



# Nina Harding

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# The Business Case

Good Complaints Management



# The Commonwealth Bank Story

- Spent over \$1,000,000 to increase complaints
- Actual increase of 3,000 complaints per mth
- Now receive approx 5,000 - 5,500 per mth



# The Commonwealth Bank Story

- Staff turnover of virtually zero
- Resolving >55% of complaints in 1 day
- Resolving >90% of complaints before EDR
- New and revised product offerings
- Greatly improved staff engagement rates



# Benefits of Good Complaint Handling

- Saving costs
- Increasing profits
- Customer and staff retention & engagement
- Risk minimisation



# World's Best Practice

International Standard ISO 10,002

Australian Standard ISO 10,002

[www.standards.com.au](http://www.standards.com.au)



# When Do Customers Complain?

**When did you last complain?**

**How did it feel?**

**How did the company treat you?**

**Why did you complain or not complain?**



# Factors Influencing Customer's Decision to Complain



# Factors Influencing A Customer's Decision to Complain

**Complaint Costs** - we weigh up whether to complain based on tangible and intangible costs.

**Complaint Benefits** - what is an outcome worth to you. Value is weighed against probability of success.

**Substantial Impact** - most people will only complain when they believe that the damage suffered is substantial (high purchase value etc)



# Factors Influencing A Customer's Decision to Complain

**Winnable** - Most customers are more likely to complain when the issue can be proven.

**High levels of Self Confidence** - complainants are more self confident than non-complainers!

**The Situation** - time, forum etc

Complaint information is incomplete without other customer satisfaction feedback.



# When are Customers Satisfied or Dissatisfied?



# Customer Dissatisfaction

Satisfaction - performance substantially exceeds customers' expectations.

Dissatisfaction - performance falls decisively short of their expectations.

When expectations are fulfilled there is a feeling of indifference.



People often make complaints about the process used to resolve their complaint.



# Complaints are Complex

Change Your Thinking

Sarah Edelman PhD



# Why invest in Complaints Handling

Compliance

Competitive edge

Avoid switching costs

88% will repurchase if complaint handled well

Avoid risk and cost of 3rd parties

Use the feedback to improve products and services

Protect brand

Why do we care? What impact on bottomline?



# What is the Cost of Conflict?

- Tangible and intangible costs
- 88% of organisations do not know the cost to the organisation of conflict resolution.
- Analyse the cost of complaints
- Use a common language



How do your line managers view complaints?

What can you do to change the way they see complaints and prioritise their resolution?



# Collect meaningful data

Budget more effectively for complaint handling

Provide clear complaint handling targets for staff

Reward and recognise good performance

Show complaint handling as profit centre and not cost centre

Identify and prevent, preventable problems

Identify systemic issues

Link good complaints handling to customer retention

Get buy-in from the hierarchy.



# In Closing

Inspire, revisit, renew!