



Llywodraeth Cymru
Welsh Government

Handling Complaints Factsheet

The benefits of successful complaint handling

The value of complaints

The causes of dissatisfaction

The benefits of successful complaint handling

Even the most efficient tourism business is likely to receive some complaints regarding its facilities, products or the service provided to customers by employees. Other customers may be dissatisfied with some aspect of what is provided, but may not actually make a complaint. There are a number of benefits to any tourism business from identifying dissatisfied customers and handling complaints effectively. These can include:

- providing an opportunity to rectify mistakes or solve problems;
- obtaining valuable feedback on what customers want, need, expect and think of your operation, which can be used to improve the customer experience;
- stopping minor difficulties escalating into major problems;
- increasing levels of repeat business;
- generating favourable word-of-mouth recommendations from customers who are satisfied with how their complaint has been handled;
- providing an opportunity to stop the same problem occurring again.

Handling complaints successfully can lead to customers who are just as loyal as they would have been had the problem leading to the complaint not arisen.

Failure to deal effectively with complaints at the first possible opportunity can result in the loss of valuable customers and, on occasions, unfavourable publicity or other damage to a business.

The value of complaints

When you lose a customer, you lose not only his or her business but also any future repeat business. You may also lose business through the dissatisfied customer telling others of their experience.

Your business will also incur the cost of attracting a new customer to replace the one you have lost. Finding a new customer is estimated to cost on average, seven times more than retaining existing customer. So it makes sound business sense not to lose customers by failing to tackle complaints effectively. Investing time and effort in recovering from service failures and retaining customers is likely to pay off in financial terms.

Complaints are therefore very valuable to tourism businesses, although they are often disliked by the employees who have to deal with them.

The causes of dissatisfaction

The causes of customer dissatisfaction will inevitably vary considerably from business to business and depend on the type of operation, its location and physical environment, its service standards and many other factors.

They can range from a customer reporting a relatively small problem that can be easily rectified by a business, such as light bulb that does not work, to a very serious complaint concerning an accident allegedly caused by negligence. Some of the most common complaints in the tourism industry relate to:

- the range of facilities and services;
- the quality of facilities and services;
- the presentation of food and beverages;
- environmental services, such as lighting, heating and air-conditioning;
- advertised facilities or services that are not available or are not as described in marketing materials;

Methods of obtaining customer feedback

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- opening and closing times of facilities or the times when services are available;
- prices or perceived poor value for money;
- equipment not in working order;
- inaccurate reservations, bookings, bills or invoices;
- mistakes;
- delays and queues;
- standards not meeting expectations;
- health, safety and food hygiene;
- the behaviour of employees (and owners);
- the behaviour of other customers.

However, most customers who are dissatisfied with one or more aspects of their experience will not complain. Complaints are the tip of the iceberg, and it is estimated that only 10% of dissatisfied customers actually make a complaint.

It is therefore vital for tourism businesses to actively seek customer feedback and not just rely on customers complaining if they are not satisfied.

Methods of obtaining customer feedback

There are many methods that can be used by tourism businesses to obtain positive and negative feedback from their customers, and most operators use a number of different formal and informal techniques to provide as complete a picture as possible. Methods include:

- talking informally to customers;
- asking customers how their experience could be improved;
- recording all complaints and other feedback;
- visitors' books;
- comment cards;
- guest or visitor questionnaires;
- feedback forms;
- market research surveys;
- focus groups;
- online reviews;
- social media.

Some businesses link the completion of customer questionnaires to a prize draw to boost response rates.

Preparing a policy for handling complaints

Developing a written policy for handling complaints can help your business deal effectively with customer dissatisfaction and complaints. Your policy could include:

- a statement of your desire to deliver facilities and services in a way that does not lead to complaints;
- a statement of the value of complaints to the business;
- details of how customer dissatisfaction is to be identified and customer feedback obtained;
- details of how positive and negative feedback is to be analysed;
- checklists for action to be taken on receipt of any verbal, telephone or written complaints: who is to do what, and by when;
- what action employees should take if they think that a complaining customer may become violent;
- the limits of authority of front-line employees and a clear policy on when complaints should be referred to more senior staff, such as the duty manager or owner;
- your policy on refunds, reduced charges and compensation;
- details of how complaints are to be recorded (including the recording of accidents in the accident book);

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- information on follow-up action to ensure that similar complaints are avoided in the future.

A complaints policy will only be of benefit to a tourism business if its contents are communicated to all employees and any volunteers, and they are clear about their role and responsibilities. Some organisations make their policy available to customers as well.

Dealing with serious complaints

Most complaints to tourism businesses do not relate to serious problems. However, some complaints have potentially very serious ramifications for a business, particularly if they could lead to legal action.

It is therefore particularly important to have clear policies for dealing with situations that might lead to legal action or complaints to trading standards or environmental health departments, such as:

- accidents resulting in injury (or incidents that could have resulted in injury);
- illnesses that could be blamed on the business, such as suspected food poisoning;
- complaints relating to health and safety, such as unsafe sporting or electrical equipment;
- damage to customer property, such as items in guest bedrooms or cars in attraction car parks;
- theft of customer property;
- discrimination on the grounds of race including colour, nationality, ethnic or national origin, sexual orientation, disability, age, sex, being or becoming a transsexual person, being married or in a civil partnership, being pregnant or having a child or religion, belief or lack of religion/belief;
- complaints regarding misleading advertising, unfair contract terms or data protection.

Complaints relating to any of the above situations should be referred immediately to the most senior member of staff present, who should take great care when handling them. They should not admit liability for accidents or damage.

It may be necessary to consult your public liability insurers or legal representative before responding with anything other than an acknowledgement. You should then take their advice on how to deal with the situation.

Dealing with complaints face-to-face

When dealing with a face-to-face complaint, it is important to stay calm and in control of the situation. Don't take the complaint personally and remember that, even if you are not responsible for the problem, you are a representative of your business. Avoid blaming a colleague or a member of staff. Never raise your voice, get angry or use aggressive or defensive body language.

It can sometimes be helpful to ask the complaining customer to sit down or move from a public area, particularly if other customers can overhear the conversation.

Let the customer tell you about the problem and listen carefully all of the way through. Where appropriate, ask open questions to find out exactly what has happened (or failed to happen). Try to look at the situation from the customer's point of view. For more complex problems, take notes and check their accuracy by summarising the situation to the customer.

Empathise with the customer, even if you think that the complaint is not valid or is exaggerated, and apologise for any inconvenience. For serious problems or any complaints involving injury or damage to a customer's property, do not admit liability. Find out what the customer wants to happen now. Some problems can be rectified

Dealing with telephone complaints

Dealing with written complaints

easily, others are more complex and it may not be possible to provide exactly what the customer wants. Some customers just want to let you know of their experience and do not expect any further action.

Whenever possible, suggest one or more alternative to resolve the problem, but never propose action or timings that you are unable to deliver. Seek the customer's agreement to a course of action and thank them for bringing the problem to your attention.

Make sure that the agreed action is implemented as soon as possible, and without fail within any agreed timescale. Remember that nothing annoys a customer more than reaching an agreement to resolve a problem, only for the agreed action not to be implemented.

Some customers are likely to be seeking a refund, a reduced bill or compensation, especially if your business has failed to supply products or services that have been advertised or booked, or if products or services provided fail to meet appropriate standards. It will then be necessary for you to decide whether or not you wish to compensate the customer in any way. It is important to remember that customers have legal rights and to consider whether these apply to the situation.

Many tourism businesses are prepared to waive payments for products or services that failed to satisfy a customer, although they are not legally obliged to do so. However, it is also important to recognise that a few complaints are exaggerated and some requests for compensation are unreasonable. If you are not prepared to accede to customer demands, explain your position in a reasonable manner.

Dealing with telephone complaints

It can be more difficult to deal with a telephone complaint than one made in person by a customer. People can be very angry and abusive in a telephone conversation, as they cannot see what is happening or the impact their words are having on the recipient.

To avoid further irritation to the customer:

- adopt an understanding tone of voice;
- use active listening responses and try to deal with the caller's feelings before attempting to solve the problem;
- handle the call efficiently;
- transfer the call to another person only after explaining the situation to them.

As with face-to-face complaints, it is important to follow through on any agreed action and to consider whether any action is required to stop a similar problem occurring again.

Dealing with written complaints

Written complaints may be received:

- by post;
- by e-mail;
- online reviews;
- social media;
- on customer comment cards or via other written customer feedback mechanisms, such as conference evaluation forms.

It is very important that all written complaints are dealt with as a matter of urgency. Many tourism businesses expect to reply to written complaints within one working day. If it is likely to take time to investigate the complaint, perhaps because the relevant member of staff is not working that day, then it is acceptable to send an acknowledgement stating that you are investigating the problem and stating when a full response will be supplied.

Responding to online and social media reviews

Serious complaints should immediately be referred to the owner/a senior manager for action.

Great care needs to be taken in responding to all written complaints to ensure that the customer is not offended further by the tone of the letter or e-mail or by the presence of careless mistakes that imply you have not taken much trouble over the reply.

It can sometimes be preferable to telephone the customer, rather than reply in writing.

Responding to online and social media reviews

Your online reputation can make or break your business, as the internet is often the first and last place potential customers go to find out more about you. Keep an eye on your online reviews and complaints on social networks. Even the most reputable establishments deal with bad online reviews, posts on social networks, as well as blogs and other online forums. The one thing you can learn from these establishments is that it's not so much the complaint or poor review that defines your reputation, but rather the way it's handled. Here are 6 steps you should do when confronted with a scathing comment and to make responses more effective.

- Firstly calm down. Stop. Breathe.
When someone criticises your business it feels personal. It's not. Take some time to think about the situation. It's impossible to be pragmatic or genuinely apologetic when you're emotionally charged but if you give yourself some time to think it over, you'll be able to see the situation with more clarity.
- Look into the complaint.
Some online reviews or complaints aren't valid. Some of them are. You'll never figure out where you stand unless you investigate and knowing what really happened will

help dictate your course of action. Did your customer have a bad experience with their visit or staff? Who was in the wrong? Find out anything and everything you can about the situation before making any decisions.

- Is the complaint legitimate? Apologise. Is it bogus? Apologise anyway.
Apologise directly and publicly to those affected, whether it's in a Tweet or in response to a comment on the site where the bad review was posted. Let them know what you've done about it. In the event the complaint isn't a valid one, tell your side of the story and see what you can do to resolve the situation. Sincerity goes a long way here, don't give in to temptation to score points or get your own back and don't use sarcasm or be rude. You may not be able to correct something for one particular customer but reaching out publicly shows you care and that you're being proactive.

One thing to keep in mind about online reviews and complaints: whether they're legitimate or otherwise makes little difference to the masses. It's all about perception. A quick apology will do more for you than a denial of wrong-doing. Your response should show that you care about your guests even if you could not resolve the issue written about.

- If possible, continue the conversation privately.
At this point, you should have acknowledged the complaint and made any necessary corrections. Someone might attempt to further engage you publically. Ask them to take the conversation to e-mail or a direct/private message. For example "We'd like to know more about what happened, would you mind sending us a quick e-mail? We're looking forward to resolving this issue for you." You've just made yourself look good while resolving a situation quickly. Social media engagement is important to your social

presence, but not when it's back and forth, he-said-she-said banter with a single online entity.

- Look for patterns.

If you're seeing a string of bad online reviews coming in from all over the place, there's a good chance there's something wrong. Though it seems like bad news at first, it's a great opportunity to identify a fundamental problem with your business and stop further issues arising.

- Avoid the non-apology apology.

You've seen these a hundred times before. "Our establishment has been providing accommodation to our customers for over 20 years. We're sorry that your experience did not match your expectations." Emphasising their leading market position while telling the customer they were wrong for expecting more in a roundabout way. There was no real apology and the lack of sincerity is transparent.

Every business is different. Every customer is different. Every reason for a bad review is different. These steps combined with a bit of common sense, courtesy and a genuine desire to help your customers can turn a conflict into a positive experience for everyone involved. Any intelligent reader reading a well-written "management response" should end up concluding that you, the owner, have been remarkably understanding and sympathetic in the face of what potentially could have been a difficult guest to please. Other travellers will read your response, so it's important for your establishment to make a good impression.

- Positive feedback.

Why not sometimes post a response thanking a guest for a positive review, saying it is always lovely to know that your efforts are appreciated.

- Abusive reviews.

The above formula can't neutralise the most extreme and abusive reviews, but if they are that bad, the website should have them removed at your request, so request that they immediately do so.

Empowering your staff

Complaining customers often want action – and they want it quickly. So it can often be helpful for the person to whom the complaint is made to be able to deal with it immediately, rather than referring it to another member of staff or asking the customer to complete a comment card.

To achieve this speedy action to resolve problems, it is necessary to empower front-line employees to take appropriate action. This may require staff training, giving employees the authority to issue refunds, amend invoices or provide compensation.

As well as offering opportunities for increasing customer satisfaction with complaint handling procedures, empowering your front-line employees can reduce the volume of management time spent investigating complaints and the need to reply to written complaints.

Stopping problems recurring

Once a complaint has been dealt with satisfactorily, it is important for owners/managers of tourism businesses to consider whether any action can be taken to stop the same type of complaint occurring again. This can help reduce future complaints and increase customer satisfaction.

This may require changes to systems, additional training of employees or closer supervision of some tasks.

Training in complaint handling

Training in complaint handling

As identifying customer dissatisfaction and handling complaints well is so important to any tourism business, it is worthwhile ensuring that all employees and any volunteers are trained in this area. This training can be undertaken in-house or staff can participate in external training courses or online learning programmes.

Most customer service training programmes include a section on handling complaints. There are also some training programmes specifically related to dealing with complaints.

For further information, contact:

- Institute of Customer Service: www.instituteofcustomerservice.com;
- Learndirect: www.learndirect.co.uk;
- World Host Wales: www.worldhost.uk.com;
- Business Wales: www.businesswales.gov.wales

Please note that whilst every effort has been made to ensure the accuracy of the information contained in this guide, it is intended to be an introduction to Complaints only.

It is not intended to be comprehensive or a definitive statement of the law in England and Wales.

If you require precise or detailed information on the legislation mentioned in this guide, or on the legal implications for you in particular, you should consult a professional legal adviser.