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# Customer complaints

**A gift to improve your product or service**

Koen Heikens

**THIS IS A ANOYMOUS VERSION OF THE ORIGINAL DOCUMENT, THE NAME OF THE COMPANY IS REPLACED WITH 'THE ORGANISATION'.**

Bachelor thesis:

'Customer Complaints'

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## MANAGEMENT SUMMARY

**THIS IS A ANOYMOUS VERSION OF THE ORIGINAL DOCUMENT, THE NAME OF THE COMPANY IS REPLACED WITH 'THE ORGANISATION'.**

In 2008, USP Marketing Research conducted a research on customer satisfaction (Bouwkennis 2008). Results showed that the organisation performance in comparison with its competitor is not satisfying. One of the indicators of customer satisfaction was complaint handling. The firm decided that its complaint handling should be improved. The objectives of the assignment were to (1) give the organisation an insight to its customer complaint handling behaviour for its components business, (2) to determine the weak spots and (3) to give the organisation recommendations to improve its complaint handling behaviour. To achieve these objectives, a literature review was conducted to build a theoretical framework on which the current situation could be compared. The framework should give focus on how customer complaints should be captured. Many articles about customer complaints have been found, but very few of these focus on capturing complaints. I decided to build a new model based on the existing models I found which can be used to assess an organisations complaint handling behaviour.

The new model I made, the *two level complaint handling model* contains, like the name says two levels. The first level is the strategic level which makes sure the organisation is ready to handle complaints, people are aware of the importance of excellent complaint handling, people know who are responsible for each part of the process per product. But also things like an IT support system, a central point for customer complaints etc. The customer interaction level is the level that prescribes what should happen during the interaction with the customer and how a single complaint should flow through the process. Both levels fulfil separate but complementary needs for excellent complaint handling.

Based on the theoretical framework the next research question was made: *"How can The organisation improve her customer satisfaction by redesigning customer complaint handling processes?"* To answer this question three sub questions were made: (Q1) *"How are customer complaints actually handled in the The organisation Electric organisation in Hengelo?"*, (Q2) *"What are the main struggles about the actual complaint handling method from the customer view?"* and (Q3) *"What are the key problem areas in the current complaint handling situation?"* To answer these questions I interviewed all involved people, searched for existing procedures and held a survey under 25 wholesalers.

The results for the first sub question show that the organisation has several procedures concerning customer and internal complaints but they are not known. Most of the response of the interviewees is about the communication, I divided this in three categories which are problem areas, communication between different departments, to the customer and from the customer to the organisation. The wholesaler survey held under 25 customers was meant to get the opinion from the organisations direct customers about customer complaints. The Bouwkennis research was held under e contractors who are the indirect customers of the organisation. The results of the survey showed that wholesalers are satisfied with the way the organisation handles complaints, but they do not know anything about the follow up on complaints. Their satisfaction is based on the speed and easiness products are exchanged.

A comparison between the current situation and the ideal situation based on the *two level complaint handling model* shows many items are not part of the business system. On the strategic level four out of ten items are not present at all and five items are partly present, on the customer interaction level six out of ten are not present at all and 2 are partly present. This means out of 20 items necessary for excellent complaint handling the organisation uses three items in their standard business system.

In the current situation two kinds of complaints enter the organisation; service and product complaints. The first category cannot be found in any database those may be captured by individual employees. Product complaints are filed in 3 different Microsoft Access databases; often not all required information is available or entered or defective products enter the organisation without complaint specification. At this moment there are insufficient reason codes available for defects, to make it easy for the quality control to investigate defective products.

Below you will find the three key problem areas in the organisations current situation, these areas are drawn from the comparison between the current situation and the situation the *two level complaint model* prescribes. On each level there are three items that need the most attention for improvement. Improvement of these items together with the communication areas will bring the organisation forward.

FIGURE MS-1- KEY IMPROVEMENT AREAS

	Importance position	Partly	Not
<b>Structural Level</b>			
a) Make sure everyone in the organization understand the importance of excellent complaint handling.	10	v	
b) Having clear and easy procedures known and used by every involved employee	9	v	
d) Make it easy for customers to complain	8		v
<b>Customer Interaction Level</b>			
c) Gather as much information that has (a little) to do with the complaint	10	v	
h) Keep the complainant informed	7		v
j) Check for customer satisfaction	9		v

Based on these conclusions I have three major recommendations for the organisation to improve the current situation:

- Dedicate a problem owner who brings the organisation forward to the desirable state.
- Start with the improvement of complaint handling for only one product line, this should become a model for others when the improvement is successful.
- Replace the current IT support systems with a new one that is able to give up to date and specific information for involved people.

## PREFACE

**THIS IS A ANOYMOUS VERSION OF THE ORIGINAL DOCUMENT, THE NAME OF THE COMPANY IS REPLACED WITH 'THE ORGANISATION'.**

The moment you read this thesis, I have completed my internship at the Hengelo plant of the organisation. The first contact I made was at the start of October 2008 with a recruiter at the "Bedrijvendagen Twente". She sent me to Henk Huisman, who had two possible assignments for me. At that moment I had four options for assignments at three different companies. I had preferences for small and medium companies, two of the companies were small and one, the organisation is a very large multinational. I decided to experience the atmosphere at a large multinational. Another aspect that I found learnful was that the report for the organisation should be in English, and different contributors would be English. This gave me the possibility to improve my written and spoken language skills.

I had a very pleasant stay during my three months at the organisation in Hengelo. The department Home Automation which I was part of, facilitated me very well. They helped me to find the sources and people in the organisation I needed. Special thanks goes to Henk Huisman and Harry Milligan who were my direct supervisors and with whom I had every week an update about my progress and, with who I had fruitful discussions about how the organisation could improve the current situation.

Also I want to thank Jann van Benthem, my supervisor from the University of Twente. He was involved from the beginning and helped me to set boundaries for my assignment and to get the right focus. During the last month Peter Geurts became involved as second supervisor for the university. I also want to thank him for the opportunity he gives me to present the results of this assignment in a publication.

In my opinion this report gives the organisation the insights they asked for and is a report following the requirements the University of Twente set for a bachelor assignment. For the organisation this report is not the solution for their problem which is maybe disappointing, but it is a good start for organizational improvement. If you have any questions or comments after reading my report please contact me for more information.

Best regards,

Koen Heikens  
January 2009

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## 1. INTRODUCTION

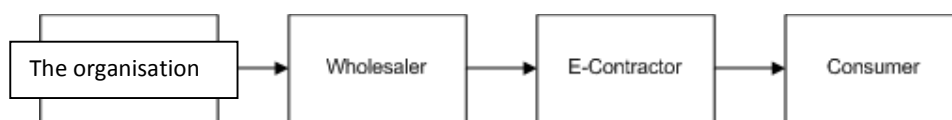
### 1.1 BACKGROUND

The Electrical division of the organisation is a leader in electrical control, power distribution, uninterruptible power systems and industrial automation products and services. The Electrical segment provides customer driven solutions that serve the changing needs of the industrial, utility, light commercial, residential and original equipment markets (Corporate Information, 2008).

As part of the world wide company, the organisation in Hengelo develops, produces and markets electrical products for the home and building industry. The products are sold by wholesalers and used by electrical installers. Installers install the products in consumer houses.

For several years the organisation has been partner in a Dutch market research about customer satisfaction among Dutch electrical contractors and advisers. The results of the last report: "Bouwkennis 2008", showed that the organisation can significantly improve its image of quality of products, customer support and organisation. One of the main aspects for improvement is the customer complaint handling. Figure 1 1 shows the reseller channel of the organisation; the organisations direct customer is the wholesaler which sells the organisations products to the contractor.

FIGURE 1-1 RESELLER CHANNEL



In the current situation complaints which occur at the end consumer are solved by the electrical contractor. The defect device has to be returned to the wholesaler who returns the device to the organisation, where the returned devices will be exchanged or investigated.

The organisation requests a detailed report on the actual internal treatment of complaints of customers on quality of the organisation, quality of the service or the quality of the products. The results need to be compared with the the organisation business system. Based on the gaps between the current state and the situation specified in the the organisation business system, the organisation wants to improve its business relation with the installer in order to obtain the organisations strategic goals in customer intimacy.

### 1.2 RESEARCH OBJECTIVES

Main objective of this report is (1) to give the organisation an insight to their customer complaint handling behaviour. I will try (2) to determine the weak spots in its complaint handling behaviour so the organisation will be able to improve its procedures. Based on my research (3) I will give the organisation recommendations to improve its complaint handling behaviour.

### 1.3 RESEARCH REPORT

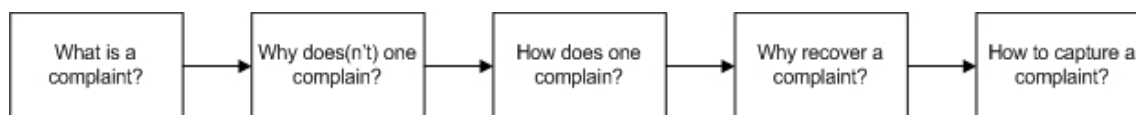
This structure of this thesis is as follows. Chapter 1 gives a short introduction of the problem, chapter 2 specify scientific literature to specify what customer complaints are. Chapter 3 states the research questions. In chapter 4 the methodology of this thesis will be specified. Results of the research will be presented in chapter 5, analyses on these will be presented in chapter 6. The conclusions and recommendations are presented in chapter 7.



## 2. THEORETICAL FRAMEWORK

In my literature study, I found a large amount of articles that address the handling of complaints. In order to narrow down the search results, I asked myself which are important steps in the complaint handling procedure. I pictured my thoughts below, in order to get some structure in my findings. The arrows don't imply a causal relation, they only show a sequence.

FIGURE 2-1 COMPLAINT SPECIFICATION



The literature review will follow this structure to keep it clear.

### 2.1 WHAT IS A COMPLAINT?

The Cambridge Dictionary defines a complaint as '*when someone says that something is wrong or not satisfactory*' or '*an illness*'. The current research focuses on the first part of the definition. A complaint is an unsatisfied expectation (Barlow & Møller, 1996). Customer complaints are an indication that the service or product does not meet the customer's expectations (National Performance Review, 1996). There are two sorts of complaints; in the first, one reports a problem, in the second, one reports a problem and asks for recovery (van den Bergh & van Rees, 1995). Complaints are a natural consequence of any service activity, because mistakes are an unavoidable feature of all human endeavour and thus also of service delivery (Johnston, 2001).

### 2.2 WHY DOES(N'T) ONE COMPLAIN?

To be able to start a proper service recovery, it is important to understand why a customer hands in a complaint. Barlow and Møller (1996) made a matrix on (un)satisfied customers and their problems with the product or service. The matrix is depicted below.

FIGURE 2-2 PRODUCT SATISFACTION MATRIX (BARLOW & MØLLER, 1996, P. 88)

		Customer Satisfied	
		Yes	No
Problems with product or service	No	Customer says nothing, organisation parties	Customer unsatisfied and complains, organisation gives the customer information
	Yes	Customer says nothing, organisation has to encourage customers to complain	Customer complains, organisation solves the problem

### 2.3 HOW DOES ONE COMPLAIN?

When we know why a customer complains, we can investigate how he or she complains. Boshoff (1997, p. 112) argues that there are three different ways of showing customer's dissatisfaction: exit, voice and loyalty. Voice is the only possible complaint that reaches the reseller or manufacturer; it is also possible the complainant spreads his thought by word of mouth or to third parties. Davidow and Dacin (1997, p. 452) made a schedule with different outcomes of complaint behaviour. They divided involved and not involved customers with the dissatisfaction, the dissatisfied person himself is involved and a manufacturer is also involved, but friends and third parties aren't. They also divided the involvement of the social network between internal and external parties. In the table 1 1 below you can see the outcomes.

FIGURE 2-3 COMPLAINT BEHAVIOUR OUTCOMES (DAVIDOW &amp; DACIN, 1997)

		<i>Involvement With the Dissatisfaction</i>	
		Involved	Not Involved
<i>Involvement of Social Network</i>	Internal	Exit or Boycott	Consumer's Social Net (Word of Mouth)
	External	Organization (Redress or Complaint)	Third Party

Reasons for not complaining are described by Snelleman & Vihtkari (2003). They found that 25 percent of the customers does not complain because they think complaining is ineffective, 19 percent says complaining consumes too much time and 15 percent describes the situation as so hopeless that complaining would not have helped. Other reasons for not complaining included categories as: the company needs to be aware of the problem; I did not know where and how to complain; the problem was somehow solved during the incident or that an alternative solution for completing the encounter was found; and the incident was caused by the respondent (Snellman & Vihtkari, 2003). Den Ouden *et al.* (2006) argue that consumers do not only complain when they encounter a product or service failure, but also at the moment when their expectations are unsatisfied.

When consumers do not voice their complaint, an organisation loses the opportunity to recognise and redress the problem leaving both the consumer and organisation dissatisfied (Davidow & Dacin, 1997). When disconfirmation does occur, most consumers want the service they were promised in the first place, along with some personal attention and a decent apology (Boshoff, 1997).

## 2.4 WHY RECOVER A COMPLAINT?

Reports of problems and the demand for recovery are the aspects a company has to take action on. The reasons for action are mentioned in a lot of articles. Every customer's problem is an opportunity for the company to prove its commitment to service – even if the company is not to blame (Hart, Heskett, & Earl Sasser, 1990). When customers are satisfied by the way they are served by a company, they become loyal to that company (Barlow & Møller, 1996). Barlow and Møller also state that a complaint is a gift for an organisation; it is an easy way to get in touch with a customer and show your service quality. A good recovery can turn angry, frustrated customers into loyal ones. It can, in fact, create more goodwill than if things had gone smoothly in the first place (Hart, Heskett, & Earl Sasser, 1990). Companies that resolve complaints on the first contact, increase customer satisfaction and product loyalty, improve employee satisfaction, and reduce costs (National Performance Review, 1996). The observation that customers become more loyal after receiving customer service from a company they complained to seems at first sight contra-intuitive. A complaint is a moment for a company to get in touch with their customers and show how good they are. If they recover the problem in a satisfying way the customer will remember that. Now he knows not only a company is able to deliver a product or service but takes its responsibilities for possible problems as well.

Getting loyal customers isn't the only reason organisations try to recover complaints. Customers who experience dissatisfaction may actually take action to switch service providers (Keaveney, 1995). Volvo, the Swedish automobile manufacturer, estimates that its cost of generating a new customer is three times the cost of retaining a present customer (Fornell & Wernerfelt, 1988). No business can afford to lose customers, of only because it costs much more to replace a customer than it does to retain one – five times more, most industry experts agree (Hart, Heskett, & Earl Sasser, 1990). Remarkably is that Hart *et al.* found that customers who have had bad experiences tell approximately 11 people about it, while customers with good experiences tell just 6. These numbers are not certain, since another source states customers who are dissatisfied tell twice as many people about it as those who are happy with the service (National Performance Review, 1996). Most frequently cited intentions related to customer satisfaction and service quality are repeat purchases and customer loyalty; in other words, to maintain the business relationship with the customer (Boshoff, 1997).

Davidow and Dacin (1997, p. 452) stated their complaint behaviour outcomes, after showing those outcomes they also listed what the results for the organisation were in terms of potential market costs and potential information gain. Table 1 2 summarises the various consequences. It appears that the worst possible consumer complaint behaviours for the organisation are those that do not involve external sources (Davidow & Dacin, 1997).

**FIGURE 2-4 COMPLAINT BEHAVIOUR AND ORGANISATION COSTS (DAVIDOW & DACIN, 1997)**

Behaviour Type	Potential Market Costs	Potential Information Gain
Exit or Boycott	Loss of a consumer	A drop in sales statistics
Worth of Mouth	Loss of several consumers	A drop in sales statistics
Voice Complaint to the Organisation	Cost of remedy to retain the consumer	Know what caused the problem and how to fix it
Complaint to third party	Cost of handling, loss of consumer	Know what caused the problem

Boshoff (1997, p. 117) argues that customer loyalty plays an important role in worth of mouth (WOM) communication. Satisfied and loyal customers do a lot of talking over the years. He cites a study by General Electric which found out that recommendations from friends and acquaintances carry twice the impact of paid advertising when consumers make purchase decisions. Complaining customers give a possibility to find out what the problem is, so you can solve it. In that way you stimulate them to come back (Barlow & Møller, 1996).

Fornell and Wernerfelt (1988) showed that complaint management is more effective the greater the number of competitors and the higher the quality elasticity of demand. In the organisations case there are several competitors and the quality elasticity of demand is high. This indicates that the organisation should actively use complaint management to recover their complaints.

## 2.5 HOW TO CAPTURE A COMPLAINT?

In order to approach a complaint as a gift, employees have to change their perception of the attitude towards the role of complaints in business relations (Barlow & Møller, 1996). The start of complaint handling must be the willingness of employees who have to capture a certain complaint. Homburg en Fürst (2005) introduced a distinction between two fundamental approaches to complaint management: the mechanistic and the organic approach. The mechanistic approach gives guidelines for specific activities so the task is performed each time the same way. In the organic approach, organisations can influence behavior by focusing on training and motivating employees and by providing them with shared values and norms. Rather than developing specific guidelines on how to behave in certain situations, this approach aims to establish “in the ... employee himself ... a state of mind which leads him to reach that decision which is advantageous to the organisation” (Homburg & Fürst, How organizational complaint handling drives customer loyalty, 2005). Results show that the mechanistic approach has a total effect of .45 and the organic approach has a total effect of .27 regarded to customer satisfaction. The results indicate that a mechanistic approach is the best approach in order to keep customers satisfied. A complaint handling should – in order to be effective – be clearly defined in a procedure.

In figure 2 5 and 2 6 two examples of mechanistic complaint management approaches are depicted. Waardenburg (2005, p. 72) also lists four different steps in complaint handling: registration, analyse, report and evaluate

**FIGURE 2-5 GIFT FORMULA (BARLOW & MØLLER, 1996)**

1. Say: 'Thank you'
2. Explain why you appreciate the complaint
3. Make your excuses for the problem
4. Promise to take action directly
5. Ask for the needed information
6. Solve the problem immediately
7. Check the customer satisfaction
8. Prevent future problems

**FIGURE 2-6 POINTS OF ATTENTION FOR HANDLING COMPLAINTS (WAARDENBURG, 2005)**

1. Listen
2. Show understanding
3. Gather information
4. Summarise
5. Gather information for a resolution
6. Show your resolution
7. Check for customer satisfaction

In reaction to the gift formula of Barlow and Møller (1996) and other options mentioned by Hart *et al.* (1990), Boshoff (1997) and some other authors Johnston (2001) identified several factors in order to define by a 'good' complaint management process

**FIGURE 2-7 FACTORS FOR COMPLAINT MANAGEMENT (JOHNSTON, 2001)**

1. Having clear procedures; providing a speedy response;
2. the reliability (consistency) of response;
3. having a single point of contact for complainants;
4. ease of access to the complaints process;
5. ease of use of the process;
6. keeping the complainant informed;
7. staff understand the complaint processes;
8. complaints are taken seriously;
9. employees are empowered to deal with the situation;
10. having follow up procedures to check with customers after resolution;
11. using the data to engineer out the problems;
12. using measures based on cause reduction rather than complaint volume reduction.

The factors for complaint management of Johnston (2001) have a lot in common with the gift formula of Barlow and Møller (1996) and the point of attention for handling complaints of Waardenburg (2005). Although the factors for complaint management are more complete, these factors also put an accent on the organisational side of the complaint process while the other two are more pure customer focussed. In the further research the model of Johnston (2005) will be used but extended with necessary aspects for an organisation.

The current research needs to be based on a coherent theoretical framework. The three models I found do not contain the value I am looking for. No further academic publications were found, so I decided to look for professional publications. I found an American study about complaint handling which was conducted by the American government in co operation with over 50 private companies. It provides practical lessons and measurements that can be used to evaluate policies and procedures related to customer complaint handling. (National Performance Review, 1996)

**FIGURE 2-8 APPROACHES TO HANDLE COMPLAINTS (NATIONAL PERFORMANCE REVIEW, 1996)**

1. Make it easy for customers to complain
2. Train and empower their front line employees
3. Seek to maximise resolution at first point of contact
4. Consider complaints as customer feedback and opportunities to improve
5. Enter complaint data in fully automated and integrated information systems
6. Dedicate a cross functional team to collect and analyse data and report to top management.
7. Credit their overall success.

For a more understandable explanation, the numbers to the lists in the different models of Johnston (2001) and the National Performance Review (1996) are added in the next paragraph. They are not related to a sequence in those models.

## 2.6 NEW MODEL FOR COMPLAINT HANDLING

In the previous paragraphs ideas on complaints, complaint behavior, reasons and ways to capture complaints are reviewed. Especially the way to capture a complaint as part of the complaint specification (figure 2-1) is of interest for this research. The existing publications have their scope of implementation on the customer level or the organisational level. With regard to the implementation in an organisation it is in my view important to use both levels, because they are fulfilling separate but complementary needs. In this paragraph I will explain how my model is developed from the existing models.

The new model is developed on two levels because they are complementary to each other, only implementing the organisational level models will not give many results because the operations will miss. Only implementing the customer level models will not give a good result because the organisation does not use the complaints to improve their product or service. The steps that have to be completed to use the complaints to improve the organisation are part of the strategic level. The actions that should be part of interaction between the complainant and the organisation are part of the customer interaction level. I decided to call the organisational level the strategic level and the customer level the customer interaction level. These names will give a clear statement of what is meant.

The strategic level is more directed at structures and procedures which are necessary to handle complaints, and the customer level is meant for the department which handles customer complaints.

**FIGURE 2-9 TWO LEVEL COMPLAINT HANDLING MODEL**

<p>Strategic Level</p> <ul style="list-style-type: none"> <li>a) Make sure everyone in the organisation understand the importance of excellent complaint handling.</li> <li>b) Having clear and easy procedures known and used by every involved employee</li> <li>c) Train and empower front-line employees to resolve most complaints during the first contact</li> <li>d) Make it easy for customers to complain</li> <li>e) Use a single point of contact for complainants</li> <li>f) Make use of a integrated and automated IT support system, this results in standardised input, follow up and resolution forms</li> <li>g) Dedicate a cross functional team to collect and analyse data and report to top management</li> <li>h) Use the data to engineer-out the problems;</li> <li>i) Use measures based on cause reduction rather than complaint volume reduction</li> <li>j) Credit the overall results of the complaint handling process</li> </ul> <p>Customer Interaction Level</p> <ul style="list-style-type: none"> <li>a) Listen, show understanding</li> <li>b) Tell why the organisation appreciates the complaint</li> <li>c) Gather as much information that has (a little) to do with the complaint</li> <li>d) Enter all gathered data into an information system</li> <li>e) Check for possible known solutions in the database</li> <li>f) Promise to take action and tell when the customer will receive a reaction.</li> <li>g) Forward the complaint information to the responsible person</li> <li>h) Keep the complainant informed</li> <li>i) Show your solution</li> <li>j) Check for customer satisfaction</li> </ul>
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### 2.6.1 EXPLANATION OF DEVELOPMENT

After deciding that the new model should contain two levels; the strategic and the customer interaction level, I had to check the items in the existing models and need to decide which item should be part of each level. The requirements for items in the customer interaction level are that they relate directly to the interaction process to serve the customer during the complaint handling. The requirements for the strategic level items are that they should support the customer interaction level but also use information gathered in the customer interaction level to improve or maintain the organisation. This can be standard procedures, training days etc.

Some items have had major changes, and some are completely new in my model. The items that were copied or have had a small change will not be discussed in this section. In Appendix II you can see on which level each item

of the existing models ended in my *two level complaint handling model* and to which item in the new model it is addressed.

On the strategic level the changes are on the items:

- a) I added a part which says people should be aware of the importance of excellent complaint handling. The explanation is given in paragraph 2.4.
- b) Johnston states it is necessary to have procedures, in my opinion you should not only have them, but use them!
- f) I added the explanation what effect the use of an IT support system could have.

On the customer interaction level these are the main changes:

- c) The addition of *that has (a little) to do with the complaint*, should make sure information that sounds unnecessary for the sales representative but could be useful for the quality engineer will be gathered.
- e) This item is new: to speed up the complaint handling, sales employees should check for known solutions.
- f) To make your promise attainable, you should agree a solution or follow up will be given in a attainable period.
- g) New item that needs no explanation: the complaint has to be solved by the one person who has the knowledge.

As already stated before, both levels are related to each other. In figure 2 10, you find a cross table were the relationships between the items are stated. The large version of this table is depicted in Appendix III.

**FIGURE 2-10 CROSS TABLE MODEL LEVELS**

	a)	b)	c)	d)	e)	f)	g)	h)	i)	j)
a)			v			v		v	v	
b)	v	v	v	v	v	v	v	v	v	v
c)	v	v	v	v	v	v	v	v	v	v
d)										
e)										
f)				v	v		v	v	v	
g)			v	v	v		v			
h)				v	v				v	
i)				v					v	
j)				v					v	v

As you can see the rows of the strategic level items d) and e) are empty. These items prescribe that it should be easy for customers to complaint and that there should be one central point where complaints are directed to. These do not interact with a single item on the customer interaction level, but they make sure the customer interaction level can take place.

## 2.6.2 ASSESSMENT OF THE COMPLAINT MANAGEMENT SITUATION

To find out what the level of success of a company's complaint management is, you need to measure the company's situation. Therefore it is necessary to assess the items of the *two level complaint handling model* in order to choose whether the items are present, partly present or not present at all. The following method is used in order to measure the aspects of the strategic level as well as the customer interaction level.

The organisational level:

- a) Can be measured using interviews
- b) Can be measured with interviews with the involved persons
- c) Are there any training or instruction documents and procedures

- d) Is the number of the service desk on the website, can you hand in complaints on the website?
- e) Yes/no question
- f) Yes/no question
- g) Does it exist
- h) Is the data used with this purpose
- i) Does the complaint responsible tackle problems at the cause?
- j) Are statistics available with the results of the complaint handling?

#### Customer Level:

The customer level should be known by every customer support or sales employee who handles customer complaints. To assess this level of complaint handling, you can record or listen to several incoming complaint calls and check the several points in the customer level of the *two level complaint handling model*.

### 2.6.3 IMPROVING THE TWO LEVEL COMPLAINT HANDLING MODEL

Due to the fact that this is a new model, there are opportunities for further development. Recommendations for further research include testing the model in additional organisations beyond the organisation as a means of verifying its validity. Added value could be provided for the model by, for example, allocating an importance level weighting to each element of the model after completion of an evaluation of the organisations current state complaint handling. Priority needs to be given to addressing the elements with the highest importance level weightings for the most efficient process improvement.

### 2.6.4 TEMPORARY WEIGHTING OF THE TWO LEVEL COMPLAINT HANDLING MODEL

In order to use the *two level complaint handling model* and improve the current situation in the organisation the items in the model need an importance level. With different importance levels you are able to separate the main issues from the side issues. Because of the scope of my research is to questioning the contributors and asking them to rank and rate each item of the model. I asked them to do both the ranking and the rating for each level. I asked 15 people to do so and got a response from 11 of them which resulted in the average ranking and rating below.

For the importance rating, the ranking is used to address the positions on, only if the ranking did not gave a result the rating is used to make a decision.

	ranking average	rating average	overall average	position
<b>Structural Level</b>				
a) Make sure everyone in the organization understand the importance of excellent complaint handling.	7,9	8,4	8,2	10
b) Having clear and easy procedures known and used by every involved employee	6,9	8,3	7,6	9
c) Train and empower front line employees to resolve most complaints during the first contact	7,1	7,9	7,5	7
d) Make it easy for customers to complain	6,5	7,8	7,2	8
e) Use a single point of contact for complainants	5,0	6,9	6,0	6
f) Make use of a integrated and automated IT support system, this results in standardised input, follow up and resolution forms	5,4	7,7	6,6	4
g) Dedicate a cross functional team to collect and analyze data and report to top management	5,4	6,1	5,8	5
h) Use the data to engineer-out the problems;	4,3	6,7	5,5	3

i) Use measures based on cause reduction rather than complaint volume reduction	3,0	6,1	4,6	1
j) Credit the overall results of the complaint handling process	3,6	5,4	4,5	2
<b>Customer Interaction Level</b>				
a) Listen, show understanding	6,7	8,5	7,6	8
b) Tell why the organisation appreciates the complaint	3,2	6,2	4,7	1
c) Gather as much information that has (a little) to do with the complaint	7,0	8,2	7,6	10
d) Enter all gathered data into an information system	5,3	7,4	6,4	6
e) Check for possible known solutions in the database	4,8	7,0	5,9	3
f) Promise to take action and tell when the customer will receive a reaction.	5,6	6,7	6,2	4
g) Forward the complaint information to the responsible person	4,5	7,8	6,2	2
h) Keep the complainant informed	5,8	7,2	6,5	7
i) Show your solution	5,8	8,0	6,9	5
j) Check for customer satisfaction	6,3	7,0	6,7	9

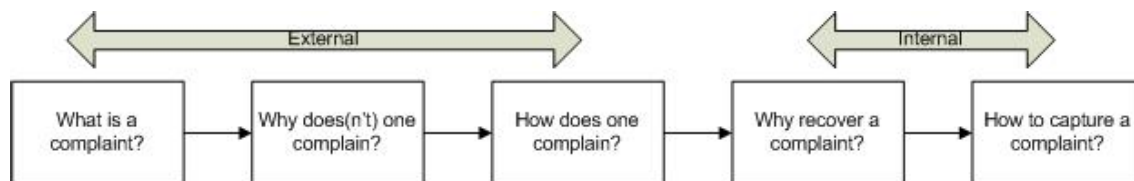


### 3. RESEARCH QUESTIONS

#### 3.1 INTRODUCTION

As stated in paragraph 1.3 the research has three objectives: to give insight to customer complaint behaviour, to determine the weak spots in this behaviour and to give recommendations to improve this behaviour. In the previous chapter, literature is reviewed for the theoretical framework. In this chapter I will formulate a the research questions which structure my research. The figure below results from my literature review and shows the different parts of the complaint identification.

FIGURE 3-1 COMPLAINT DETERMINATION



The external part gives insights in the consumer behaviour, the focus of my research is the internal part and especially the question: *how to capture a complaint*.

To improve the complaint capturing, a review of the current treatment of customer complaints is necessary. Besides a review of the treatment an analysis of all stakeholders for satisfied complaint recovery is important. The improved customer complaint procedure will be designed to satisfy the stakeholders.

#### 3.2 RESEARCH QUESTION

The research question is:

*RQ: "How can the organisation improve its customer satisfaction by redesigning customer complaint handling processes?"*

To answer the main question, I specified three subquestions:

*Q1: "How are customer complaints actually handled in the organisation in Hengelo?"*

*Q2: "What are the main struggles of the actual complaint handling method from the customer view?"*

*Q3: "What are the key problem areas in the current complaint handling situation?"*

## 4. METHODOLOGY

In order answer the research questions, I will discuss the methods used in the research in this chapter.

### 4.1 INTRODUCTION

Social research can serve many purposes. Three of the most common and useful purposes are exploration, description, and explanation. Although a given study can have more than one of these purposes – and most do – examining them separately is useful because each has different implications for other aspects of research design (Babbie, 2004, p. 87). Babbie (2004) explains two possible dimensions of research: qualitative or quantitative. Both have their own focus. Qualitative research focuses on a little amount of cases and a subjective way is used to gather information and relations. Quantitative research is often used to test theories and hypotheses as results from qualitative research. Statistical methods are used to measure results from large surveys.

As Babbie (2004) has stated, a given study can have more than one purpose. The current study has more than one. The objectives of the study are:

- (1) give the organisation an insight to their customer complaint handling behaviour
- (2) determine the weak spots in their complaint handling behaviour
- (3) give the organisation recommendations for improving its complaint handling behaviour.

These objectives have a descriptive as well as an explanatory purpose.

### 4.2 THE COMPLAINT HANDLING RESEARCH

To gather information in order to answer the questions stated in paragraph 3.2, several types of research are used. I will discuss the different types and will explain why these types are used for answering that specific question.

#### 4.2.1 DESK RESEARCH

Before questioning key involved employees at the organisation about the actual situation, I started with a desk research to find more about internal procedures and systems. This research took place on the different intranet sites of the organisations network

#### 4.2.2 SEMI STANDARDISED INTERVIEWS

To become acquainted in the current complaint handling methods, it was necessary to interview involved people. With a factory with 1100 employees it must be clear there are different departments. It became apparent during the initial conversations with my supervisor that employees from all over the organisation are involved. In order to gather the necessary information for drawing conclusions, I made questions which I used in every interview. This enabled me to compare the answers. The standardised questions can be found in Appendix IV. Although different employees play a different role in the complaint handling process, it was also necessary to ask them function specific questions as well.

#### 4.2.3 SURVEY

The USP (2008) research showed from the contractor's view that the organisations complaint handling needs improvement to become best in class. This research passes the wholesaler who is the organisations direct customer. The objective of this survey is to give the organisation an insight of the wholesaler opinion on their complaint handling. In that order the results of this survey will enable me to answer Q2.

In order to make generalisations about the population I took a sample of 24 wholesalers responsible for 80% of the turnover of the organisations components business. The first question is meant to ensure a respondent's opinion is usable. The answer on the second question gives an idea of what kind of complaints customers terrify. Question 3 and 4 give an idea of the product groups. The most important question of this survey, question 5, is meant to become familiar with the wholesaler opinion about the organisations complaint handling. To do so I used the psychometric five point Likert scale to enable the respondents to answer in a certain level of agreement

on the chosen items. The selected items of this question are all indicators for the variable I want to measure; complaint management. These indicators also can be found in the *two level complaint handling model*. Question 6 is meant to retrieve information about the way the best in class competitors handle complaints. There USP (2008) research shows there are several better competitors this should be possible. If the organisation wants to improve their complaint handling in a way that needs more support from their customers they need a basis at their customers to do so. The result of question 7 shows this. Question 8 gives some additional feedback.

A pilot-study was conducted in order to assess the effectiveness of the survey. The survey was tested with one wholesaler in a face to face interview. His feedback on the questions enabled me to enhance the survey and its outcomes. The corrected survey questions were published in an online survey tool ([www.thesistools.com](http://www.thesistools.com)) to simplify the data gathering. The survey was conducted by telephone calls. The survey is found in Appendix V.

### 4.3 CHOICES MADE

At the start and during this research I had to make several choices I will discuss the important choices I made and explain why I made these choices.

Henk Huisman explained the scope of my assignment clearly, after this I decided to spend some days on a literature review to get in touch with the topic. He asked me to give insight to the internal complaint handling and also asked to investigate the wholesaler opinion. I decided to finish the internal investigation before going further with the wholesaler opinion. I wanted to secure the report of the internal situation first.

During my research it became clear the complaint handling for the organisations components business comes very close to the systems business; an opportunity window to enlarge the scope of this research. With the three months time schedule in mind I decided to keep the scope on the components business. Possible further research could focus on the organisations systems business.

## 5. RESULTS

In this chapter the results of my research will be stated. First I discuss the main findings in paragraph 5.1, after these I will address these main findings of the different stakeholders in paragraph 5.2. Paragraph 5.3 presents the results of the wholesaler survey.

### 5.1 MAIN FINDINGS INTERNAL TREATMENT

As described in the previous chapter, desk research and semi standardised interviews were used for answering the first sub question of my research. During the desk research, I found several internal procedures. These procedures were found on the internal network, especially on the K.A.M. site (K.A.M. is Dutch for Quality, Safety, health and working environment). A list of these procedures is presented in Appendix VI. Some of the questions in the interviews were related to these procedures, these questions prescribe actions in the complaint process. With the interview questions, I tried to verify the use of these actions. A list of the standardised questions is found in Appendix IV. 18 employees were interviewed. These employees are directly involved in the complaint handling process at the organisation. There are two departments which play a crucial role in the complaint handling: sales and quality control. The sales department is divided in internal and external sales. Outside these two departments there are some other employees involved in the complaint handling process but I will focus on these departments.

Main findings are presented in table 5 1; results indicate that many of the experienced problems of complaints have to do with communication. I divided the communication problem in different areas in order to make the results more transparent.

**TABEL 5-1 COMMUNICATION PROBLEM AREAS**

<ul style="list-style-type: none"> <li>■ Communication between different departments               <ul style="list-style-type: none"> <li>○ None of the interviewees is familiar with the procedures on the K.A.M. site.</li> <li>○ The moment the complaint switches from the one to the other department some people lack to pick it up and take action.</li> <li>○ The IT Infrastructure is often mentioned as an important issue, the Baan product list isn't updated in the returning goods database, data is often entered in very less words which makes it hard to investigate the complaint quickly.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Communication to the customer:               <ul style="list-style-type: none"> <li>○ Complaining customers don't receive a confirmation of their complaint</li> <li>○ Complaining customers hardly ever receive an update or a cause response about their complaint.</li> <li>○ Customers often are able to exchange their products also if the warranty period is over.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● Communication from the customer to the organisation:               <ul style="list-style-type: none"> <li>○ Often very less data is available with the complaints; QC wants to know more about the setting of a product, the moment the defect occurred etc.</li> <li>○ Installers collect defect devices during a certain period and drop these at the wholesaler, devices come in unlabelled etc</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Only product complaints are documented, other complaints (service related) mostly will be solved but no data about these complaints is stored.</li> </ul>

## 5.2 STAKEHOLDERS

I addressed the problems stakeholders experience in their departments and the problems other stakeholders ascribed to that specific department. These results are based on opinions the organisation employees told me. The results show how people experience the complaint handling.

### Customer

- Customers hardly ever receive a response with the cause of their complaint, often when products are exchanged the complaint is finished. Only when the customer asks for further information the organisation will supply this.
- Customers hand in their defect products without extensive information about the cause, which makes it harder to find out the problem
- There is no central point customers can contact to hand in their complaints.

### Customer support (internal sales)

- The current IT database isn't up to date with current Baan products.
- The IT database is very slow
- CS hardly ever send a complaint cause report to their customers

### External sales

- Experience often customer dissatisfaction caused by defect products.
- Sales drop unlabeled defect products at incoming goods.

### Quality Control

- Quality control misses extended information about the cause of the complaint, in what situation the component was used etc.
- QC gets in action when a returned product receives them; if necessary they have to be mailed/called to get them in action.
- Reports about complaint causes are very poor; this report has to be translated in a commercial one before it can be send to a customer.

### Incoming goods

- Returning goods haven't always got a return number when they come in.
- Components outside the warranty period are scrapped before any complaint investigation took place.

### Purchased parts

- A lot of products include parts that are bought by external manufacturers. Complaints for which parts has to be send to these external manufacturers take a very long period to receive feedback or don't receive feedback at all.

Appendix VII shows a flowchart of the complaint through the different involved departments and the actions taken there. This flowchart is based on the information gathered during the interviews.

### 5.3 WHOLESALER SURVEY

The wholesaler survey was conducted under 24 Dutch wholesalers; these are responsible for 80% of the total turnover in the organisations components business in Holland. The response was 92 percent which is a very high response. With this response we will be able to make generalisations on the results.

FIGURE 5-2 RESULTS WHOLESALER SURVEY

Question	Percentage of the respondents...	
1	...complaint in the past	100%
7	...will provide more information to able the organisation to improve their complaint handling	91%
5a	...is (very) satisfied with the easiness of handing in complaints	86%
5c	...is (very) satisfied with friendliness of the employee handling the complaint	85%
5b	...is (very) satisfied with the easiness to find a central point to hand in complaints	82%
5d	...is (very) satisfied with the easiness the organisation echanges products	81%
6	...says none of the competitors provides better solutions on complaints	81%
5f	...has no opinion about the complaint report they received	76%
2	...thinks that there are more product than service complaints	73%
5h	...is (very) satisfied with the organisations total complaint handling	72%
5g	...is satisfied with the response time on complaints	59%
5e	...is (very) unsatisfied with the idea they have about the follow up of the complaint	47%
5e	...has no opinion about the idea about the follow up of the complaint	24%

(When the word very is standing between round brackets this means the percentage mentioned is the sum of the category very satisfied and satisfied or very unsatisfied and unsatisfied.)

As you can see some questions are left out in this overview. The results on these questions are found in Appendix VIII. They were not reliable enough to draw conclusions on or are not important for this thesis.

## 6. ANALYSES

The results given in the previous chapter, are of little practical value without a certain level of analysis. The next paragraphs will analyse the results of both internal research and the wholesaler survey.

### 6.1 INTERNAL ANALYSIS

With the gathered data from the interviews with key involved people, we are able to compare this data with the model depicted in paragraph 2.6. The model is used to show which part of the preferable complaint handling situation is already part of the organisation in Hengelo. I used three categories to identify the situation; present, partly present and not present. The category partly present means that this item occurred several times, but the item is not used standard.

**TABEL 6-1 TWO LEVEL COMPLAINT HANDLING CHECKED IN THE ORGANISATION**

	Importance position	Present	Partly	Not
<b>Structural Level</b>				
a) Make sure everyone in the organization understand the importance of excellent complaint handling.	10		v	
b) Having clear and easy procedures known and used by every involved employee	9		v	
c) Train and empower front line employees to resolve most complaints during the first contact	7		v	
d) Make it easy for customers to complain	8			v
e) Use a single point of contact for complainants	6			v
f) Make use of a integrated and automated IT support system, this results in standardised input, follow up and resolution forms	4		v	
g) Dedicate a cross functional team to collect and analyze data and report to top management	5	v		
h) Use the data to engineer out the problems;	3		v	
i) Use measures based on cause reduction rather than complaint volume reduction	1			v
j) Credit the overall results of the complaint handling process	2			v
<b>Customer Interaction Level</b>				
a) Listen, show understanding	8	v		
b) Tell why the organisation appreciates the complaint	1			v
c) Gather as much information that has (a little) to do with the complaint	10		v	
d) Enter all gathered data into an information system	6	v		
e) Check for possible known solutions in the database	3			v
f) Promise to take action and tell when the customer will receive a reaction.	4			v
g) Forward the complaint information to the responsible person	2		v	
h) Keep the complainant informed	7			v
i) Show your solution	5			v
j) Check for customer satisfaction	9			v

The *two level complaint handling model* contains 20 items which should be all present to obtain an ideal complaint handling in an organisation. Only 3 of these 20 are present, 7 are partly present and 10 do not occur at

all. This means there are several opportunities for improvement. In the conclusions I discuss which items should be improved.

## 6.2 WHOLESALER SURVEY ANALYSIS

The outcomes of the wholesaler survey are standing right against the outcomes of the Bouwkennis (2008) report. The both surveys have a different scope. In figure 6 2 below the channel is shown, the Bouwkennis report has its scope on the e contractor while my scope is the wholesaler.

FIGURE 6-2 RESELLER CHANNEL



The big difference is due to the different interests of both the wholesaler and the contractor. The wholesaler is satisfied with a fast exchange of products, while the contractor who encounters the consumer complaints is not only satisfied with fast exchange but also with a consistent solution. The results of the wholesaler survey show that the organisation has a good relationship with a large group of their customers and do their best to serve them well. This can be concluded from question 5a up to 5d and 5g. The answers on questions 5e and 5f show that the wholesaler is not involved in the solution for the technical complaint itself, but only in the financial handling of a complaint.



## 7. CONCLUSIONS & RECOMMENDATIONS

At the start of this research several questions were stated. Based on the results, we are able to draw and show what the results imply. In order to give an answer on my research question (RQ) I will first answer the sub questions (Q1-Q3).

*RQ: "How can the organisation improve its customer satisfaction by redesigning customer complaint handling processes?"*

*Q1: "How are customer complaints actually handled in the organisation in Hengelo?"*

*Q2: "What are the main struggles of the actual complaint handling method from the customer view?"*

*Q3: "What are the key problem areas in the current complaint handling situation?"*

### 7.1 ANSWERING THE SUB QUESTIONS

#### 7.1.1 ACTUAL COMPLAINT HANDLING

The information for answering this question is gathered during interviews conducted with employees who are involved in the complaint handling at the organisation in Hengelo. A flowchart of the actual situation is found in Appendix VII. The flowchart is used to map the actual complaint handling situation. The complaint handling in the current situation is not completely structured, which is depicted in the map, which shows how complaints are often handled.

The filed complaints are of two characters: product or service related. No data is available on the service related complaints. These complaints, on the service delivered by the organisation, enter the organisation all over the organisation at an employee who has to decide to take action or not. These complaints are not logged in any database or document at all. In opinion of several employees these complaints are merely handled seriously.

The other sort of complaint is the product related complaint, which enters the organisation in a more structured way. The most used point of entrance is the customer service and the second most used point are the external sales people. Often these people will forward the complainants to the customer service. The customer service department gathers the information supplied by the customer and enters it in the database. In case of returning goods a return number will be given by the system which the complainant should add to the package he sends back to the organisation.

The data entered in the complaint databases is often incomplete; people do not fill in important fields which results in unusable management information. There are three complaint databases for the components business which all have their own sort of complaint; returning products, external complaints without returning products and internal manufacturing complaints. These three databases do not have a relationship with each other.

When a new complaint is entered into the database, the customer service employee sends an automated message to a quality employee who should investigate the complaint. It is up to the quality employee to take action; often he is dependent on the returning product before he can undertake action. Returning products come into the organisation at the incoming goods department, they should be supplied with the return number the complainant received from the customer service. With that return number the returning goods department is able to look up to which quality employee the product should go.

When the quality employee receives a defective product he or she starts the investigation, dependent on different factors it takes a week after the complainant handed the complaint over to the organisation up to several weeks or no investigation at all. The information the quality employee gets from the database is often too brief for a quick analysis of the component. So a complete series of tests is necessary which takes a lot of time. The result of the investigation, if it took place, is entered by the quality employee in the complaint record in the database, this information is very often too brief to make it usable for the customer service to report back to the customer.

Seldom complaint reports are send back to the complaining customer, this only happens if the level of complaint came up to a major quality problem.

### 7.1.2 MAIN STRUGGLES FROM THE CUSTOMER VIEW

The USP (2008) indicated that the organisations complaint handling was one of the worst in comparison with its competitors. This was the result of a survey under 1200 electrical contractors, the indirect customers of the organisation. A small survey under 24 of the organisations direct customers – the wholesalers – gave a better result on the complaint handling. Most of the interviewed wholesalers share the opinion that the organisation handles complaints well, easy exchanges products, but have no idea on what happens with the complaint itself. They are not sure the organisation investigates every returned product for a cause analysis and seldom hear anything in return on the complaints. Analysis of the results of the wholesaler survey with the key involved people result in the main learning point, the organisation should solve complaints with the electrical contractor. The wholesaler does not play a major role in the complaint handling itself. The complaint comes from the contractor and should be solved there. The wholesaler is not interested in the details of complaint, but it is good to keep them informed.

### 7.1.3 KEY PROBLEM AREAS IN THE CURRENT SITUATION

Communication is one of the most important problem areas. As listed in paragraph 5.1, the communication can be divided into three elements:

- Communication between different internal departments
- Communication to the customer
- Communication from the customer to the organisation

The communication between different departments is driven foremost by a mentality which is one where individuals only take responsibility for their own specific areas of activity. There are some internal procedures which prescribe how the complaint handling should work, but no one is familiar with these and they are not up to date. A lot of actions are dependent on the employees before an action is taken, with the possibilities of the present-day software, information could flow automatically from the one to the other department, different databases can be integrated into one and better management information will be available. An important issue is also that product development is not always aware of repeated product failures.

The communication to the customer has no structured format; there are no common templates with a format which pushes an employee to make a clear complaint report. But also the organisation lacks to keep the complainant informed during the complaint process. It became apparent that the organisation tried to sharpen her warrantee policy, but the customer service does not act after this policy. A problem here is that the organisation does not communicate changes to her customers. the organisation seldom sends a complaint report to their customers , for gathering feedback on the complaint.

The communication from the customer to the organisation is not always transparant, often defective products are returned without any information about the cause of the defect. Products are dropped at wholesalers and send to the organisation directly, there is no structure.

## 7.2 HOW CAN THE ORGANISATION IMPROVE

In the previous paragraph 7.1, the answers to the sub questions Q1 – Q3 are given. This paragraph will answer the research question: *“How can the organisation improve her customer satisfaction by redesigning customer complaint handling processes?”* This question implicates that the customer complaint handling procedures should be improved. In my opinion the answers on the sub questions clearly indicate that a lot of improvement is possible and necessary to deliver a good service to your customer. For the organisation it is interesting to know what goes wrong, but more attention should go to the future state: how can the organisation improve the current situation to become best in class on the field of complaint handling.

To decide which problem areas should be improved, we fall back to the *two level complaint handling model* which prescribes what items should take part of an organisations complaint handling system. The different contributors to this research all gave their opinion about how they weight the different items of the model which results in three importance levels: high, average and low. We compare the partly present and not present items of the current situation with the three items marked as most important. This should be the importance positions 10, 9 and 8. On the customer interaction level the item with importance position 8 is already part of the standard organisation, so I took number 7.

FIGURE 7-1 KEY IMPROVEMENT AREAS

	Importance position	Partly	Not
<b>Structural Level</b>			
a) Make sure everyone in the organization understand the importance of excellent complaint handling.	10	v	
b) Having clear and easy procedures known and used by every involved employee	9	v	
d) Make it easy for customers to complain	8		v
<b>Customer Interaction Level</b>			
c) Gather as much information that has (a little) to do with the complaint	10	v	
h) Keep the complainant informed	7		v
j) Check for customer satisfaction	9		v

To improve the organisation, the organisation should give attention to the items listed above because these are the most important items for excellent complaint handling. When these items are part of the business system the organisation should go on with the positions 7 to 1 from the *two level complaint handling model*.

### 7.3 RECOMMENDATIONS

Paragraph 7.2 directly lists the items that are the important ones to improve to become excellent complaint handler. Only mentioning these points will be a missed change for the organisation. Organisational improvement will be realised at the moment these important items result in actions to change the current situation into the future state.

To implement the items mentioned before the organisation should do the next things:

#### **Dedicate a problem owner**

This person should be capable to bring the organisation forward to the desirable state. He should be supported by the management with resources and time to be able to tackle this problem. He should make plan meetings with involved people and also make sure the next recommendations will get attention

#### **Start with improvement on single product line**

The organisation should start with the improvement of complaint handling for only one product line, this should become a model for others when the improvement is successful. People in this small group will learn how to handle complaints in a better way, become aware about the importance of excellent complaint handling and can function as an ambassador to their colleagues in a later stage. In a small group trial and error can be used to find out what will work the easiest way, if you will do this on a large group it will become a problem.

#### **Replace the current Access support systems**

the organisation should start with the replacement of their IT support systems; the current Access databases can break down every day and are hard to keep live. There are several options for new software, TopDesk is a system currently used by the organisations IT department can be updated for this use and has in the last version all options the organisation needs. The costs for upgrading and implementation will be approximately € 14,000.-, which is very low for such a system. The new system should give each person the information he needs; several user levels can be made which results in different information available.

**Further development of the two level complaint handling model**

For academic purposes the *two level complaint handling model* could be improved by checking its validity in other organisations. Also the ranking of the different items in the model should be checked in other organisations, now the ranking is based on subjective measurement, maybe it is possible to make them more objective. A follow-up research could contain an assessment of several companies which also have to capture customer complaints. The *two level complaint handling model* can be tested there. Besides that the measurement of the items could be tested at those companies as well.

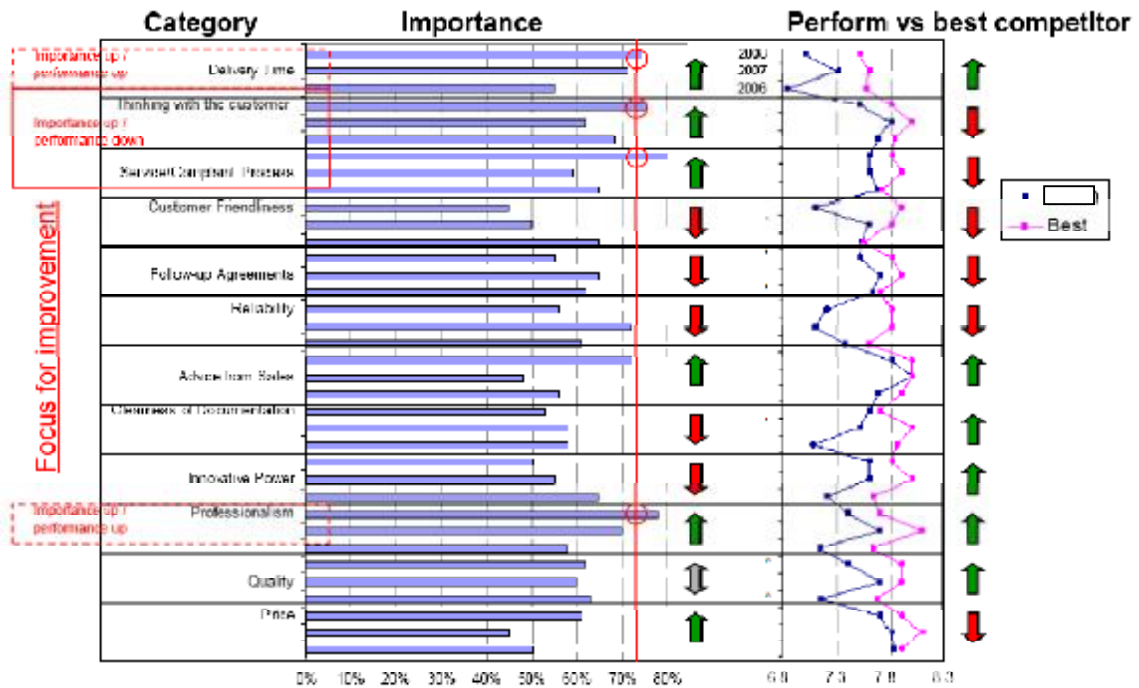
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### APPENDIX I – BOUWKENNIS RESULTS



The left column category gives the different items of customer satisfaction the research studied. The center column importance gives the importance of each item from the customer view over the years with the direction (up/down) of that importance. The right column gives the performance of the organisation versus the best competitor with the direction. The four most important items are the focus items of which two the organisation does not perform very well yet.

APPENDIX II – DEVELOPMENT *TWO LEVEL COMPLAINT HANDLING MODEL*

<i>Model / item</i>	<i>strategic</i>	<i>customer interaction</i>
<b>Barlow &amp; Möller - 1996</b>		
1. Say: 'Thank you'		a
2. Explain why you appreciate the complaint		b
3. Make your excuses for the problem		a/b
4. Promise to take action directly		f
5. Ask for the needed information		c
6. Solve the problem immediately		f
7. Check the customer satisfaction		j
8. Prevent future problems	h	
<b>Waardenburg - 2005</b>		
1. Listen		a
2. Show understanding		a
3. Gather information		c
4. Summarise		c
5. Gather information for a resolution		c
6. Show your resolution		h
7. Check for customer satisfaction		j
<b>Johnston - 2001</b>		
1. Having clear procedures; providing a speedy response	a	
2. the reliability (consistency) of response		i
3. having a single point of contact for complainants	e	
4. ease of access to the complaints process	d	
5. ease of use of the process	a	
6. keeping the complainant informed		h
7. staff understand the complaint processes	a	
8. complaints are taken seriously	b	
9. employees are empowered to deal with the situation	c	
10. having follow-up procedures to check with customers after resolution		j
11. using the data to engineer-out the problems	h	
12. using measures based on cause reduction rather than complaint volume reduction	i	
<b>National Performance Review - 1996</b>		
1. Make it easy for customers to complain	d	
2. Train and empower their front-line employees	c	
3. Seek to maximise resolution at first point of contact	c	
4. Consider complaints as customer feedback and opportunities to improve	b	
5. Enter complaint data in fully automated and integrated information systems	f	d
6. Dedicate a cross functional team to collect and analyse data and report to top management.	g	
7. Credit their overall success.	j	



### APPENDIX III – RELATIONSHIP BETWEEN THE TWO LEVELS

	1) Het is belangrijk dat de klant de klacht kan melden	2) Het is belangrijk dat de klant de klacht kan melden	3) Het is belangrijk dat de klant de klacht kan melden	4) Het is belangrijk dat de klant de klacht kan melden	5) Het is belangrijk dat de klant de klacht kan melden	6) Het is belangrijk dat de klant de klacht kan melden	7) Het is belangrijk dat de klant de klacht kan melden	8) Het is belangrijk dat de klant de klacht kan melden	9) Het is belangrijk dat de klant de klacht kan melden	10) Het is belangrijk dat de klant de klacht kan melden
a) Make sure everyone in the organisation understand the importance of excellent complaint handling.			v				v		v	v
b) Having clear and easy procedures known and used by every involved employee	v	v	v	v	v	v	v	v	v	v
c) Train and empower front line employees to resolve most complaints during the first contact	v	v	v	v	v	v	v	v	v	v
d) Make it easy for customers to complain										
e) Use a single point of contact for complainants										
f) Make use of a integrated and automated IT support system, this results in standardised input, follow up and resolution forms				v	v			v	v	v
g) Dedicate a cross functional team to collect and analyse data and report to top management			v	v	v			v		
h) Use the data to engineer out the problems;				v	v				v	
i) Use measures based on cause reduction rather than complaint volume reduction				v					v	
j) Credit the overall results of the complaint handling process				v					v	v

### APPENDIX IV– THE SEMI STANDARDISED INTERVIEWS

1. Introduction of my research, who I am and what my objectives are.
2. What is your function and how are you involved with complaints?
3. Where do complaints enter the organisation
4. How do you think complaint flow through the organisation between different departments?
5. Do the involved departments work together?
6. What information about complaints does the organisations management use to improve the service and products?
7. What are the goods points of the organisations complaint handling behaviour?
8. What can the organisation improve at their complaint handling behaviour?
9. Which colleagues should I also question to get a complete overview of the organisations complaint handling?

APPENDIX V –WHOLESALE QUESTIONNAIRE

**Wholesaler survey complaint handling**

In addition to an ongoing investigation about customer complaint handling a  we are interested in your opinion about our complaint handling behaviour. Hopefully you will still be interested in completing this survey. If necessary we will use the results of this survey to improve our customer complaint handling.

1)	Did you complain in the past?	<input type="radio"/> yes	<input type="radio"/> no	
2)	Can you give an idea about the number of complaints you handed in last year.....	home automation	consumer units	distribution boards
3)	About what kind of products were those complaints	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4)	About which product group do you have the most complaints	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5)	Can you rate your satisfaction level about the next items?	very unsatisfied	unsatisfied	average	satisfied	very satisfied	no answer
	.....easiness of handing in complaints?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	.....easiness of finding a central point to hand in your complaint?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	.....the customer friendliness of the <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px; vertical-align: middle;"></span> employee handling your complaint?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	.....easiness <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px; vertical-align: middle;"></span> exchanges defect products?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	.....your idea about the follow up of your complaint?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	.....the complaint report you receive about the complaint cause?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	.....the response time on complaints?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	.....the total complaint handling of <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px; vertical-align: middle;"></span>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6)	At witch other company(ies) you have satisfying experience(s) with complaint handling? Why?						
7)	If Eaton ask for more detailed information about a complaint and its cause to improve their service, would you provide that information?	<input type="radio"/> yes	<input type="radio"/> no				
8)	Do you have any suggestions for <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px; vertical-align: middle;"></span> to improve her complaint handling?						

Thanks for your support!

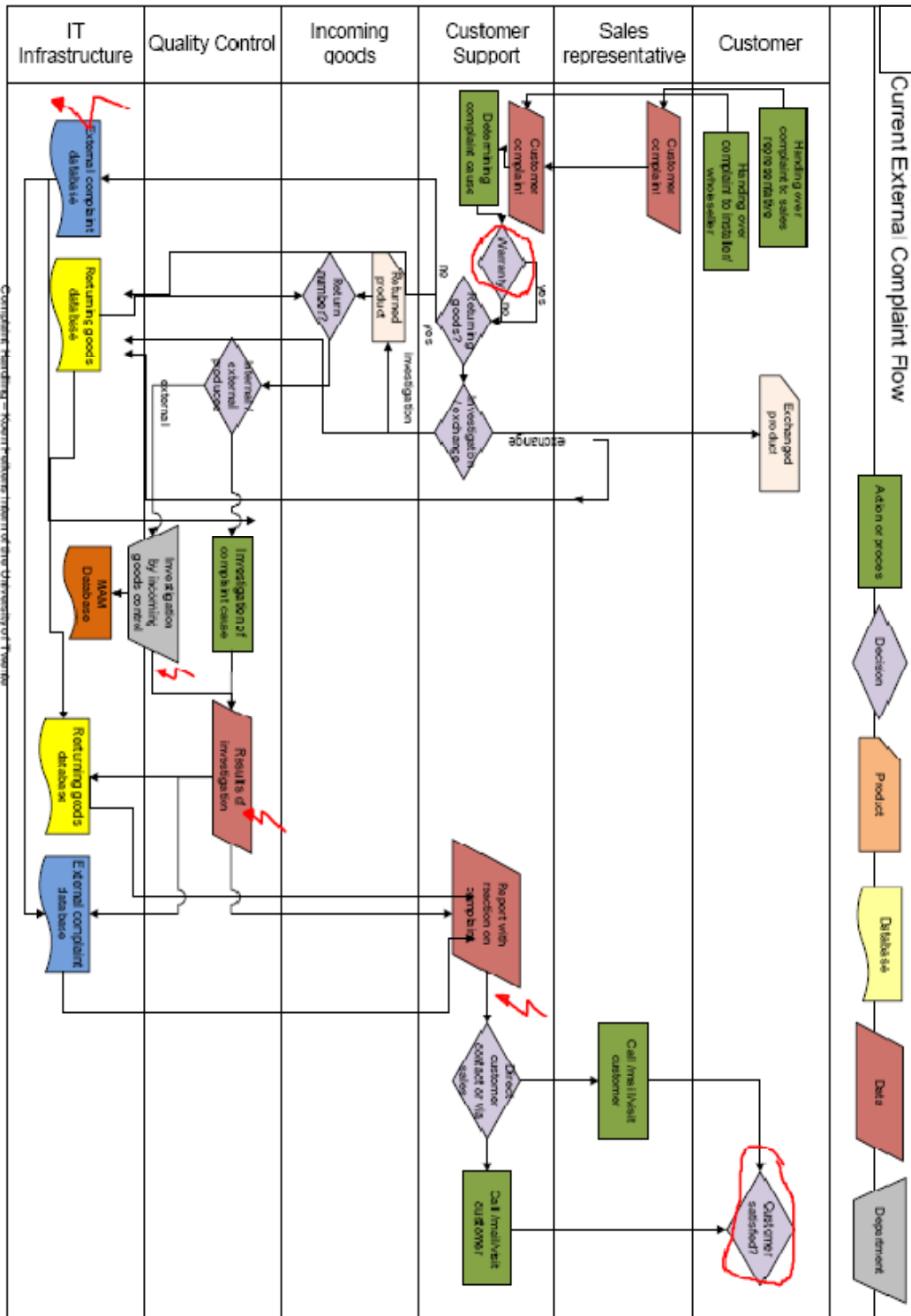


## APPENDIX VI – LIST OF PROCEDURES RELATED TO CUSTOMER COMPLAINTS

On the K.A.M. Site several procedures can be found which are related to customer complaints.

<b>No procedure</b>	<b>Name</b>	<b>Date last update</b>
HR90310	Customer complaints	14-02-2007
HR90309	Warrantee	28 09-2006
HR90240	Major Quality Problems	28 09-2006
HR90007	Structured Team Problem Solving (8D)	28-09-2006
HR90009	Recall	22 03-2007
HR90002	Improvement process	17 11-2008

APPENDIX VII – INTERNAL COMPLAINT FLOW



## APPENDIX VIII – RESULTS WHOLESALER SURVEY

Results n=22**1. Did you complaint in the past?**

yes	#22, 100%
n0	#0, 0%

n=22**2. Can you give an idea about the ratio between product complaints and service complaints?**

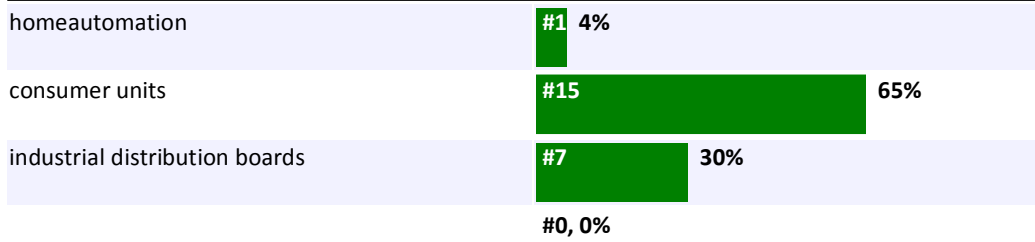
1:4 (product/service)	#2	11%
1:2 (product/service)	#2	11%
1:1 (product/service)	#1	6%
2:1 (product/service)	#3	17%
4:1 (product/service)	#10	56%

n=18**3. About what kind of products were those complaints?**

homeautomation	#7	25%
consumer units	#11	39%
industrial distribution boards	#10	36%
	#0, 0%	

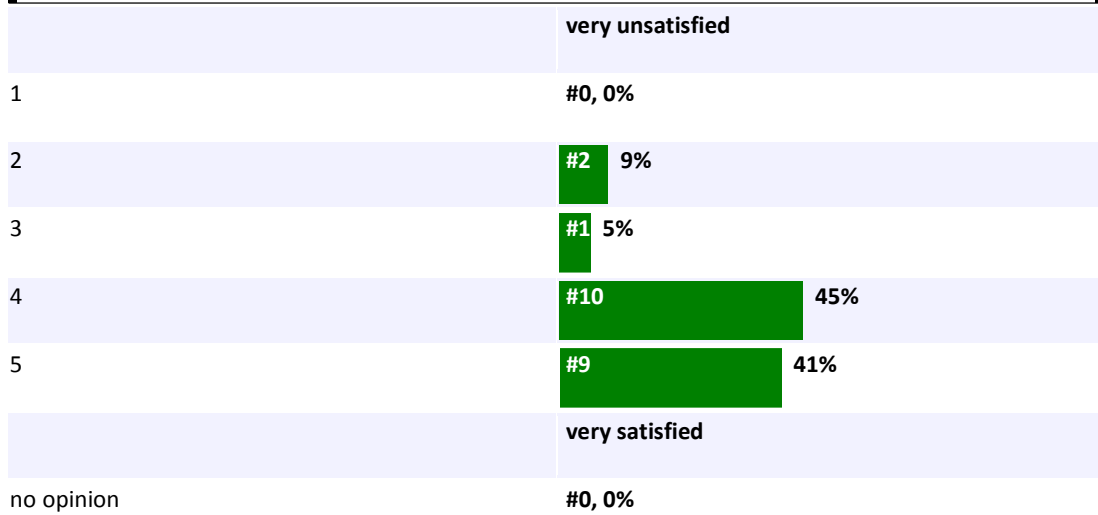
n=28

**4. About which product group do you have the most complaints**

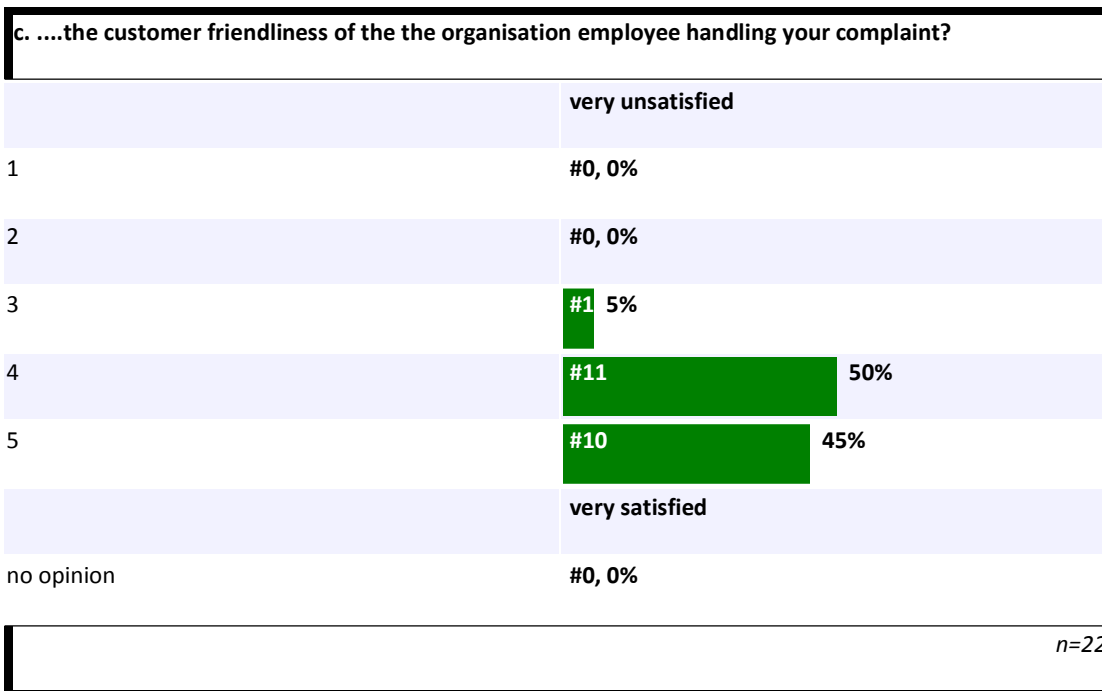
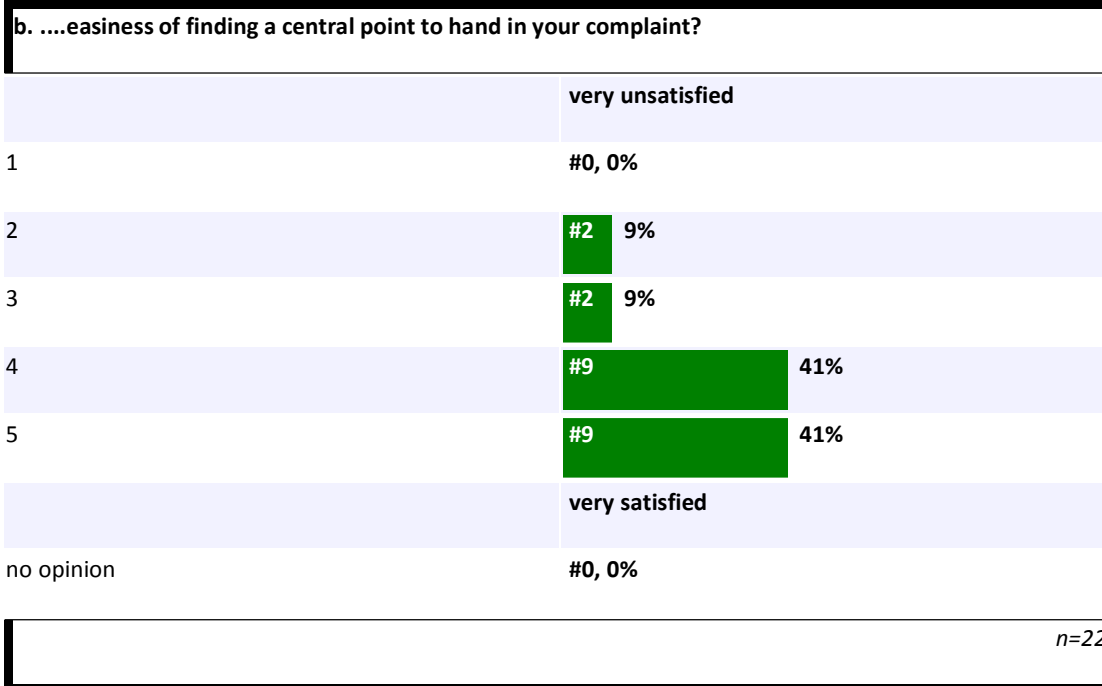


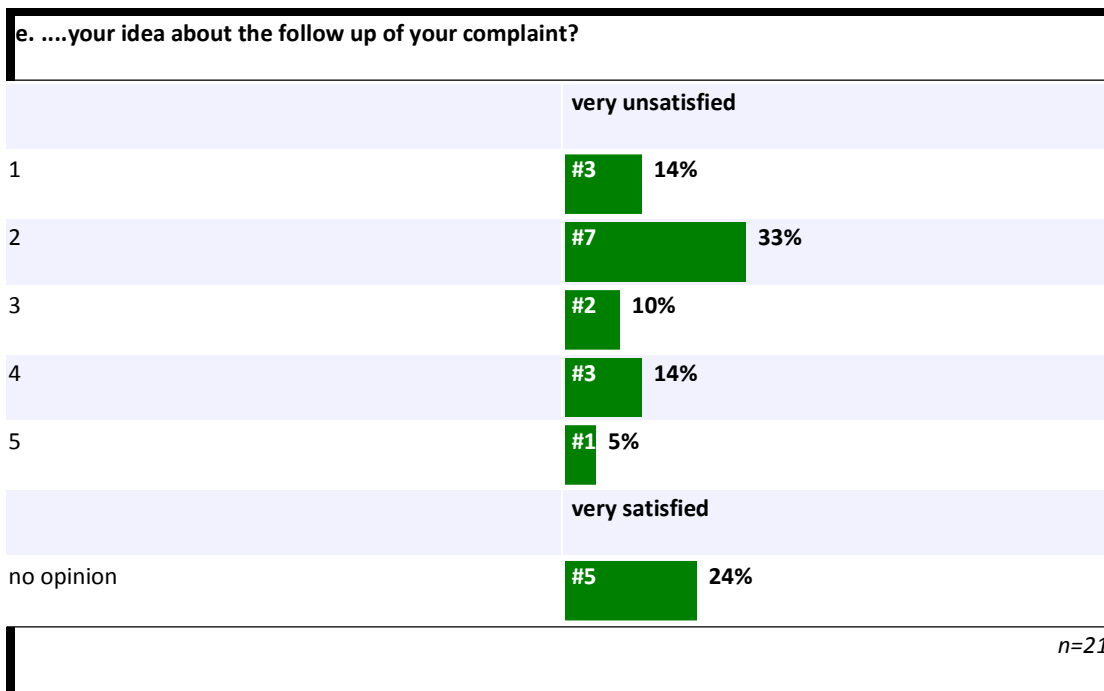
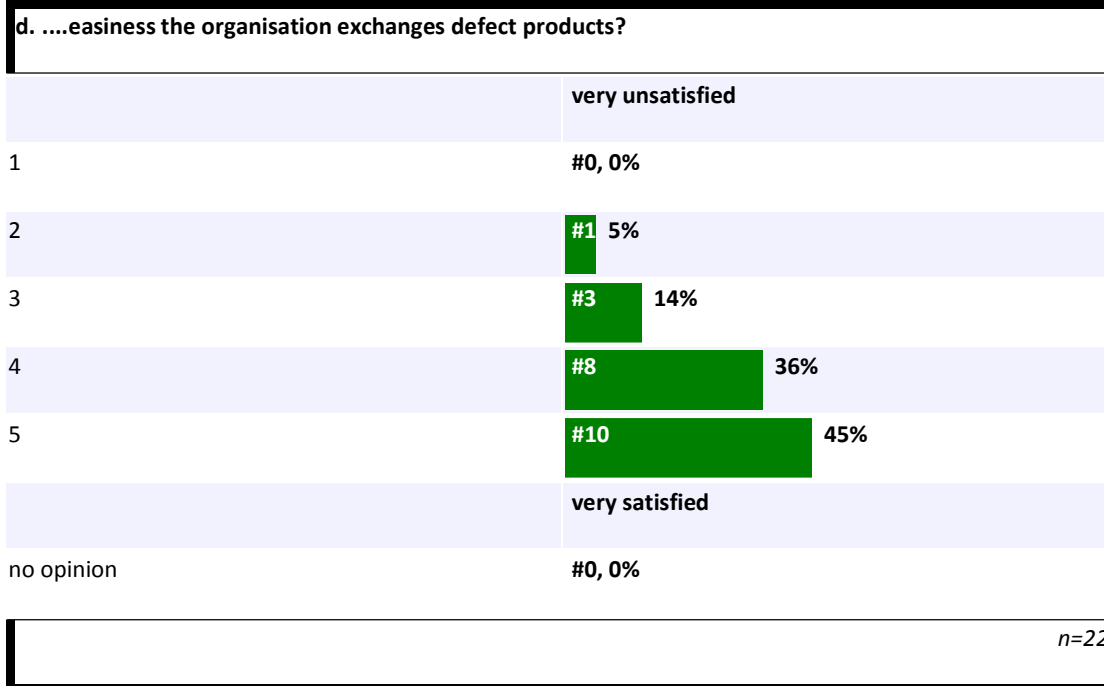
*n=23*

**5. Can you rate your satisfaction level about the next items?**  
**a. ....easiness of handing in complaints?**

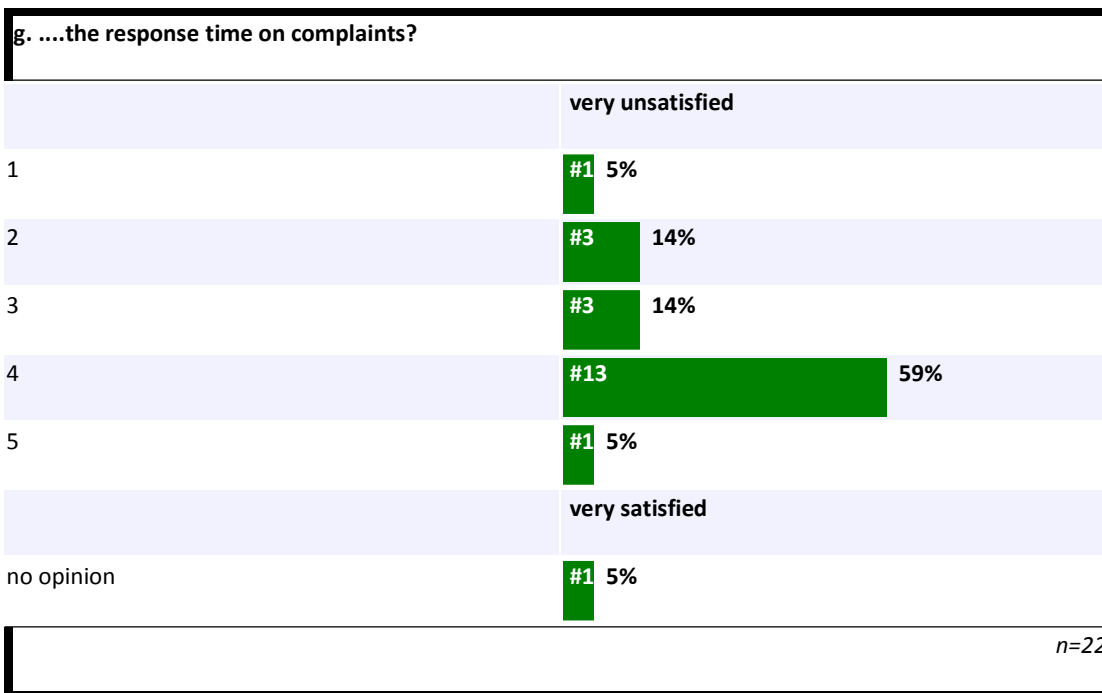
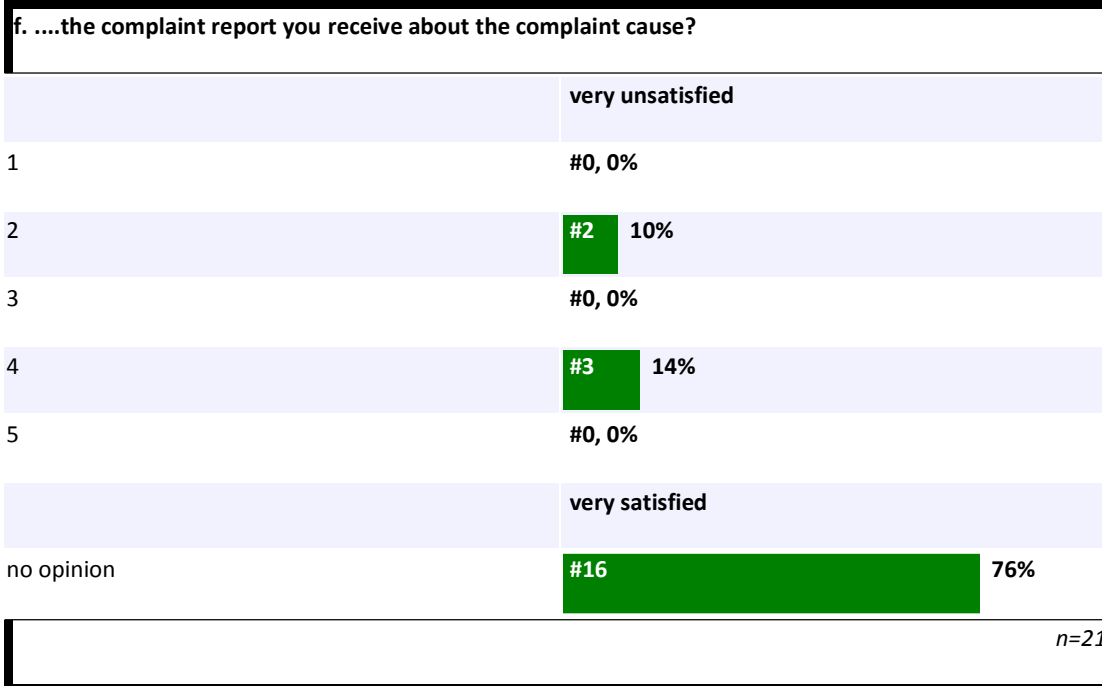


*n=22*

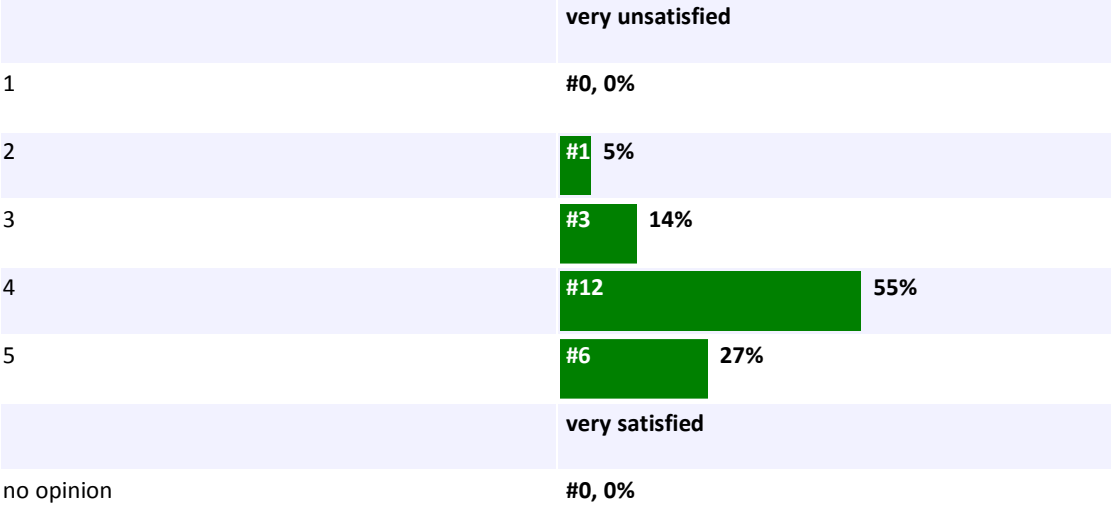






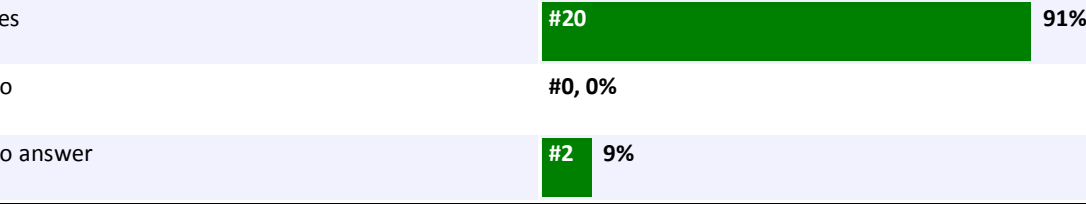


**h. ....the total complaint handling of the organisation?**



*n=22*

**6. If the organisation ask for more detailed information about a complaint and its cause to improve their service, would you provide that information?**



*n=22*