customer complains, it means he/she cares. Take what each of your customers has to say seriously and communicate every step of the way through resolution. A CMS is the perfect tool to help you do this effectively and efficiently.

The Complaint Journey

When moving through an organization, the complaint journey is a complicated one. A lot must happen for a previously dissatisfied customer to end up feeling a definite sense of resolution. A complaint typically moves through five stages in its journey throughout your organization. Each step is invaluable in ensuring that the customer has a positive experience with your enterprise. Not only does it ensure both operational and customer success, but it creates the potential for customer and brand loyalty, which is an assurance for future business.
1. The Capture Stage

At the capture stage, customers use their preferred channel of communication (email, telephone, social media, in-person, etc.) to reach out with a complaint. So for an upset customer, communication channel choice is critical. The customer that can communicate with his/her preferred channel when complaining is more satisfied than the one that does not, and customers tend to be more upset if they have to use a platform they don't necessarily enjoy. Selecting which channels to offer your customers should not solely be about cost-to-service. There is a risk involved in driving customers to a channel that may not be their preference; you must grant them that choice and let the customer select what works best for them in their given set of circumstances.

In terms of aligning executive priorities with frontline complaint handlers, it's valuable to consider the ROI involved in a complaints management solution. By providing customers with self-serve complaint communication options, the phone will undoubtedly ring less. Still, it also means that it's unnecessary to dedicate an entire team to create a call center, for example. By utilizing the tools within a CMS, you can record all those first-points-of-contact and eliminate the need to re-key information and underutilize your staff, saving you time and work.

Customers want to feel like it’s easy to raise issues with companies, that the company empathetically understands their problems and their needs, so they can begin to trust that you will investigate their issue fairly and promptly.

2. The Investigation Stage

When investigating a complaint, customers need to be updated, and their expectations managed. Hence, they know how their claims are being appropriately addressed as opposed to being taken and then immediately forgotten. Often they understand that complex issues take time to resolve, but they need to know that your organization is working effectively to address it. They also want to know that you are considering their unique circumstances. You and your employees have a responsibility to the customer. You must listen to him/her thoughtfully, identify potential vulnerability and decide how, if at all, that affects your enterprise’s decision making.

Much of the heavy-lifting in complaints handling is performed at this stage of the journey, and you want to align employees’ capabilities by assuaging some of the low-value activities of case professionals so they can dial up their emotional intelligence. With the right CMS, regular communication with the customer can be automated and delivered at the right time. This kind of automation will negate the need for inbound contact from the customer.

Customer advocacy – utilizing the customer as a spokesperson for your company – is like gold in complaint journeys. Deloitte released a study indicating that consumers mention 56 brands in conversation a week, that 1 in 3 people come to a brand through a recommendation and customers that are referred by loyal customers have a 37% higher retention rate.
By complaining, a customer is presenting you with an opportunity to earn back their trust and business. So first, you must recover and then nudge them from being indifferent to being an advocate. You want to use a CMS solution that can manage the complexity involved with case management - the capture, storing and sharing of evidence internally and with arbitrators.

This stage gives businesses a real opportunity to show customers that you know them and their history with you. But also that you really GET them. It’s about their needs, their circumstances, and their limitations. Yes, there will be frameworks and guidelines and limits you will have in your company to help shape the outcomes, and that’s sensible and necessary, but listening to and understanding a customer may mean going outside of those guidelines. Your employees, with the right governance, should have permission to do that.

3. The Resolution Stage

This is undoubtedly the most critical stage of the journey. What happens in the resolution stage can either make or break the future of your customer’s relationship with your company.

Truly understanding your customer’s complaint and coming to a resolution that promotes trust and transparency is the key to success at this stage.

When a customer raises a complaint, they are looking for a resolution that seems right (to them) and that they can understand. We can see that 62% of customers are not happy with the explanation they received about the outcome of their complaint. If they don’t understand why a decision has been made, they are going to be a long way from feeling that the choice is right and fair.

Complaint handlers must showcase their emotional intelligence in these situations, and firms that are hiring complaint handlers should make this attribute a priority when hiring and onboarding new staff. More important than product or process knowledge is the ability to display empathy, listen carefully and show authentic interest in the complainant’s predicament. Handlers must have those qualities and then be able to communicate clearly and effectively. Because your complaint handlers are at the forefront of the customer experience journey, handlers must have those qualities and then be able to communicate clearly and effectively.

When a customer complains, you want to make them comfortable not only with the outcome, but throughout the entire process. This starts with the complaint handler. In the resolution stage of the customer journey, you want to create as few risks as possible. Risk reduction is key.

Put simply, risk reduction means mitigating adverse outcomes associated with the customer experience. By employing a CMS, you’re eliminating some of the potential danger zones—miscommunication, delayed communication, undesirable outcome, customer defection—involved in the customer experience process. Risk reduction is all about quality and plays an essential part in the entire complaint resolution process. A thoughtful, thorough and tenacious approach to quality is the key to improving customer outcomes.

Utilizing a CMS that has text alert capabilities can help ensure quality. Providing just-in-time alerts has a significant impact on our behavior; Financial Conduct Authority’s (FCA) research shows that customers receiving a text notification at the right time prompts action. This provides useful insight, prompting a complainant to get in touch can help you gain mutual agreement that a complaint has been resolved.
in a shorter time, one of a complainant's most often sought outcomes - the speed of resolution. Mutual understanding addresses a typical customer expectation gap. A firm may believe it has resolved a complaint, for example, but the complainant may disagree. Coming to an agreement means the firm and complainant are on the same page.

Complaints are typically friction points in customer journeys throughout the broader organization; they highlight areas that cause its customers irritation. Still, by identifying the root cause of complaints and then eradicating them, the journey will be more pleasant, the customer experience will be improved, and you have the potential to create customer advocates.

Trust is essential to any relationship, and it's at this stage in the customer journey that you have the chance to build trust. Part of that is done through communication and involves being clear and transparent in how exactly you've fixed something for a customer, whether they like the outcome or not. We often focus on the happy path, when there's a lovely mutually agreeable solution to a complaint, but that isn't always the case. The need to help and guide the team in delivering an outcome that isn't what the complainant wants is both an art and a science. Art is the emotional intelligence of the complaint handler, it makes the selection of team members crucial, and science in guiding handlers in the process, it makes the selection of your CMS essential.

At this stage of the journey, it's also important to be aware of inefficiencies in your complaints management processes. Creating email and letter responses to complaints on an ad-hoc basis, for example, is time-consuming and prone to human error. Instead, CMS systems promote consistency and efficiency across all types and levels of complaint handling. In addition to selective automated responses, a CMS solution allows users to track the status of open complaints in various stages of resolution; uncover the root cause of customer complaints, spot trends and correct underlying issues; and comply with regulatory demands through included templates, timelines and reporting features. Simply put, a robust CMS solution provides you with the analytics and insights you need to make your business better.

Although you may have come to a resolution, the complaints journey doesn't stop there.

4. The Fulfillment Stage

In terms of fulfillment of the case, your promises are crucial to driving up satisfaction. By delivering a positive complaint experience, you're much more likely to create a customer advocate. 96% of companies believe that complainants can be turned into advocates, but only 26% of customers are satisfied with their complaint experience, according to Huntswood's research. Now, it's nearly impossible to get 100% customer satisfaction, and we're not advocating you try. But you must recognize that despite your best efforts and regulatory compliance, there remains a massive opportunity to get things right more often.

As we've stated, the resolution isn't the end. You need to make sure you deliver on any promises you made during the complaint journey. Too often, the fulfillment process is a manual activity with holes in it, as colleagues outside the case-handling function invariably complete it. Not to mention, the handoff is often manual and assumed to have

Source: Huntswood Complaints Outlook 2019
taken place, potentially causing reputational damage. This is the process without a CMS. Consider the benefit of automating that handoff: not only is it operationally more efficient, but you can ensure your fulfillment promise has been kept.

Complaint handling and customer recovery are critical measures for customer satisfaction. Often how a customer scores these measures are built on their experience, their emotions and your ethics. You may also want to consider a progressive approach to how you measure the performance of your case handling professionals. Consider measuring not by the volume of cases handled or internal QA results but by satisfaction scores directly from customers. Automated survey capability within a CMS allows you to do this based on a specific case handler or a case-by-case basis. This survey is a direct link between the case handler and the customer’s perception of them. Your customers want to feel understood and that your promises to them have been fulfilled. That’s going to build trust and more satisfaction then they had with you before the issue occurred. Additionally, your employees also want to feel understood and that their performance is being fairly evaluated.

5. The Insight Stage

Now that you have captured, investigated, resolved and fulfilled the complaint, there is still one more stage to go: the insight stage. It’s now time to mine all the data that’s been amassed throughout all other steps; productivity, channel preference and root cause of complaints are important, but it’s also worth considering employee engagement.

Complaint handling is essential to combat dissatisfaction but is not a guarantee of increased satisfaction. The UKCSI survey identified that only complaints achieving a satisfaction rating of 9 or 10 (out of 10) lead to a higher than average overall satisfaction. This means over 70% of complaints are likely to result in lower than average customer satisfaction. So complaint excellence matters when looking to improve customer satisfaction.

Having engaged teams improves customer satisfaction. The Customer Service Institute has found compelling evidence that high levels of employee engagement lead to stronger customer satisfaction, loyalty and business performance. A comparison of organizations’ customer satisfaction and employee engagement scores suggests that a one-point increase in employee engagement is likely to give a 0.41 point increase in customer satisfaction. Forbes indicated that 73% of companies with above-average customer experience perform better financially than their competitors. It’s worth it to have engaged employees to drive an above-average customer experience.

You need your customers to feel like you’re capable of fixing things, thus reducing problems and, in turn, making it easier for them to do business with you. That sentiment needs to be felt through the technology you offer, your processes, but also through the experience they have with your employees, and your employee needs to be engaged to deliver that level of expertise.
Achieving Customer Service Excellence

The customer experience informs all departments within an enterprise. It shapes products, processes and organizational culture. This is why achieving customer service excellence should be a topmost priority for your enterprise. By successfully managing complaints, you have the potential to create not only brand loyalists but brand advocates, which are customers who recommend your business to friends and family. They offer unsolicited praise of your business, thus sending other customers your way. The best part of the unsolicited praise is it’s free! That’s a massive incentive in earning these advocates. The only way you experience this kind of brand loyalty is if you take care of the customers you do have if you treat them and their opinions with respect and empathy, and your follow-through with what you say you’re going to do.

There is an ever-increasing conversation around the importance of the customer experience and of providing an authentic, transparent, trustworthy and differentiating experience for customers. Many organizations have the desire to drive further customer experience improvements but struggle to get senior leadership support. But as the key to overall business growth and success, it’s never been more critical to invest in achieving customer service excellence.

Conclusion

It’s safe to say that executive priorities are often centered on growth, cost reduction and risk reduction. Increased satisfaction is proven to lead to more revenue growth, and excellent complaint handling inevitably leads to increased customer satisfaction. But not just average complaint handling. Remember, it takes a satisfaction score of 9-plus out of 10 to positively impact your customer satisfaction score. And you need engaged employees to be able to drive your customer satisfaction scores up and deliver the experience that customers expect.

As the research in this whitepaper indicates, it’s valuable for your enterprise to make customer satisfaction a key performance indicator. You might not like it, but good complaint handling is no longer enough. Ticking the regulatory boxes is not enough. And that’s not just for organizations who want to deliver a great customer experience, that’s for organizations who wish to grow as much as they can, and they need improved customer satisfaction to do that. And complaints excellence is a crucial variable to get that customer satisfaction up.

Aptean Respond is a solution that puts customer satisfaction at the forefront, and the Aptean team is determined to do everything they can to enable and ensure your organization’s success.

It’s so valuable to remember that a complaint professional does more than only manage complaints; it’s his/her responsibility to drive up customer satisfaction and grow the business. It’s hard to do, but it’s no longer hard to measure. With the right training, staff and tools, you can undoubtedly quantify the impact of making your business customer satisfaction driven. Complaints excellence is a crucial moving part in driving increased revenue for your organization.

If you’d like to learn more about how you can utilize all the tools within Aptean Respond to reorganize your business and put customer excellence at the forefront or further discuss the customer journey, reach out to us.