

# Understanding the ROI from Effectively Managing Customer Complaints

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Government agencies get them. Retailers get them. Financial institutions and utility providers get lots of them. In fact most businesses will have received customer complaints at some point in the last year.

While customer complaints can often be a headache, when resolved skilfully and successfully they can lead to loyal customers. And that translates into dollars in the months and years ahead.

Understanding the return on investment (ROI) from effectively managing customer complaints is something that most organizations would like to explore, but few do. After all, wading through CRM records, emails, customer feedback forms, and incident reports can be time consuming, difficult and costly.

It's also just the start. CRM professionals then have to relate this data to the actions the organization has taken to remedy the complaints; the effectiveness of these approaches; and how the dollars or effort spent on resolving the complaint have turned into value for the company. Trying to combine this fragmented information together across different contexts – in a meaningful way - can be a huge undertaking for even the most skilled CRM professional.

So what's the solution? Some organizations are turning to qualitative research software for the answer.

While many Marketers, Customer Service Directors, and Operations Managers wouldn't consider themselves to be researchers, let alone qualitative researchers, the text books say otherwise. If you're working with data that isn't numerical - be it customer survey responses, field notes, reports or visual material - then qualitative research is being undertaken.

Qualitative research software can help CRM professionals understand the ROI of effectively managing complaints. It helps to manage, shape and make sense of unstructured information like emails, feedback forms, and CRM records quickly and easily. It's like a sophisticated filing cabinet for that information, as well as a search engine to make sense of it, and a whiteboard to track your ideas and findings. You can ask questions of your data, test your theories, and build evidence.

So how does the software do this? Consumer psychologist and university lecturer Michael Edwardson is using qualitative research software called XSight to understand the ROI from effectively managing customer complaints in Australia. His research was commissioned by Australia's Society of Consumer Affairs Professionals (SOCAP) and involved some of the country's largest employers, including L'Oreal Paris, Qantas, Nestlé, Coles Myer, Telstra and the Commonwealth Bank of Australia.

Michael explains:

"If you're going to spend money on handling complaints or customer queries, it needs to be accountable. What we're doing is setting up a framework to explain the benefits and economic value that handling complaints achieves," he said.

Michael interviewed the Customer Relations Managers of ten top Australian employers. He took his findings and inputted them straight into the software, ready for analysis. From there, Michael was able to run sophisticated queries on the information, look for patterns when complaints were successfully resolved, and identify the ROI for achieving a positive outcome for the customer.

"The software helps you to arrange frameworks, which provides an excellent structure on which to base the research. Once this is in place, you can break the results down. You can cut and slice the data, reordering the information and you can come back and test different ideas. It makes you stop and think a bit more deeply about what's going on," he said.

So is qualitative research software the new solution for bringing your CRM data to life? Not if you're looking for software that will tell you an individual customer's purchase history, price points, buying behaviour or interests.

But if you want to combine that information for say 100 or 10,000 customers and look for patterns in the data – on everything from product quality and associated replacement costs to the post-sale customer support experience, then the answer may be yes.

While it can't replace existing CRM technology, qualitative research software can help you to explore complex issues like understanding the ROI of resolving customer complaints quickly and effectively. It also gives you a robust framework which is already proven in the field of qualitative research.