

## Complaints Management as an Effective Customer Management Tool

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**Abstract:** The article analyzes that properly managed complaints can provide a strong link between users and the organization. So, if companies are seeking consumer loyalty, they must look at complaints as a strategic tool, not as the proof of their mistakes. Complaints are a feedback system that can help organizations quickly and easily run away, which is currently relevant to each business, change its product, service style, and marketing goals. If a user is successfully addressed after the problem is addressed, it is usually not possible to make formal complaints. So, one of the best ways to find out what the user wants is what his expectations are to hear his complaints, and one of the most reliable ways to improve personal relationships is to draw attention when someone feels depressed for us and responds accordingly in order to resolve the conflict. However, most customers are dissatisfied with how companies react and deal with customer complaints, although they are well aware that this is very important.

**Keywords:** complaints, customer, complaints management

### INTRODUCTION

The first step to recovering customers is to effectively handle complaints, and the second is to make every effort to avoid further complaints from consumers. Good complaints management occurs when an organization responds to complaints and promptly resolves them. Good complaints management occurs when organizations

apply simple and understandable procedures for managing complaints. Complaints management procedures must be clear both for clients and employees of the organization: unsatisfied clients must have a clear understanding of how to register a complaint, and employees have to pay how to accept such complaints. Good complaints management takes place when it is managed in a simple process. The user must be able to register the complaint with one contact, and the staff must be trained in solving one or another complaint and in the event of problems encountering each time failing to apply to a senior manager. In addition, the complaint must be submitted promptly, and if this is not possible, the manager must inform the client of the progress of the complaint. Good handling of complaints occurs when organizations that solved complaints do not leave everything behind, but ask the consumer whether he was really happy with how his complaint was resolved. It is said that consumers become happy only when their complaint is effective, because they feel influenced by the fact that as they are dissatisfied they decide to speak and defend themselves. Therefore, the owners of the companies must take into consideration consumer complaints seriously and in exchange offer something else. This may be a price reduction, a sincere apology, a gift or a product for free, a discount coupon for other purchases, a promise that it will not happen again, and

so on. It is equally important for the client to thank him for his complaint and explain why you value it.

### 1. Complaints definition

The complaints never played a positive role. In these times it means pain, discomfort or annoyance, as well as illness or malaise, and in legal terms. According to Barlow, Moller [1], "complaint" (complaint) may mean: harass, spit nerves, crush, hang on, attack, blow things up, look for guilty ones, complain, etc.

It is not necessary to determine precisely who is the complaint is. This can be any problem identified by the buyer or a formal complaint. If you successfully address a problem with a buyer, it's usually not possible to make formal complaints.

So, one of the best ways to find out what the buyer wants, what his expectations are to hear their complaints, and one of the most reliable ways to improve personal relationships is to draw attention when someone feels depressed for ourselves and respond appropriately in order to resolve the conflict. Most buyers are dissatisfied with the way the store responds and reacts to complaints from buyers, although they are well aware that this is very important.

**Table 1: Complaints definition**

Author	Complaints definition
Jian, Xin, Zhao-hong [2]	Customer complaint is a complex combination of psychology and behaviour, involving many aspects such as reason, motive and way of act. So there are many different interpretations about its intension. Jacoby and Jaccard report that customer complaint is individual behaviour to convey negative information about products or services to the enterprises or third-entities, which indicates that the characteristic of customer complaint behaviour is to convey negative information (Jacoby, Jacob & James J. Jaccard, 1981).
Supriaddin, Palilati, Bua, Patwayati, Jusuf [3]	Complaint is one part of negative expressions resulted by unsuitability and gap between reality and someone's expectation (James, 2006:20). Customers' complaint behaviour is term which cover all customers action if they feel unsatisfied with a purchase or service.
Tjiptono [4]	There are four aspects in handling important complaint. They are: a. Empathy to angry customer. The speed in complaint handling c. Justice or normality in breaking/solving the problem or complaint d. Easy for customer to contact the company.
Tronvoll [5]	From the provider's perspective, complaint behaviour is important because it, (i) influences the possibility for future survival on the service provider, (ii) may reduce the effect of the negative impression and (iii) helps the provider to develop a sustainable business. Customer complaints may be useful in many ways: providing marketing intelligence data, identifying common service problems, learning about organisation, improving service design and delivery, measuring and enhancing the perception of service quality, and helping strategic planning.
Tolba, Seoudi, Meshreki, Shimy [6]	Customer complaints include all written, oral or electronic communications in which customers express their displeasure regarding some deficiency or failure in the product or service. Complaint handling involves strategies whereby companies attempt to resolve the failure and learn from it to avoid future failures, while regaining the customers' perception of the company's reliability (Shammout and Haddad, 2014).
Ndubisi, Adeline [7]	Complaint is typically a consequence of customer dissatisfaction. Dissatisfaction results from a negative disconfirmation of consumer expectations. The disconfirmation model has been widely accepted by many researchers and can be used to define satisfaction and dissatisfaction. The disconfirmation model focuses on the condition where the product disconfirms expectation.
Goodman [8]	Complaints, like death and taxes, are inevitable. Even market leaders encounter them. But each grievance represents a chance to correct a flawed process, educate a customer and strengthen loyalty. Multiple studies already show companies with high quality customer service and effective complaint handling processes can charge a premium as well as increase loyalty. The case for investing in improvements is clear, or so it would seem.
Filip [9]	Complaints should be considered an indicator of organizational performance assessment, signalling some problems or failures in internal processes that need quick recovery in order to avoid migration of profitable customers. Furthermore, organizations must learn that the consequences of loosing clients are both profit decrease and negative word of mouth. In this context, the aim of the present study is to highlight which are the key features of an effective complaint management process, as a less expensive system of diagnosing and learning a company's weaknesses.
Mensah [10]	Complaint may arise as a result of defective or poor product or service quality, unfulfilled expectations in the service encounter, or some unfulfilled promises given by the product manufacturer or service provider. Customers may complain about some attribute of a product or dimension of service quality that is perceived as dissatisfactory. Complaint may also result from dissatisfaction during the purchase, possession or consumption of a product/service.
Carvajal, Ruzzi, Nogales, Moreno [11]	More generally, a complaint is an expression of dissatisfaction communicated to an organization in regard to its products [12]. It often leads to customer defection if the organization does not take steps to provide an efficient solution to the particulars of the grievance.

Internal (employees) and external (customers) clients have different requirements and views on how complaints must be answered, how they are to be taken, apologized and compensated.

It's no wonder that many complaints do not like it. On the other hand, it's a way for a buyer to advise the store how to lead your business. Barlow, Moller [1] stated that the complaint is a gift to the

company. Making complaints for companies is a gift that requires completely replacing companies with their strategies and complaints about contemporary business relationships. It is of vital importance to distinguish pure information from the feeling of being flooded with the accused, which in turn reflects the perceptions of disillusioned human feelings and encourages the reconsideration of how complaints help achieve their goals in business. In order to make a complaint to the store a gift, it is necessary to determine the main reasons for it. In most companies, complaints are simply responding, instead of putting in place free information through improved quality of work. Complaints are not fully exploited if they remain

Complaints management centre; they need to be used-to the critique that helps the store to improve by improving the service or product quality. Complaints are both a test and the ability to shop, because complaints reveal different actions. The first step in getting buyers back is to effectively handle complaints; the second step is to make every effort to avoid more complaints from shoppers.

According to Barlow, Moleer [1], complaints are a feedback system that can help to quickly and easily change the service manners and encourage the business to focus on customer needs. Therefore, it's time for stores to think that complaint analysis is a strategic tool to find out about your store what is not known yet. It's time to think that complaints are not an inconvenient or costly thing, but rather a market asset.

Therefore, I believe that the store, instead of giving a tempted decision to reduce the number of complaints, has to talk about paying to deal with them. Namely complaints are the simplest and most effective way for buyers to report that there is still room for improvement. If the store accepts complaints as a gift, then there will be completely new opportunities for communicating with shoppers and will benefit everyone.

As stated by Simon, Kafel, Nowicki, Casadesus [13], complaints should be considered an indicator of satisfaction or dissatisfaction, pointing at problems or failures in internal processes that need fast recovery in order to avoid losing profitable customers.

Buttle [14] stated that complainants who have a highly efficient complaints handling experience are more likely to be satisfied and to feel that they have received a good quality product or service.

Davidow [15] argues that the implications of customer complaint behaviour for organizations have been examined far less often. Yet how an organization responds to a complaint can have a major impact on its

customer's post complaint consumer behaviour, from repurchase intentions to likelihood to engage in word-of-mouth activities, and it may even affect the valence of the word-of-mouth message.

## 2. Classification of complaints

Butelli [16] stated that complaints directly expressed are not a unique, neither the first reaction of customers toward a problem. On the contrary, consumers voice their complaints only seldom and under some determined conditions. According to Butelli [16], when customers decide to complain, they have previously passed through two distinct, even if interrelated, steps already identified by Hirschman [17]: they value positively the balance between costs and benefits. Both costs and benefits are not only economic, but also psychological factors [18]. The perceived benefit can be not great enough to lead a consumer to complain, even if a considerable dissatisfaction exists. On the contrary, a consumer can complain even with a low level of dissatisfaction if the perceived benefit is remarkable [19] they value worthwhile the complaining action because they esteem positively the likelihood of obtaining a favourable solution

Understanding and categorizing buyers' complaints into categories can be useful in meeting them. According to Bitner [20], the wishes of buyers vary according to the situation. The author presents such a method for classifying complaints, which divides complaints into two groups:

- Recommended complaints. These are complaints that can solve the problems.
- Irreparable complaints. These are complaints about what can not be changed, but customers still want to hear and react accordingly.

Irreparable complaints require more attention to remedy complaints. Occasionally, situations like this are not so easy. For example, if I spent a lot of time before Christmas I sent a gift to a friend and she was late, so the situation is irreparable. It is impossible to make a gift in a timely manner. The only way to somehow mitigate the situation is to apologize to the buyer and explain the reasons for the problem. Buyers will communicate more pleasantly after discovering that the company is innocent of what has happened.

When customers feel dissatisfied with a product or service, they have two alternatives: either to speak or to remain silent. Complaints can be classified into two groups: complaints made and unspoken. The latter situation does not, in principle, give the store a chance to correct the situation and improve it. The greater the dissatisfaction of the buyers the greater the possibility that they will be loud to their neighbours rather than the shop itself. This is the truth for all. Even if complaints reveal how successful a business is in the

market, most companies do not want to hear anything about buyers being dissatisfied with them. The shopkeepers made an oral complaint and realized that the store would be suspicious of the complainants, show hostility, or even worse, they could quit without knowing the word to the store, but telling everyone about the incident - the shop will not have the opportunity to defend itself.

As stated by Barlow, Moller [1], every fourth buyer is not satisfied with his purchased product, but only one in five will try to register his complaint. Most buyers think that complaining is just a little nervous and waste of time. Moreover, they tend to be silent if the problems were not caused by the product but by the service. Most buyers either do not know how to properly submit their complaints, or do not believe they will benefit from it. In addition, it still costs (fuel, telephone bills, etc.).

Customer complaints give the store a chance to find out their problems and help solve them. Buyers who decide to complain are still buyers, because they are showing a certain loyalty. The final result is the ability to deal with a complaint, thus retaining buyers.

Skilled buyers can become the most loyal ones. They are inclined to tell people in their inner circle how satisfied they are with their store that it drew attention to them.

### 3.Complaints management models

A complaint of the buyer is a weighty fact that can signal the existence of a systemic problem in the market. Customer complaints is one of the most accessible and still untapped sources of information in the consumer market. George [21] stated that a good complaint culture and processes may well lead to the improved financial performance. This begins with Johnston [22] who suggests that the financial benefits derive from satisfying and retaining dissatisfied customers from complaints to improving institutional processes and by satisfying and retaining employees. Paraschivescu [23] stated that complaints management can take place in internal audit / self assessment, complaint being an essential indicator for the organization which wants to improve the quality and image. In other words, "strategy complaints" is a goal of "customer focus".

Johnston, Mehra [22], provided important observations on the handling of complaints by business leaders:

A quick response to complaints is essential if you want the buyer to be satisfied. It is necessary to encourage buyers to complain. For example, Visible leaflets can be displayed on which buyers can make their complaints. In addition, the complaint procedure

itself must be as simple as possible, which encourages buyers to complain because they do not waste much time.

Apply the "Nobody's Revenge" strategy. No misconduct should be accused of employees than manufacturers. Mistakes are not only inevitable, but also necessary for the store to succeed and improve.

Not only to make sure that the complaint has really been resolved, but also to check that the buyer was really satisfied as the buyer's complaint was accepted and resolved.

Complaints management must involve not only top managers, but also top executives of the company. Top managers should be available to any buyer who wants to make a complaint, and managers should be concerned about the complaints they receive from their company.

Considering complaints as a strategic tool we assume that direct complaints can be directly linked to business development.

Companies must have centralized and decentralized complaint management and their combinations. If companies have branches and complaints have been made and resolved, then reports about complaints must reach the central office of the company.

Through complaints, companies must focus on communicating with the buyer and on the company's development. Staff should be prepared to deal with complaints. Staff is a key link between executives and shoppers, which is why they are the closest problems and can best see how these problems can be addressed. Therefore, staffing should be included in the handling of complaints.

Permanent customer satisfaction surveys are required. That way will help you to find out what percentage of buyers is dissatisfied.

Use complaints as a tool to find out about yourself and your position on the market. Calculate costs, how much the complaint relates to the organization and whether it is useful. It must include all costs, both financial, staff and time. It is clear that the cost of managing complaints is high, but analysis is needed to enable organizations to plan their costs correctly. Therefore, a quick response to complaints helps reduce complaints management costs. In addition, good complaint handling will not return the buyer back to the store, but will also provide positive guidelines for staffing and productivity.



Complaints management was similarly discussed by Johnston, Mehra [22], who claimed that good complaint handling has characteristics, which the authors group into groups:

1. Good complaints management occurs when the company reacts and listens to complaints as quickly as possible they resolve them.

2. Good complaints management occurs when an enterprise applies simple and understandable procedures for managing complaints. Complaints management procedures must be clear to both clients and employees of the organization: unsatisfied clients must have a clear understanding of how to register a complaint, and employees have to pay attention? how to accept such complaints.

3. Good complaints management occurs when it is managed by a simple process. The buyer must be able to register the complaint with one contact, and the staff must be trained in solving one or another complaint, and in the event of problems encountering each time failing to apply to a senior manager. In addition, the complaint must be submitted promptly, and if this is not possible, the client should be informed on the progress of the complaint.

4. Good complaints management occurs when the store, after solving the complaint, does not leave all this on the sidelines, but inquires the buyer whether he was really satisfied with how his complaint resolved.

So there should be systematic tracking. The store has to register all complaints, then make surveys and monitor whether the complaints already resolved are falling, increasing or standing on the spot. I believe that the store must focus on the complaints management characteristics presented by these authors if they want to handle complaints well and thus encourage shoppers to come back. There is another problem in the management of complaints - often buyers go out and leave their own?

According to Fornell; Wernerfelt [12], customer dissatisfaction is that (1) satisfaction can be restored by increasing the return to the customer (e.g., by money back or other forms of compensation) and (2) dissatisfaction is a matter of degree and hence does not automatically cause a buyer to desert a "faltering" seller. Because of the risk and cost of switching, the dissatisfied customer may in fact decide to repurchase from the same firm. Dissatisfaction with the company. In order to ensure that buyers' complaints reach the store, they should act with caution with buyers Expectations, starting with how they are formulated at the very beginning of the marketing process. If the buyer thinks that the product he has purchased is essentially of a high quality or that, despite the shortcomings they will solve quickly and correctly, then it is less likely that the buyer will charge the store. If he does so, he will be ready to cooperate in order to regain

satisfaction. Another extreme is dissatisfaction, which occurs when the store makes no effort to listen and solve customer complaints. I think that people generally tend to talk about their frustrations over what is good. Barlow, Moller [1] believes that shoppers are only happy when their complaint is effective because they feel influenced by the fact that as they are dissatisfied they decide to speak and defend themselves. Therefore, the owners of the knowledge must take into account the client's complaints seriously and in exchange offer one of the following: lower the price or, if necessary, do not charge the full amount. Kindly apologize. Offer 2 euros for the other shopping to ensure that misunderstandings do not recur. Loyal buyers can be acquired depending on how quickly or how well replies are made. Good responses can not be written to anyone, it's art. If the response letter does not satisfy the buyer or it is rude, the negative feelings of the buyer will only increase. In addition, the letter must be answered as soon as possible. Perhaps the store can not solve the problem immediately, but can respond to the buyer immediately, indicating when the problem will be solved. In response to a complaint, the store is given the opportunity to either regain the buyer's favor or re-make it distant. So, at first glance, it seems obvious why complaints do not mean anything good. In terms of psychology, complaints are a negative phenomenon, and in general, this phenomenon is related to the accusation. After all, the person says that he does not accept what has happened. Who wants to hear it? I think only those companies hear the customer that perceive the complaint as a gift and understand that the customer is always entitled to complain, even if, in our opinion, his complaint is silly, unfounded and includes only his worries.

## CONCLUSIONS

Firms often do not evaluate and analyze their client complaints, therefore they suffer from the publication of negative information, easily accessible in various media channels. Properly managed complaints can provide a strong link between users and the company. So, if companies are seeking consumer loyalty, they must look at complaints as a strategic tool, not as the proof of their mistakes. Complaints are a feedback system that can help organizations quickly and easily, change their products, service styles, and marketing goals. If a user reacts successfully to the problem, then it is usually not possible to make formal complaints. One of the best ways to find out what the user wants is to learn what his expectations are and to hear their grievances, and one of the most reliable ways to improve personal relationships is to draw attention when someone feels depressed for us and responds accordingly in order to resolve the conflict. However, most customers are dissatisfied with how companies react and deal with customer complaints, although they are well aware that this is very important. In most

organizations, complaints are formally responded instead of using free information through the quality improvement. They need to be used as a critique that helps the company to improve by improving the service or product quality. The first step in recovering customers is to effectively handle complaints, the second step is to make every effort to avoid further complaints from consumers.

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