

SIRXCEG002

**ASSIST WITH
CUSTOMER
DIFFICULTIES**

SIRXCEG002

Assist with customer difficulties

Release 1

Learner Guide

Aspire Version 1.1



Copyright Warning

**This product is copyrighted to Aspire Training & Consulting
(ABN 51 054 306 428).**

Aspire Training & Consulting owns all copyright to its products. Except as permitted by the Copyright Act 1968 (Cth) or unless you have obtained the specific written permission of Aspire Training & Consulting, you must not:

- reproduce or photocopy this product in whole or in part
- publish this product in whole or in part
- cause this product in whole or in part to be transmitted
- store this product in whole or in part in a retrieval system including a computer
- record this product in whole or in part either electronically or mechanically
- resell this product in whole or in part.

Aspire Training & Consulting:

- invests significant time and resources in creating its original products
- protects its copyright material
- will enforce its rights in copyright material
- reserves its legal rights to claim its loss and damage or an account of profits made resulting from infringements of its copyright.

Aspire also has learning resources available in these areas:

- Foundation skills
- LLN and employability skills (non-competency)
- Community services
- Early Childhood Education and Care
- Allied health

Aspire is committed to developing quality resources that meet the needs of our customers. However, occasionally Aspire finds, or is notified of, errors. Please refer to our website at www.aspirelr.com.au to see if there are any updates that may be relevant to you.

Every effort has been made to ensure the information in this book is accurate; however, the author and publisher accept no responsibility for any loss, damage or injury arising from such information.

Except where an information source is acknowledged, the names and details of individuals and organisations used in examples are fictitious and have been devised for learning purposes only. Any similarity to actual people or organisations is unintentional.

All websites referred to in this unit were accessed and deemed appropriate at time of publication.

Aspire Training & Consulting apologises unreservedly for any copyright infringement that may have occurred and invites copyright owners to contact Aspire so any violation may be rectified.

SIRXCEG002 Assist with customer difficulties, Release 1

© 2021 Aspire Training & Consulting
Level 1, 464 St Kilda Road
MELBOURNE VIC 3004 AUSTRALIA
Phone: (03) 9820 1300

First published April 2021

Cover design: Anne-Marie Reeves Design
Printer: Doculink Australia Pty Ltd, 1d/28 Rogers Street, Port Melbourne VIC 3207

e-ISBN 978-1-922466-57-0 (PDF version)
ISBN 978-1-922466-56-3

Contact details

Participant
Name:
Start date:
Phone number:
Email:
Work location
Name:
Address:
Postal address:
Workplace supervisor name:
Phone number:
Fax:
Email:
Registered Training Organisation (RTO)
Name:
Address:
Postal address (if different):
Phone number:
Fax:
RTO contact name:
Mobile:
Email:

CONTENTS

Before you begin	vi
Topic 1 Deal with customer complaints	1
1A Recognise and respond to customer dissatisfaction	2
1B Refer complex complaints	13
1C Report on customer complaints	19
Summary	23
Learning Checkpoint 1: Deal with customer complaints.....	24
Topic 2 Process refunds and exchanges	27
2A Identify reasons for refunds and exchanges and offer alternative options.....	28
2B Process refunds and exchanges	33
Summary	37
Learning Checkpoint 2: Process refunds and exchanges.....	38
Topic 3 Deal with difficult customers	41
3A Respond to difficult or abusive customers safely	42
Summary	48
Learning Checkpoint 3: Deal with difficult customers	49
Topic 4 Provide feedback on customer service	51
4A Identify and report improvements in customer service.....	52
Summary	58
Learning Checkpoint 4: Provide feedback on customer service	59

Before you begin

This Learner Guide is based on the unit of competency *SIRXCEG002 Assist with customer difficulties*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at:

www.training.gov.au.

How to work through this Learner Guide

This Learner Guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the Learner Guide you need to read, and which Practice Tasks and Learning Checkpoints you need to complete. The features of this Learner Guide are detailed in the following table.

Feature of the Learner Guide	How you can use each feature
Learning content	Read each topic in this Learner Guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples	These highlight key learning points and provide realistic examples of workplace situations.
Practice Tasks	Practice Tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Summaries	Key learning points are provided at the end of each topic.
Learning Checkpoints	There is a Learning Checkpoint at the end of each topic. Your trainer will tell you which Learning Checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.

Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table provides definitions for each foundation skill.

Foundation skill area	Foundation skill description
Oral communication skills	<ul style="list-style-type: none">Ask open and closed questions and actively listen to determine and meet customer preferences
Self-management skills	<ul style="list-style-type: none">Manage personal emotions in difficult situations

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1: Deal with customer complaints	1A Recognise and respond to customer dissatisfaction	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Refer complex complaints	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Report on customer complaints	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2: Process refunds and exchanges	2A Identify reasons for refunds and exchanges and offer alternative options	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Process refunds and exchanges	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3: Deal with difficult customers	3A Respond to difficult or abusive customers safely	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 4: Provide feedback on customer service	4A Identify and report improvements in customer service	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident



Topic 1 | Deal with customer complaints

- 1A Recognise and respond to customer dissatisfaction
- 1B Refer complex complaints
- 1C Report on customer complaints

1A Recognise and respond to customer dissatisfaction

Customers are the most valuable person to every business – in fact without customers, there is no business.

A customer complaint is any expression of dissatisfaction or grievance made to staff in relation to a business. Customer complaints provide insight to where an organisation's products, services and systems are failing so they can be analysed and rectified by management.

However, official customer complaints are not that common. Instead, customers may communicate their negative experience to others, including on social media and the internet. This can lead to negative word of mouth (WOM) advertising. This can have a detrimental commercial impact to businesses, including a loss of existing customers, an inability to attract new customers and a negative effect on sales. An unhappy customer can continue to spread negative comments to others long after their poor experience. This is why rectifying customer dissatisfaction is such a high priority.

After all, companies spend a lot of time building their brand name and developing a reputation, that any unresolved issues can severely damage the integrity of the business brand, which is typically difficult to repair. Businesses that follow up and resolve a customer's complaint promptly are more likely to return for more business and promote the good service they received to others.

Recognise the key sources of customer dissatisfaction

There are generally three main sources of customer dissatisfaction that need to be responded to in the business environment:

- Product and service issues – related to a product or service that a customer has either purchased or experienced
- Customer service issues – related to people who have provided customer service to the customer
- Management and system issues – related to policies, procedures, systems and management practices

For each customer complaint source, you must respond appropriately by following the workplace policies and procedures.

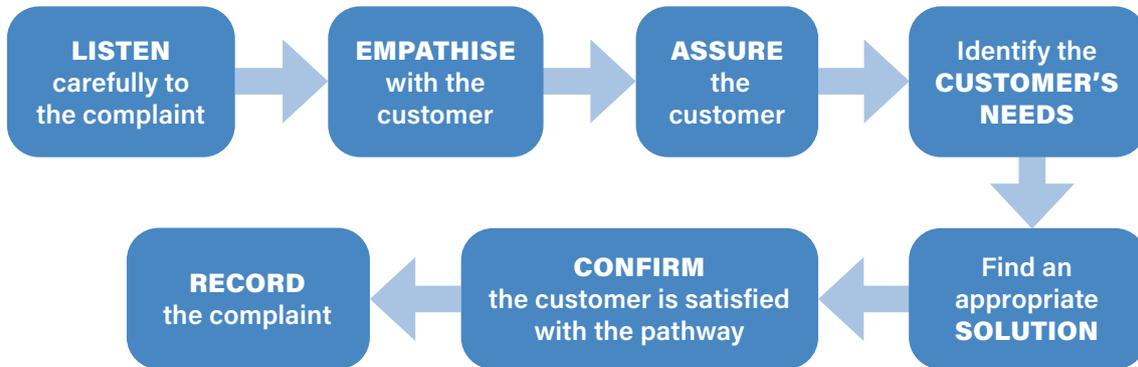
Product and service issues	Customer service issues	Management and system issues
<ul style="list-style-type: none"> Quality of products and service Damage or faults Availability of products Long or unreliable wait times for delivery 'False' advertising such as product does not do what it is claimed to be able to do 	<ul style="list-style-type: none"> Rude/inattentive staff Inefficient service Promises broken Errors in billing Lack of knowledge and therefore unable to answer questions Misleading information 	<ul style="list-style-type: none"> Policies that prevent a refund, replacement or other remedy Management decides not to offer a remedy Internal systems make it hard for the product or service to be made available out-dated procedures to process a purchase which lead to customer dissatisfaction Pricing errors in the point of sale system

When a customer raises a complaint or issue, swift action help prevent the matter from escalating. To achieve this, consider the three basic needs of a customer:

Listen	Customers want to be listened to and shown empathy. As they are dissatisfied in some way, the issue can be made worse if the employee shows poor listening skills, fails to focus on the customer or is reluctant to give the customer the time they need to explain their issue.
Ownership	Customers expect the person with whom they are raising the complaint with to take responsibility on behalf of their organisation, even if they are not the cause of the issue.
Action	The customer will want to know what actions are going to be taken next, when this will happen and the purpose of these actions.

Remember, your initial response to a complaint can make or break the customer relationship. You must demonstrate that you are willing and ready to address their complaint immediately and that you care about their issue by demonstrating professionalism and effective communication skills. Focus on solutions and work with the customer to find an appropriate outcome that meets the needs of the customers.

The following steps can be used in the complaints handling process:



Effective communication skills

Effective communication skills are vital in the complaints handling process, particularly in your initial response. Many customers can become emotional or angry when having to complain; therefore, the way you communicate can escalate or diffuse the situation.

The facts are that the most successful people in business communicate effectively. Yet, there are key distinctions between regular communication and effective communication. Effective communication means the intent of your message is successfully sent and received by the audience. It requires a higher level of skill to achieve and involves more than simply communicating information.

Effective communication occurs when the intention or meaning of your message reaches the customer. The best communicators use a range of deliberate and controlled verbal and non-verbal cues to ensure the intent of their message reaches the receiver. This can be challenging for staff who only speak over the phone to customers and the way they use their voice to communicate effectively.

Verbal communication skills	<ul style="list-style-type: none"> • This includes all types of words (i.e. spoken or written). • Examples of verbal communication include forms of written communication, such as texting, email, letters and the telephone which is also spoken. • It also includes the tone, volume or pitch of your voice, the timing and delivery of words including pauses and speed of delivery.
Non-verbal communication skills	<ul style="list-style-type: none"> • Non-Verbal language communicates thoughts and feelings. • When used with verbal communication, a strong and effective message can be transmitted or received. • Body language and visual cues, such as personal presentation, can be easily misunderstood by a customer and may not accurately communicate what you are thinking or feeling inside. • Body language includes the use of eye contact, body position and hand gestures to reinforce spoken words.

Ask key questions

Questioning is the basis of identifying and understanding a customer's issues and their core needs in order to successfully meet their expectations. They remove assumptions and show the customer that you are genuinely interested in resolving their concerns.

Questions can include open and closed styles. The following table explains both in further detail.

<p>Open questions</p>	<p>Open questions allow customer to speak in their own words and encourages thinking and reflecting.</p> <p>They normally begin with, or use key words, such as:</p> <ul style="list-style-type: none"> ▪ Who ▪ When ▪ What ▪ Why ▪ Where ▪ How <p>Examples of open questions include:</p> <ul style="list-style-type: none"> ▪ "What type of solution are you looking for?" ▪ "Why would you like a replacement?" ▪ "Where have you seen this product used?" ▪ "How do you feel about having the product repaired?" ▪ "When are you looking at resolving this issue?"
<p>Closed questions</p>	<p>Closed questions require the customer make a choice between a few limited options. They can be in the form of probing questions and normally begin with, or use key words, such as:</p> <ul style="list-style-type: none"> ▪ Can ▪ Which ▪ Does ▪ Are ▪ Would ▪ Have ▪ Could ▪ Do <p>Examples of closed questions include:</p> <ul style="list-style-type: none"> ▪ "Do you have a preference between a refund or replacement?" ▪ "Do you want a refund?" ▪ "Would you like to speak to my manager?" ▪ "Would you like me to see if this can be fixed?" ▪ "Have you had this issue before?"

Use active listening skills

Listening is regarded as one of the most important skills when it comes to customer service and complaints handling. Have you ever heard people say, "They just didn't listen to me?" Unfortunately, this is all too common. This is because many customer service representatives are great at talking; however, they often neglect to exercise their listening skills.

Active listening is defined as listening with the intent of doing something with the information received. It involves actively interpreting the information being communicated and participating in the conversation.

Participation in the listening process can be achieved through the following examples:

- Eliminating distractions
- Taking an interest in the customer's story
- Giving verbal and non-verbal cues to show you are paying attention
- Asking questions to clarify information
- Summarising the information back to the customer to clarify their meaning

Seek solutions in consultation with the customer

When identifying appropriate solutions to resolve customer complaints, you may need to consult with the customer to find a solution that meets their needs and is in line with your organisation's policy.

Examples of solutions may include replacing a faulty product, having the service completed again, repairing a faulty part or item or providing information and training on the correct use of a product.

The following table provides some effective tips when consulting with customers:

DON'Ts	DOs
Dismiss the customer's issue as being unimportant or a minor problem.	Answer questions directly, politely and with a smile. Focus on what you can do to fix the situation.
Don't apportion blame to the organisation or another team member.	Represent and uphold your organisation in a professional manner at all times.
Don't make up excuses.	Apologise where necessary. Focus on meeting the customer's needs. If you don't know the answer, say so, and find a supervisor who does.
Don't interrupt the customer.	Let the customer explain their complaint and listen to them until they're finished. Take notes, check your understanding if necessary by asking clarifying questions.
Don't argue back.	Be attentive and polite, particularly if the customer seems to be upset or angry.

DON'Ts	DOs
Don't take it personally.	Remember the customer isn't disappointed with you, rather they have an issue with your organisation.
Don't make promises you can't deliver.	Offer solutions that are consistent with your organisation's complaints handling and refund policy.

Confirm your solution with the customer

Always work with the customer to find a mutually acceptable resolution that addresses the source of the issue and satisfies the customer.

However, be mindful that the solution needs to be feasible and affordable for your business in line with your organisational policies and procedures.

It is important that you inform the customer of the outcome if this is not apparent already through your conversation. This could be communicated through a courtesy follow-up call, an email or a simple SMS. Let the customer know what has been actioned on their behalf and whether they need to follow-up with your organisation.

Most importantly, if you routinely meet and exceed expectations, customers will positively remember you and the level of service that you provided to them. They will be open to excellent service if you go above in order to prove you value them and their business.

Act within your level of authority and policies and procedures

Offering solutions or remedies that are outside of policies and procedures and you are not authorised to provide, may result in promises being made that cannot be carried through, which will further dissatisfy the customer and only inflame the issue.

Complaints handling policies explain the organisation's commitment and expectations about handling customer issues. They describe the commitments of the business and the ways in which the customer can have their complaint resolved. For the sales and service staff, policies are the mandatory internal rules that explain the outcomes that need to be achieved and the broad guidelines that must be followed when responding to a complaint.

Procedures explain how to resolve a complaint to the standards outlined in the policy. They are the steps that describe how to respond to the customer, the types of solutions that can be offered and how to escalate a complaint correctly. They also describe what you can and cannot offer to a customer with a complaint as well as when complex issues must be referred to a supervisor.

Without set procedures, customers will receive different outcomes and levels of service, some better and some worse, leading to unmet standards and a lack of consistency in the process.

Example

Sample customer service policy

BizOps Enterprises customer service policy

Our aim

The BizOps Enterprises customer service policy applies to all employees; whether they are full-time, part-time, casual, permanent or temporary.

BizOps aims to provide the highest level of service to customers. As such, our staff should always demonstrate:

- accuracy and efficiency when providing products and services
- professional courtesy in all dealings with customers (both internal and external)
- accountability for their actions and the services they provide
- integrity
- a high level of product and service knowledge
- effective communication skills.

Commitment to customer service

BizOps staff are trained in communication skills and in providing effective customer service during their induction period.

Dealing with customer complaints

Complaints made by BizOps customers must be handled in accordance with the customer complaints policy and procedure.

BizOps Enterprises customer service policy

Accountabilities

All staff are expected to:

- provide high-quality customer service
- provide customers with the same level of service, regardless of whether they are internal and external customers
- show courtesy to customers in all situations
- look for ways to enhance the customer service experience
- identify and address poor customer service
- report poor customer service to their supervisor, team leader or manager.

Managers must:

- act if poor customer service is identified by customers or staff
- review customer service procedures, where appropriate
- document and report on this process.

Example

Sample customer complaints policy

Policy statement

Perth Custom Spares (PCS) is committed to providing the highest level of customer service that is designed to both meet and potentially exceed customers' expectations. Customer complaints may escalate if the issue is not addressed promptly and professionally, leading to issues, such as:

- non-payment for services or goods or unnecessary discounts
- proceed to small claims dispute reconciliation
- reporting the matter to the relevant Consumer Affairs Department
- potential for bad publicity or advertising for the company
- negative reputation in the market place
- posting on the internet poor service rating and comments.

The basis for excellent customer service is the development of lasting relationships with customers and so we should value complaints as they assist us to continually improve our products, services and customer service to achieve these goals.

This policy has been designed specifically to assist our staff to work with customers to handle customer complaints and resolve underlining causes. PCS is committed to fair and confidential complaint handling and to resolving complaints as quickly as possible. PCS aims to make it easy for people to make a complaint if they are dissatisfied and we will treat all customers making a complaint equally.

Responding to complaints

Customers who lodge a complaint will be treated with respect and courtesy. Where possible, complaints will be resolved at the first point of contact. The seven steps to effective complaints handling are to be used:

1. Listen carefully to the complaint.
2. Empathise with the customer.
3. Assure the customer.
4. Identify the customer's needs.
5. Find an appropriate solution.
6. Confirm the customer is satisfied with the pathway.
7. Record the complaint.

If appropriate to resolve the complaint immediately, customer service staff can offer to replace the product if the product is faulty, free of charge, or provide a refund subject to it meeting our return for credit requirements (note: a restocking fee may still apply).

If the complaint cannot be resolved immediately, the customer will be given a timeframe, a contact person and details of our complaint handling process. Where possible, the staff member taking the complaint details will be the contact person or after consultation with the supervisor the task may be delegated.

Example

Sample customer complaints procedure

All customer complaints made to BizOps Enterprises must be managed according to the following guidelines.

1. All complaints received by BizOps must be documented on the customer complaint feedback form.
2. All customer complaints must be recorded in the customer complaint register.
3. All complaints must be acknowledged with customers within five working days.
4. In the first instance, complaints must be investigated by the staff member who receives the complaint.
5. If a staff member is unable to resolve the complaint, then they must inform their supervisor, team leader or manager immediately.
6. All actions taken to resolve a customer complaint must be recorded on the customer complaint form.
7. Customers must be informed of the results of any investigation made as a result of their complaints.
8. Any information gathered through the customer complaints process will be stored in accordance with the Privacy Act 1988 (Cth), any state-based privacy Acts and the BizOps privacy policy.
9. If you identify that a new policy or procedure is required in response to a complaint, this new policy or procedure must be written, approved and implemented within seven working days by area managers, supervisors or team leaders.
10. Any complaints that cannot be resolved internally must be referred to mediation by an external party.

Practice Task 1

Question 1

Draw a line to match each customer dissatisfaction type to its correct example.

- | | |
|--------------------------------|---|
| » Customer service issues | » Policies that prevent a refund, replacement or other remedy |
| » Product and service issues | » Inefficient service and response to a claim for a refund |
| » Management and system issues | » Long or unreliable wait times for delivery |

Question 2

Number each step from 1 to 7 in the order you would follow to respond to customer complaints.

- Identify the customer's needs
- Confirm the customer is satisfied with the pathway
- Listen carefully to the complaint
- Assure the customer
- Empathise with the customer
- Record the complaint
- Find an appropriate solution

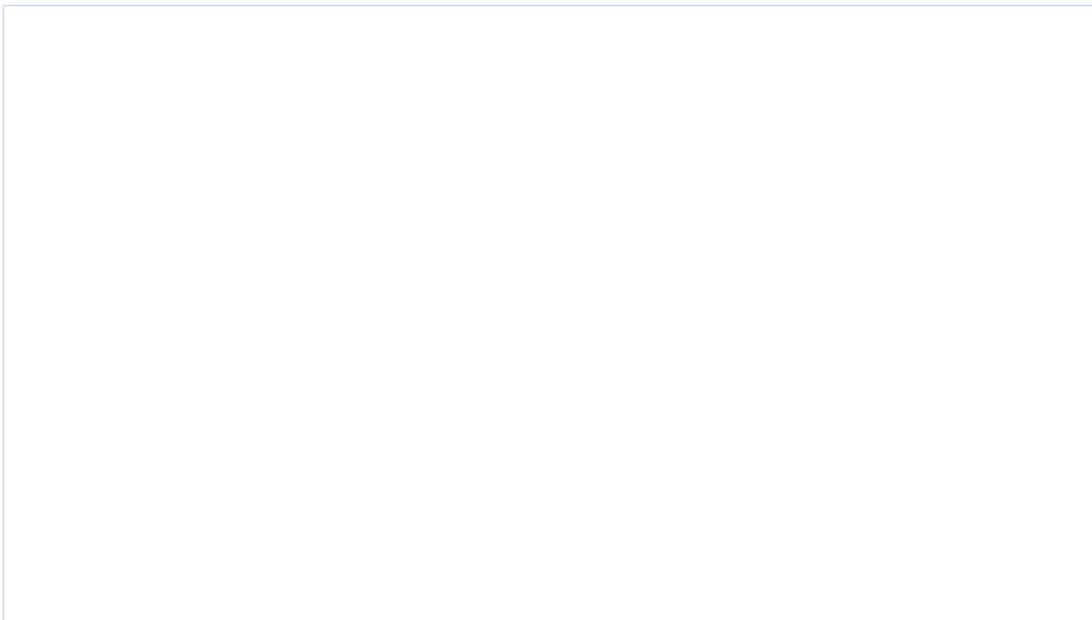
Question 3

Briefly explain the wider commercial impacts of customer dissatisfaction or unresolved issues.



Question 4

Provide three examples of questions you could ask to help you better understand a customer's complaint.



1B Refer complex complaints

Complex customer complaints will need to be referred to another party when the issue is beyond your level of authority.

Referring complaints means that you need to hand the customer over to another person when the issue is outside of your authority limits. This means forwarding on complaints documents and providing follow-up support to customers and staff members; inform the customer that you need to seek the assistance of a more senior person. This may be your supervisor, manager, business owner, franchise owner or an external party such as the manufacturer or supplier.

Communication is an integral part of the complaints handling process and even more so important when seeking the assistance of a more senior or experienced person.

Types of complex complaints

Your position description and organisational policy and procedure for complaints handling will explain the types of complaints you are authorised to handle, and those that need to be escalated to a senior party.

Examples of when you may need to refer a customer can include the following:

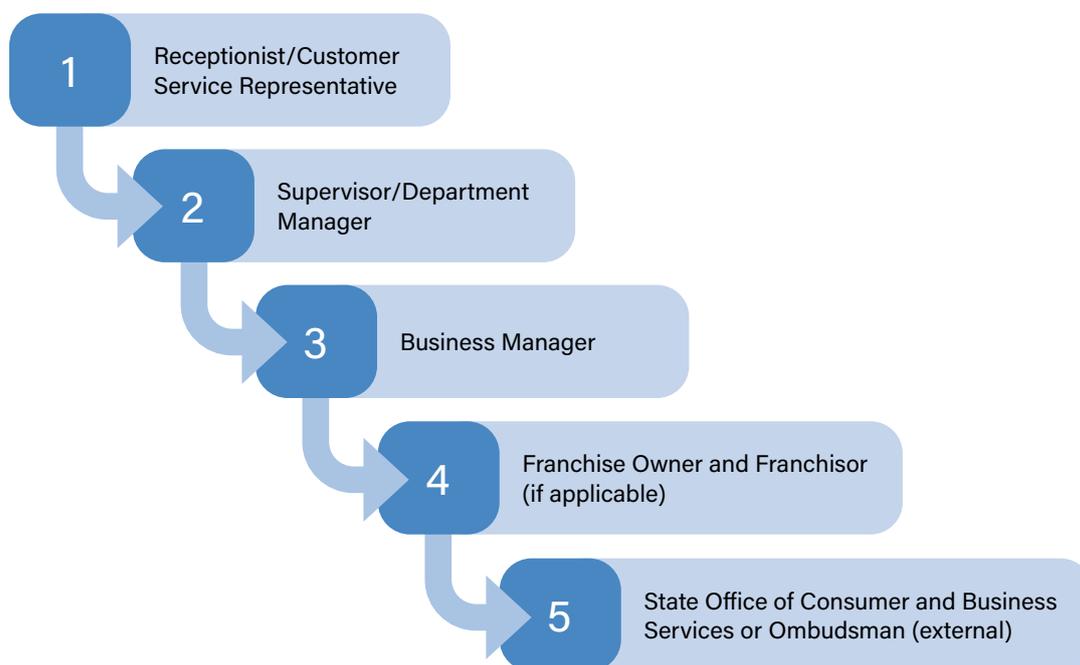
- The customer has a special request that is not aligned with a policy.
- The customer has experienced harassment from an employee.
- The customer has been abused by a member of the public on your premises.
- The concern involves the safety, security or privacy of a customer.
- A suspected food poisoning case or a foreign object found in a product.
- The concern involves a discount or refund that is beyond your level of authority.
- The customer firmly asks to see the manager.

Procedures for referring complaints

If a customer complaint is beyond your level of authority, or the customer is demanding something you cannot provide, refer the matter to another party.

Customer complaints must be referred on or escalated according to your organisation's policy and procedure. In most cases, a complaint will be escalated to the first level manager, or supervisor. If the customer is not satisfied with the outcome, they will be able to escalate their issue to the next level manager, which may be a store manager, branch manager or business owner – at this point, the customer's issues should be resolved to a satisfactory standard. If the business part of a franchise agreement, the customer may be able to escalate to the franchise owner or franchisor.

A common referral or escalation process is outlined below:



External escalation points

When a resolution still doesn't meet the customer's satisfaction, even after proceeding through all internal escalation points, the customer can decide to take their complaint to either of the following external parties:

Ombudsman	Several key industries such as telecommunications, banking and insurance, building, and airlines have a designated ombudsman. Their role is to provide an independent dispute resolution service for small business and consumer customers who have a complaint about their products and services. The ombudsman has legal powers to decide on resolution of a complaint.
State office of consumer affairs or fair trading	Each state/territory has an office that can assist consumers in resolving complaints with a seller and negotiate a satisfactory outcome, where the consumer law has been breached.
Independent solicitor	The customer may choose to engage a lawyer to represent them in a small claims court and have the matter heard by a magistrate.

Provide a warm handover

When referring a complaint, implement a 'warm-handover' approach with the customer. Explain to the customer that you are going to personally connect them to a person who will be able to resolve their issue.

You must collect and write down the details of the issue and provide this information onto the next person. Introduce the customer to the person who will be taking over their complaint – this is called a 'warm handover'.

The opposite is a 'cold handover', whereby the customer is provided with the contact details of the next person and there is no introduction provided to support the customer or the next party. This level of service is viewed as impersonal and may risk losing the confidence of the customer. Conversely, a warm handover will save the customer the time in re-explaining their issue to a second person and will help the person managing the customer's issue.

The information that you will need to forward to the appropriate party must include the following:

- Customer's name and contact details
- Date/time the issue occurred
- Nature of the issue
- Reference/model numbers of any products that the complaint relates to
- Troubleshooting already performed
- Customer's needs/request

Methods for referring complaints

Use your judgment to determine the best way to refer a complaint to a colleague. If the complaint is urgent, phone them straight away and follow up in writing so the referral is documented. For example, there are often product recall reports in the media that alert customers to faulty products and so they contact the company. These complaints must be treated seriously and promptly.

The person you refer the complaint to must know everything they need to know about both the customer and the complaint. This way they can deal confidently and effectively with the customer.

Keep the customer informed by explaining that you have referred their complaint and someone more appropriate will be handling it. Let them know when they can expect to hear back about progress.

You can refer a complaint to a colleague in a number of ways:

- Transfer a customer on the telephone directly to the relevant staff member.
- Email the staff member.
- Telephone the staff member.
- Visit the staff member in person – if the complaint is very serious, a meeting may need to be held to handover.
- Complete a request form asking the staff member to deal with the complaint.

Maintain a positive and cooperative manner

When attempting to resolve a complaint, or when referring a complex complaint to onto another party, always maintain a positive and cooperative manner at all times. Refer to the effective communication skills outlined in the previous section.

Consider the following principles when responding to customers about a service issue to avoid an escalation:

- Do not show your impatience or annoyance or react to anger with anger.
- Focus on solutions and outcomes, not the problem itself.
- Apologise if your organisation or a supplier has made a genuine error.
- Only give the customer the information they need.
- Protect the reputation of your business by not going into detail as to why the issue has occurred.
- Work within your limits of authority.
- Do not disclose confidential, personal or sensitive information.
- Always act in line with your organisation's policies and code of conduct.

Example

Escalation procedures

If a complaint cannot be resolved by the usual complaint process, refer the issue to your immediate supervisor. The supervisor, after further investigation, will keep the manager fully informed of the details of any unresolved complaints and seek guidance as necessary. In order to resolve the complaint, they may provide a:

- discount
- provision of additional services for free
- refund of customers expenses or payments
- replacement with the same or alternative product
- discount on future products or services.

If the complaint cannot be resolved to the customer's satisfaction, inform them about where they can take further action (e.g., Office of Consumer and Business Affairs).

Practice Task 2

Question 1

Briefly outline two features of a 'warm handover'.

Question 2

Which of the following scenarios would need to be escalated to a manager? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) The customer has a special request that is not aligned with a policy. | » Yes | » No |
| b) A suspected food poisoning case or a foreign object is found in a product. | » Yes | » No |
| c) The customer has requested a copy of the store trading hours. | » Yes | » No |
| d) The customer firmly asks to speak with a more senior person. | » Yes | » No |
| e) The customer has asked for directions to the bathroom. | » Yes | » No |

Question 3

Which of the following behaviours should be used when resolving customer complaints?
Tick all that apply.

- Maintain your emotions and composure.
- Work within your limits of authority.
- Focus on the person not the problem.
- React strongly to requests to speak with a manager.
- Apologise for everyone's bad behaviour and poor service.
- Only give the customer the information they need.

1C Report on customer complaints

When managing a complaint, start by confirming the key details of the customer's issue. This information must then be recorded in the customer database.

Once you have responded to the customer and understood their issue, you must gather a range of key information and report the matter so your organisation can begin working on a solution to fix the problem.

It is important to record customer complaints for the following reasons:

- Management can develop formal reports on the customer complaints that can be used to identify trends in service issues.
- The record enables managers and other staff to follow up a customer, without having to gather all the information a second time.
- Reports can be used to assess the level of customer satisfaction.

Report customer information

Information about customer complaints and other product/service issues need to be reported to key personnel and specialised team members for follow-up and rectification. Always check your organisational policies and procedures and your organisational chart to ensure you know who to report customer complaints information to.

Key parties involved in reporting customer complaints can include:

- your supervisor
- after-sales support
- subject matter experts/technical specialists
- servicing and repairs personnel
- delivery department
- finance/accounts department
- a senior manager.

Collect key customer information

When dealing with customer complaints, you need to record a number of key types of information. This is then be reported to the appropriate person for follow-up. Always check your spelling, key dates, reference numbers and other details for accuracy. Your organisation may have customer complaints report form or a complaint register for this information; this may be part of customer database and stored in a specific folder.

The type of information you may to need to report can include:

- customer's name
- contact details
- date/time the issue occurred
- nature of the issue/complaint
- reference/model numbers
- troubleshooting already performed
- customer's needs/request.

Example

Customer complaints report form

Complaint #	
Date/Time received:	
Received by:	
Medium (Phone, email, face to face):	
Date acknowledged:	
Customer name:	
Address:	
Mobile number:	
Landline number:	
Email:	

What does the complaint relate to?	<input type="checkbox"/> Product <input type="checkbox"/> Service <input type="checkbox"/> Customer service issue <input type="checkbox"/> Policy and procedure <input type="checkbox"/> Other, please indicate _____
Nature of the complaint:	
Resolution sought by the customer:	
Solution offered:	
Outcome:	
Case resolved:	<input type="checkbox"/> Yes <input type="checkbox"/> No
If No, what follow-up actions are required to resolve the complaint:	

Using a Client Relationship Management System (CRM)

Many organisations use technology-based systems to capture information about customer complaints. The most commonly used type of system is a Client Relationship Management System (CRM).

The exact type of CRM system used to record customer complaints differs between organisations. Ensure you understand how to log on to the system and correctly enter and save records in accordance with workplace standards and Australian privacy laws.

When preparing information about complaints, including entering information about a customer complaint, always check your work for accuracy. Avoid bias and unprofessional language, and ensure you write in clear, plain English. After all, you should take the time to consider who is going to read your record, and following these protocols will ensure your communication is as clear as possible.

Under the *Privacy Act* 1988, businesses are obliged to supply customers with information about their personal account upon any reasonable request. As stated in Australian Privacy Principle 12 (APP12), consumers have a general right of access to their own personal information and the right to have that information corrected if it is inaccurate, incomplete or out of date (APP13). Breaches of the Act can lead to large fines for both you and the business, so follow your organisation's guidelines when entering information about an account.

Practice Task 3

Question 1

List five types of information you will need to gather when recording a customer complaint.

Question 2

Which of the following are examples of key personnel involved in customer complaints reporting? Tick all that apply.

- Your supervisor
- Senior manager
- After sales support personnel
- Competitors
- Servicing and repairs personnel

Summary

- A customer complaint is any expression of dissatisfaction or grievance made to staff by a customer or member of the public in relation to the business.
- Customer complaints are common in the service sectors and are a valuable source of feedback.
- Customer complaints are generally based on product/service issues, customer service issues or system issues
- When a customer raises a complaint or other type of issue, act immediately to avoid escalating the matter.
- Effective communication, questioning and active listening skills are essential in responding to customers with complaints and identifying their key needs and issues.
- Act within the scope of authority for your role and refer to your organisational policies and procedures.
- For more difficult situations, negotiate with the customer to find a solution that meets their needs in line with your organisation's policies and procedures.
- Referring complaints means that you will need to hand the customer over to another person when the issue is outside of your authority limits.
- Forwarding on complaints requires the issue and details to be documented so as to provide information to the next person so they can follow-up support to customers.

Learning Checkpoint 1

Deal with customer complaints

Part A

1. Identify four things outlined in a complaints handling policy that you must follow when resolving a customer issue.

2. Which of the following are the commercial impacts of customer complaints? Tick all that apply.

- Loss of new business as a result of negative comments on-line
- Loss of trust in the brand as a result of negative word of mouth
- Interruptions and delays in service delivery
- Financial penalties on customer service teams
- Return of business from customers whose complaints has been heard and rectified.

3. List four examples of key personnel you might escalate a customer complaint to.

Part B

Read the case study and answer the questions that follow.

Case study

James works at Brisbane Corporate Apparel (BCA) as an Office Administrator. The business employs twenty people who work in the office and on the warehouse floor, including a Warehouse Manager and an Office Manager.

At 9.20am, James receives a phone call from an angry customer named Thomas. The customer claims the last order he received from BCA yesterday afternoon was missing two shirts and a pair of shorts were badly damaged.

After listening in detail to Thomas' complaint, James realises the issue is complex and requires the assistance of the Warehouse Manager.

1. Which of the following type of complaint has Thomas made? Tick all that apply.

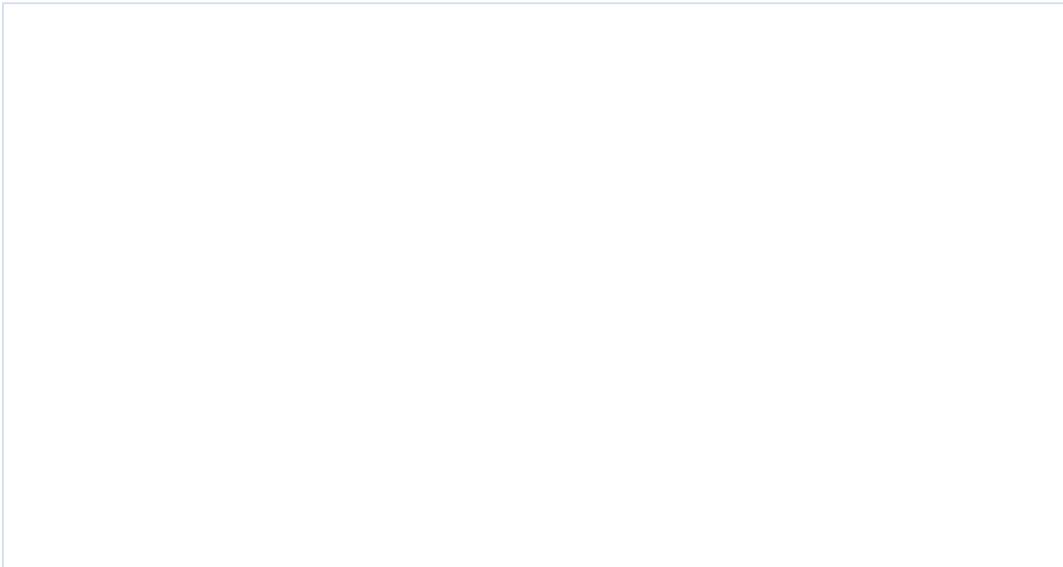
- Pricing issue
- Product issue
- System issue
- Management issue
- Customer service issue

2. List five communication skills that James must use with Thomas to avoid any potential escalation.

3. Outline how James can refer the issue on to the warehouse manager using a warm transfer.



4. List five types of information James would need to gather in order to report on this issue.





Topic 2 | Process refunds and exchanges

- 2A Identify reasons for refunds and exchanges and offer alternative options
- 2B Process refunds and exchanges

2A Identify reasons for refunds and exchanges and offer alternative options

Customers who are dissatisfied about the quality of products and services that they have will seek a suitable remedy; establish the key issues to ensure this is achieved as quickly as possible.

When deciding on appropriate remedies to resolve complaints, refer to your organisation's policies and procedures as well Australian consumer protection legislation. In some cases, you may be able to offer the customer a refund, depending on the nature of the issue. However, this may not always be a suitable option – even if the customer is requesting their money back.

Depending on the type of customer complaint, and your organisation's complaints handling policy, you may be able to offer the customer the following solutions:

- A refund (full refund or part of their money back)
- A replacement product
- A repair on the faulty or damaged product (at either no cost, a reduced fee, or full cost to the customer)
- A provision of services again
- A training session on how to use the product or service correctly
- A discount on future purchases with your organisation
- A credit that can be used towards another purchase or service

Identify needs and wants for refunds and exchanges

Customers with complaints will have their idea of an appropriate solution. You will need to use your effective communication, questioning and active listening skills to identify the reasons for their requests for a refund or exchange.

Customer needs often relate to the product or service involved in the issue. This was the primary reason why they purchased from the business in the first instance.

Wants generally relate to money:

- “I want my money back.”
- “I deserve compensation for this issue.”
- “I’d like a discount for my inconvenience.”
- “I want you to release me from my contract free of charge.”

These are all quick-fix solutions that may not necessarily resolve the real issue. Instead, focus on the needs behind these requests in order to successfully negotiate and resolve the complaint.

Find solutions that maximise sales

Always focus on the solution that you can offer that meets the customer's needs. Don't offer the impossible. Focussing on needs-based solutions allows you to maximise sales opportunities. Customers who have their issues resolved efficiently often become loyal supporters of your business. By meeting their core needs, you demonstrate that you value them and that you are willing to listen to find solutions that increase their satisfaction; in return, they are more likely to offer customer loyalty.

Australian consumer protection law

The *Competition and Consumer Act 2010* (Cth) (also known as the Australian Consumer Law, or ACL) is Australia's national consumer law covering sales and service in the market place. The ACL is administered by the Australian Competition & Consumer Commission (ACCC) as well as state and territory consumer protection agencies. It applies nationally, in all States and Territories, and to all Australian businesses.

The purpose of the Act is to promote competition and fair trading and provision for consumer protection. It includes:

- a national unfair contract terms law covering standard form consumer and small business contracts
- a national law guaranteeing consumer rights when buying goods and services
- a national product safety law and enforcement system
- a national law for unsolicited consumer agreements covering door-to-door sales and telephone sales
- simple national rules for lay-by agreements
- penalties, enforcement powers and consumer redress options.

Under this legislation, customers have certain rights and responsibilities including remedial action if a product or service does not meet certain standards. Every time a consumer buys goods or service they are entering a contract with the seller. Warranty rights exist regardless of a warranty policy of the seller or manufacturer because of the guarantees written into the ACL.

Under the ACL, the contracts of sale that are covered by a consumer guarantee include:

- all goods or services meant for household or personal use
- other goods or services (e.g., business) under \$40,000
- road vehicle or trailer used for transport on public roads.

You can read more about Consumer Law here: aspirelr.link/consumer-law-complaints

Guarantees to consumers for goods and services are described below.

Consumer guarantees for goods	Consumer guarantees for services
<p>In summary, goods sold must:</p> <ul style="list-style-type: none"> ▪ be of acceptable and reasonable quality ▪ be reasonably fit for the purpose specified ▪ meet the description provided ▪ meet any sample or demonstration provided ▪ satisfy any extra promises made about them ▪ ensure clear title is given to the consumer ▪ guarantee quiet possession e.g., no one will try to take back goods, or prevent the consumer using the goods ▪ be free from any hidden securities or debt ▪ have reasonable repair services and spare parts made available for a reasonable time after purchase. 	<p>For services, the supplier must guarantee that services are:</p> <ul style="list-style-type: none"> ▪ provided with due care and skill ▪ fit for any specified purpose ▪ completed within a reasonable time (when no time is set). ▪ This means suppliers must use an acceptable level of skill or technical knowledge when providing the services and take all necessary care to avoid loss or damage when providing the services.

Types of remedies under law

If the consumer guarantees are not met, the supplier must provide the consumer with an appropriate remedy (refund, replacement or repair).

If the problem is classed as minor, the seller or supplier can choose the most suitable resolution to resolve the situation. Examples of minor faults include:

- goods that can easily be repaired to full working order
- a part can be ordered and replaced to fix the problem
- the item still performs as intended and is 'fit for purpose'
- the product/service accurately represents the sample or description, regardless of the fault
- the product or service is safe to use
- the final result of the service is still within 'acceptable tolerances'.

For major issues, the consumer can select the remedy they prefer. The following table explains a major fault in terms of products and services as defined in the ACL:

Goods	Services
<p>Major faults include goods that:</p> <ul style="list-style-type: none"> ▪ have a problem that would have stopped someone from buying it if they had known about it ▪ are unsafe ▪ are significantly different from the sample or description provided ▪ don't do what the business said it would and can't easily be fixed. 	<p>Major faults include services that:</p> <ul style="list-style-type: none"> ▪ have a problem that would have stopped someone from acquiring the service it if they had known about it ▪ are substantially unfit for its common purpose and can't easily be fixed within a reasonable time ▪ do not meet the specific purpose the customer asked for and cannot easily be fixed within a reasonable time ▪ create an unsafe situation.

Example

Offer a suitable remedy

Peter works as an administrative officer at a automotive repair company. At 9.15am, a customer walks in to lodge a complaint. The customer, Glenda, claims the service to her car two days ago involved replacing the brakes. Glenda explains that she was nearly involved in an accident as a result of not being able to stop at a red light due to faulty brakes. Thankfully, she is not injured, but she is noticeably upset. She is demanding a full refund for the cost of the service, which was \$1,350.00.

Peter listened carefully to Glenda's issue and empathised with her situation. He checks the dates of her service to verify this information. He then refers to the service and repair policy to identify what solutions can be offered to the customer. He asks Glenda if she would like to leave the car with them now so they can fix the brakes at no cost.

Peter understands that this solution would rectify the issue and could also satisfy Glenda after her incident. Glenda agrees and Peter books in the job with the service department, arranges for her to get a lift home and saves the business from having to provide a refund.

Practice Task 4

Question 1

List three solutions you could provide to a customer to maximise future sales opportunities.

Question 2

Suggest two things to remember when identifying a customer's reasons for a refund and/or exchange.

2B Process refunds and exchanges

Under the ACL, Customers who experience major faults with products and services are entitled to a remedy of their choosing. This can include a refund, a repair or an exchange for goods, or they may request to have the service completed again.

The key to effective complaint resolution involves satisfying the customer with your service. Customers need to be listened to, they need someone to take responsibility for their service issues and they require an appropriate solution that meets their needs. Even if the customer doesn't receive what they asked for because of a policy constraint, show the customer that you value them.

Refunds and exchanges are common remedies that may be offered to customers with a complaint.

Refund	Exchange
A customer who purchased a product has returned the item as it is faulty or damaged or, depending on the refund policy of the retailer, they have changed their mind. In these cases, the customer can obtain a full refund of the sale price.	The customer returns an item that has been paid for in a previous transaction and swaps for another item. Depending on what the item is like, or if the customer chooses a different item, there may be a difference that needs to be paid by the customer or refunded by the business.

Provide an appropriate solution

The solution you agree on with the customer will vary greatly depending on the nature of the complaint, the requirements under the ACL and your policies and procedures. An unsatisfied customer can negatively impact the business and damage to brand reputation through word of mouth.

Under the ACL, to obtain a remedy, a consumer should:

- return the goods within a reasonable time
- not dispose of, lose or destroy the goods
- not allow the goods to become un-merchantable through failing to take reasonable care to preserve them
- not damage the goods by using them in an abnormal way
- provide a valid proof of purchase.

Under the Act, consumers are not entitled to a remedy when the person:

- is aware of any defect at time of purchase either by own observation or if it is drawn to their attention by the seller rep
- changes their mind
- discovers they can buy the goods elsewhere
- damages the goods themselves.

Follow organisational procedures

A seller can go over and above when refunding or exchanging something with a customer. However, they cannot deliver below the consumer guarantees outlined in the ACL. In some cases, such as for change of mind or user fault, the organisation may have a policy that states customers are entitled to a refund, credit or may exchange the item – with or without a receipt.

Make sure you are familiar with your workplace policies and procedures. You need to follow through promises and be honest in the remedy you can provide. This allows consistency and fairness to be applied to all customer refunds and exchanges (you may need to update the refund and exchange information in a register as well as add solutions to a complaint form to show that it has been closed and resolved).

Example

Refund policy

Purpose

The JJ's Electronic Goods Refund and exchange policy communicates the rights of customers and the obligations of JJ's Electronic Goods with regards to warranties and refunds. This policy is compliant with the statutory conditions and warranties of the Australian Consumer Law.

Our Responsibility to you

JJ's Electronic Goods is committed 100% to customer satisfaction. Therefore, if the product you buy from JJ's Electronic Goods does not meet a reasonable level of quality or performance, is not fit for its intended purpose or does not match the description provided to you, JJ's Electronic Goods will gladly offer you a refund, exchange or repair.

To receive a refund, exchange or repair you must:

- return the item within 30 days
- provide a proof of purchase
- maintain the condition of the product by not damaging, losing or destroying the product.

When will refunds not be provided?

A refund, exchange or repair will not be provided under the following conditions:

- A product is returned without a proof of purchase
- A product is returned within a time-frame that is considered 'unreasonable'
- The product has been damaged, lost or destroyed after the purchase was made
- You were made aware or were aware of a particular fault prior to making the purchase

Change of mind

If you are dissatisfied with the product purchased, or you change your mind, JJ's Electronic Goods will gladly offer an instore credit for the current value of the product.

To receive an instore credit, the product being returned must:

- be accompanied by a proof of purchase
- be in their original packaging
- not be damaged, lost or destroyed
- be returned to the store within 7 days.

If an instore credit is issued by JJ's Electronic Goods then the following restrictions will apply:

- The card will have an expiry date of 6 months from the date of issue.
- The card will be distinguishable as a Returns Card issued by JJ's Electronic Goods.

Practice Task 5

Question 1

Which of the following scenarios mean a customer is entitled to a refund under Australian Consumer Law (ACL)? Select yes or no for each one.

- | | | |
|--|-------|------|
| a) A product is not of acceptable and reasonable quality | » Yes | » No |
| b) The customer is aware of any defect at time of purchase | » Yes | » No |
| c) A product does not meet the description provided | » Yes | » No |
| d) The product is not reasonably fit for the purpose specified | » Yes | » No |
| e) The customer discovers they can buy the goods elsewhere | » Yes | » No |

Question 2

List three consumer requirements that must be met under the ACL when a customer is seeking a refund or exchange.

Question 3

Why is it important to process and record details of refunds and exchanges in accordance with organisational policies and procedures?

Question 4

Briefly outline a possible commercial impact if a customer is not satisfied with a remedy for a faulty product.

Summary

- Establish the key issues and remedies the customer is looking for as quickly as possible, and focus on developing a solution that will meet the customer's needs.
- When deciding on an appropriate remedy that will resolve the complaint, follow your organisation's policies and procedures as well as Australian consumer protection legislation.
- Focussing on needs-based solutions will help maximise sales opportunities.
- Customers who have their issues resolved efficiently often become loyal supporters of your business.
- The *Competition and Consumer Act* 2010 (Cth) (also known ACL) is Australia's national consumer law covering sales and service in the market place.
- The purpose of the ACL is to enhance the welfare of Australians through the promotion of competition and fair trading and provision for consumer protection.
- Under ACL legislation, customers have certain rights and responsibilities, including remedial action if a product or service does not meet certain standards.
- If any of the consumer guarantees for goods or services are not met, the supplier must provide the consumer with an appropriate remedy (refund, replacement or repair).

Learning Checkpoint 2

Process refunds and exchanges

Part A

1. Which of the following are appropriate remedies for a consumer who experiences a major product fault? Tick all that apply.

- Refund
- Repair
- Training on appropriate use
- Store discount
- Exchange

2. List three reasons why a consumer can request a product exchange or refund under consumer protection laws.

3. Suggest two of the possible implications for a business who staff fail to follow organisational policies for processing customer refunds.

Part B

Read the case study, then answer the questions that follow.

Case study

Paula works as a Customer Service Representative (CSR) at a fitness equipment supplier called Southern Workout Supplies (SWS). At 10.35am, she receives a phone call from a retail customer named Jennifer. Jennifer claims the order she received from SWS a week ago included three punching bags that had large splits through the seams, which she proves by sending through photos of the faults.

Paula responds professionally and asks some questions to gather more information about the issue, such as the order number and Jennifer's customer contact details.

Upon further investigation, it has been identified that the punching bags are unusable in their current state. Paula apologises for the issue and offers to have new items shipped out to Jennifer within 5 days. Paula refuses the offer to have new items sent out and is demanding a \$600 refund for the three punching bags, plus shipping fees.

1. Under the Australian Consumer Law (ACL), is the fault classed as major or minor? Explain your answer.

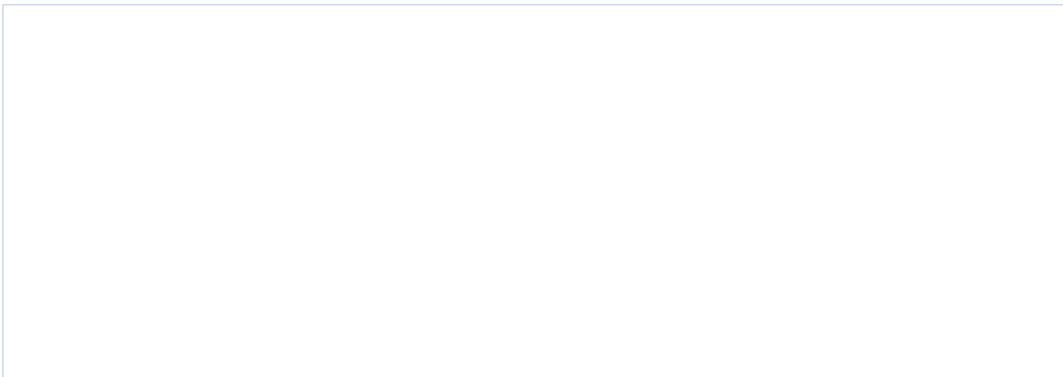
2. Which of the following form part of SWS's nine responsibilities for providing goods under the ACL? Select all that apply

- Match the quality of any sample or demonstration provided
- Be of acceptable and reasonable quality
- Be supplied in a reasonable time-frame
- Be reasonably fit for the purpose specified
- Meet the description provided
- Be offered at the best price available

3. What are the rights of SWS in order for the customer to obtain their selected remedy?

A large, empty rectangular box with a thin blue border, intended for the student to write their answer to question 3.

4. What are the customer's rights for obtaining a remedy under the ACL?

A large, empty rectangular box with a thin blue border, intended for the student to write their answer to question 4.



Topic 3 | Deal with difficult customers

3A Respond to difficult or abusive customers safely

3A Respond to difficult or abusive customers safely

Customer complaints help gather valuable customer feedback and assessing whether your service standards are being achieved. However, difficult customers will occasionally raise their complaints in a way that is inappropriate and abusive.

Customer's with complaints must raise their issues in a controlled, impersonal and safe manner in the work environment. Customers expressing their concerns about products, services and systems cannot abuse, threaten or physically touch a worker, nor can they use offensive language when raising their complaint. Abusive customers often react out of stress, frustration, anger or they may be impacted by drugs and/or alcohol, so remember to look out for your safety and of those around you. Know the boundaries for assisting these types of customers and how to respond to them correctly to ensure your safety and wellbeing.

Follow organisational policies and procedures

Your workplace will have set policies and procedures in place to effectively deal with difficult and abusive customers. These policies clarify unacceptable behaviour and how to handle it, which would likely involve escalating the matter to a superior.

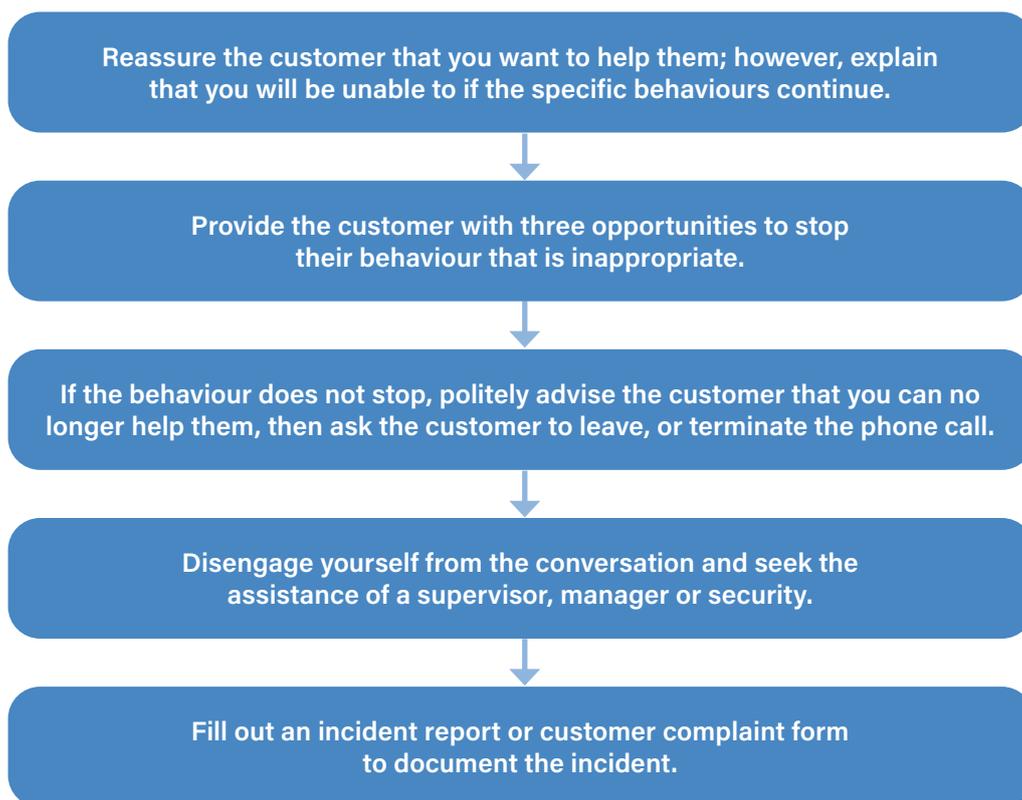
The following table contains some examples of acceptable and unacceptable behaviours from customers.

Acceptable behaviours	Unacceptable behaviours
<ul style="list-style-type: none"> Occasionally raising one's voice Expressing dissatisfaction with the business Comments about not returning to the business if the issue is not resolved Requests to speak with a supervisor or manager Minor swearing not directed at a person, but aimed at the business Statements that explain the customer's stress, anger and frustration about the organisation, or a product or service they have purchased 	<ul style="list-style-type: none"> Threats against a person's health, safety or character, including family members Physical touching in any way or form Intimidation such as standing within 1 metre of a worker or leaning in/over in a threatening manner Swearing that is directed at an individual Yelling and screaming Racial, sexual, religious or cultural taunts

Responding to difficult or abusive customers

If a customer is being threatening, or if they scream, use profanity or make negative remarks about your character, refer to your training and follow your organisational procedures to manage the customer in a professional manner.

A typical procedure for handling abusive and difficult customers is set out below.



The three-opportunity warning system

One strategy that may help pacify difficult or abusive behaviours is the three-opportunity warning system. This system provides the customer with three clear opportunities to control their inappropriate behaviours. It shows that you are providing the customer with a fair and reasonable chance to improve their behaviours, and reinforces to the customer that inappropriate behaviour will not help resolve their issue.

Example

Responding to an abusive customer

Aaron works as a receptionist for a hotel. An irate customer, Mike, storms into the reception area and demands to speak with a manager. Mike uses a number of offensive terms, moves into Aaron's personal space and threatens Aaron if a manager doesn't meet with him soon.

Aaron responds with the three-opportunity warning system: 'Sir, I want to help you; however, I would like to warn you that if you continue using this kind of language, I will not be able to.'

Mike continues to threaten Aaron and refuses to calm down. Aaron replies with the following statement: "Sir, this is your second opportunity, unless you stop with the offensive language, I will not be able to help you further."

Mike ramps up his language and continues to stand over Aaron, demanding to speak with a manager.

Aaron responds with the following: "Sir, I have now given you three opportunities, and you have not stopped the offensive behaviour. I'm now asking you to leave the reception area immediately, as I am now unable to assist you."

Mike refuses to leave and continues abusing Aaron. Aaron calls his supervisor and the security guard to escort Mike from the workplace. Aaron completes an incident report form and submits the form to his supervisor as a record of the event.

Guidelines for handling difficult and abusive customers

Complaints are common; however, abusive customers can bring about strong feelings that are hard for workers to manage. It can be difficult to professionally respond to abusive and intimidating customers. When we feel under threat, the body enters 'fight or flight' mode. This instinctual adrenaline surge impedes your ability to remain calm. When you feel that your health, safety and wellbeing are at risk, disengage yourself from the conversation immediately, and seek the assistance of a supervisor or call the police directly on '000'. Many organisations provide their employees access to an Employee Assistance Program or (EAP). This program is a free, short-term, independent, and confidential counselling service that provides assistance to work through issues that may adversely affect the performance and wellbeing of employees. This option could help an employee who is feeling upset or stressed as a result of an abusive customer. Speak to your manager or Human Resources department for a referral.

The following information outlines some ways to respond when you are faced with difficult and abusive customers.

Type of customer	Examples and signs of behaviours	How to respond
Customer using verbal aggression	<ul style="list-style-type: none"> ▪ Verbal aggression includes words that are intimidating, threatening or profane. These may or may not be directed at an individual. The language may be directed at a person's gender, sexual preference, race, religion, family or culture. ▪ It also includes excessive yelling, screaming, or threats of violence toward another person. 	<ul style="list-style-type: none"> ▪ Use the three-opportunity warning system. ▪ Remind the customer that you would like to help them, but only when the aggressive language stops. ▪ If the customer does not stop using verbal aggression, contact your supervisor, manager or security and firmly, but politely ask the customer to leave the premises. ▪ Report the matter to a supervisor and complete the relevant incident report form or a customer complaint form.
Customers displaying threatening behaviour	<ul style="list-style-type: none"> ▪ Threatening behaviour includes the use of words or actions that intend to offend, intimidate or humiliate another person. Examples include: <ul style="list-style-type: none"> – standover tactics, including standing within another one's personal space (less than 1 metre) – aggressive hand and finger gestures – charging toward a person – attempting to harm a person – verbal threats and taunts about a person's gender, sexual preference, race, religion, family or culture. 	<ul style="list-style-type: none"> ▪ Use the three-opportunity warning system. ▪ Reassure the customer that you are committed to assisting them with their complaint, however they must stop the threatening behaviours. ▪ If the customer does not stop the threatening behaviour, contact your supervisor, manager or security and assertively request that the customer leaves the premises. ▪ If the customer uses physical force or threatens the safety of another person, contact the police immediately and vacate the area. ▪ Report the matter to a supervisor and complete the relevant incident report form or a customer complaint form.

Type of customer	Examples and signs of behaviours	How to respond
Customers under the influence of drugs or alcohol	<ul style="list-style-type: none"> Signs that customers are under the influence of drugs and alcohols include slurred words, being unable to maintain balance, holding partially consumed bottles of liquor, alcohol breathe and difficulties maintaining concentration. 	<ul style="list-style-type: none"> Disengage yourself from the conversation and contact your supervisor, manager, security or the police immediately. It may also be required to ask any other person in the areas to vacate the premises to ensure their health and safety. Do not attempt to restrain, touch or physically usher the person out of the premises. Report the matter to a supervisor and complete the relevant incident report form or a customer complaint form.
Customers who are unable to be pacified	<ul style="list-style-type: none"> Customers using profane or aggressive language, threatening or other aggressive behaviours have not maintained control, nor have they stopped the behaviour in concern. These customers have not responded to the three-opportunity warning system. 	<ul style="list-style-type: none"> Assertively request that the customer leave the premises. If the conversation is held on the telephone, advise the customer they are welcome to call back when they choose to control their behaviour, then terminate the phone call. Report the matter to a supervisor and complete the relevant incident report form or a customer complaint form.

Customers who have their issues resolved quickly may become loyal supporters of your business. However, difficult and abusive customers can be harmful to the health, safety and wellbeing of workers and may not be worth the financial value they provide. By responding assertively, professionally and quickly to these types of customers, you demonstrate that you value the customer but will not compromise on maintaining a safe workplace.

The table on the following page provides some effective tips when dealing with difficult customers:

What you need to do	What you need to avoid
<ul style="list-style-type: none"> ▪ Remain calm ▪ Focus on protecting your health, safety and wellbeing ▪ Remain assertive ▪ Focus on solutions ▪ Refer sensitive or serious matters to a supervisor ▪ Report all incidents according to organisational procedures 	<ul style="list-style-type: none"> ▪ Don't take it personally ▪ Never argue with the customer ▪ reacting to the behaviour ▪ Accepting abuse or personal attacks ▪ Making promises you can't deliver ▪ Defame your business or a co-worker

Practice Task 6

Question 1

Number each step from 1 to 5 in the order you would follow when responding to abusive customers.

- Disengage yourself from the conversation and seek the assistance of a supervisor, manager or security.
- Reassure the customer that you want to help them, however you will not be able to if the specific behaviours continue.
- If the behaviour does not stop, politely advise the customer that you can no longer help them, then ask the customer to leave.
- Provide the customer with three opportunities to stop their behaviour that is inappropriate.
- Fill out an incident report or customer complaint form to document the incident.

Question 2

Which of the following are unacceptable customer behaviours? Tick all that apply.

- Threats against a person's health, safety or character, including family members
- Statements that express dissatisfaction about the organisation
- Physical touching of any kind
- Requests to speak with a supervisor or manager
- Racial, sexual, religious or cultural taunts

Summary

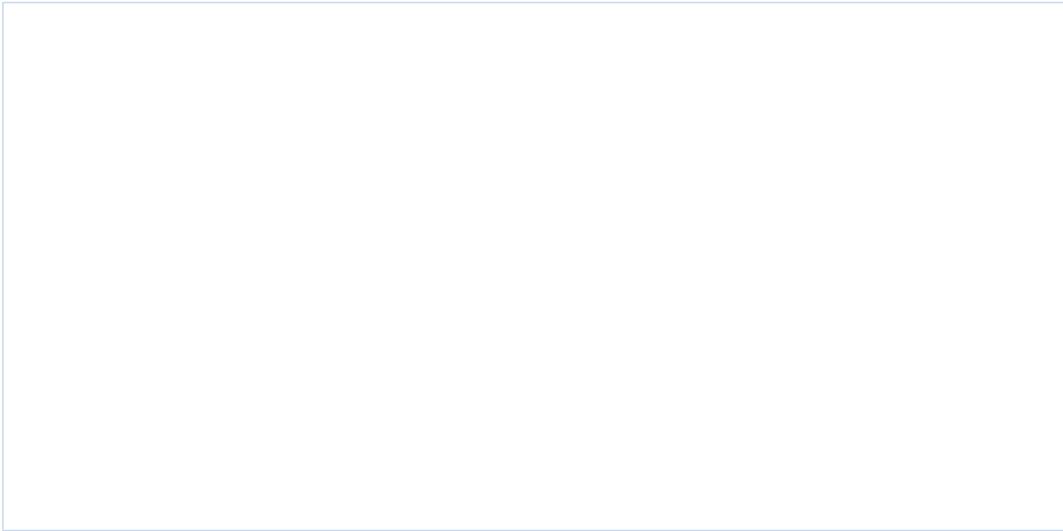
- Customer's must raise their issues in a way that is controlled, impersonal and safe for others in the work environment.
- Know the boundaries for assisting these types of customers and how to respond to them correctly to ensure your wellbeing.
- Follow your workplace policies and procedures to effectively deal with difficult and abusive customers.
- Policies and procedures will clarify what types of behaviour is not acceptable and how to handle these types of situations if they occur.
- Use the three-opportunity warning system to attempt to pacify difficult customers.
- If you feel that your health, safety and wellbeing is at risk, disengage yourself from the conversation immediately, and seek the assistance of a supervisor or call the police.

Learning Checkpoint 3

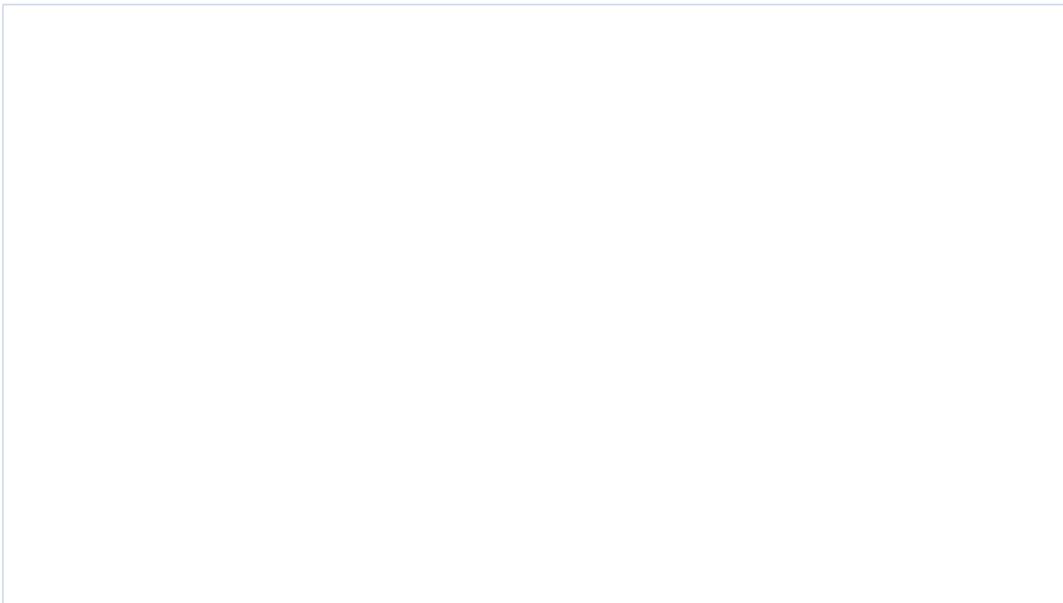
Deal with difficult customers

Part A

1. List five examples of unacceptable customer behaviours.



2. How would you respond to a customer who is using verbal aggression? Explain your response.



Part B

Read the case study then answer the questions that follow.

Case Study

Ryan works on the reception desk at a childcare centre. At 2.15pm a young man comes into the reception area showing signs of alcohol abuse. He smells of liquor, is having trouble pronouncing his words and cannot maintain focus. The man is claiming that he is the father of a child that is booked into the centre for the day. The man demands to see his son and begins to scream foul language.

1. Number each step from 1 to 5 in the order that Ryan must follow to respond to the abusive person.

- Contact the police
- Disengage from the conversation
- Alert the supervisor
- Advise the man that he cannot help him and ask him to leave the premises immediately
- Fill out an incident report form

2. What should Ryan do if the man refuses to leave the premises? Tick the correct answer.

- Call the boy's mother and ask permission for the man to see his son.
- Call the police and then advise the supervisor.
- Restrain the man, then call the police.
- Evacuate everyone from the building.



Topic 4 | Provide feedback on customer service

4A Identify and report improvements in customer service

4A Identify and report improvements in customer service

Customer service issues extend far beyond customer complaints. In reality, they are the underlying causes for a customer complaint.

Recording feedback from customers is valuable for the following reasons:

- Management can develop formal reports on customer complaints that can be used to identify trends in service issues.
- Records can be used to follow up a customer, without having to gather all the information a second time.
- Policies and procedures can be modified and updated to provide information that is practical and used by staff.

Handling and analysing customer complaints helps you identify specific customer service issues that must be addressed in order to improve business performance and customer satisfaction.

A failure to report and act on customer service issues may increase the number of dissatisfied customers and result in reputation loss – as well as diminish customer loyalty and profits. Any issues should be accompanied by recommendations to successfully redress problems.

Common types of customer service issues:

- Inaccurate information provided to sales/ service representatives
- Services are temporarily unavailable
- Products are out of stock
- Products are damaged or don't work properly
- Customer service staff are rude or discourteous
- Customer are told different things by different staff
- The customer is requesting something that is not available or against company policy
- Customers are promised something that cannot be delivered

Once you resolve a customer complaint, you need to analyse the issue to determine the underlying causes.

Common causes of customer service issues:

- Inadequate communication and information management systems between teams and members of the supply chain
- Poor attitudes/behaviours of staff towards their work
- Lack of staff training
- Equipment breakdown including technology, such as computer software
- Unclear service agreements and turn-around times for responding to customer enquiries
- Services are temporarily unavailable due to a lack of physical or human resources or technical problems
- Breakdowns in the supply chain resulting in unavailability of products or delays
- Products are damaged or do not work properly due to poor quality
- Poor leadership and management practices
- Restrictions in the company policy
- Poor or lack of clear policies and procedures to guide actions

When you experience difficulties in customer service delivery, take action and report the problem to a supervisor or other manager so they can take action.

Applying short-term solutions may be required until a more stringent change can be implemented – however, this should only be used when restrictions apply and you are unable to tackle the root cause.

Improvements may include:

- providing training to workers
- finding alternate suppliers
- performing a follow-up review of the customer service policy or the service delivery process
- consulting members of the supply chain for potential fixes
- discussing and agreeing on potential corrective actions
- removing a product from sale
- employing or moving staff
- documenting time-frames for staff returning emails and phone calls
- fixing a defect in a product
- modifying an existing process or system
- introducing a new step in the customer service/ sales process
- modifying the policies and procedures.

Report suggestions and improvements

Customer service improvement reports must include the vital information relative to customer service issues; they must also contain key recommendations to improve performance and customer satisfaction. Most organisations have a system whereby all complaints are immediately recorded, generally on an electronic database. Document your suggestions and improvements in a written report to ensure they are recorded for follow-up.

Reporting on the customer service performance of the business helps to continuously improve and maintain a competitive edge over your competitors. It helps the team improve their personal performance and ensures customers' needs and expectations are at the forefront of the business' goals.

Report on key information

Customer service reports should be presented in a format suitable for the person you are reporting to, such as in an email, face to face discussion/presentation or in a written report. A written report must be professionally written and provide a clear and accurate picture of the current performance within the team/department. All information contained within the report must be reliable, valid, current and sufficient.

Reports can be formal and use a specific reporting template, or they can be informal, such as a simple email to management.

A formal customer service report will usually include the following four elements:

Report title	<ul style="list-style-type: none"> ▪ A short report title explaining the name of the report and what it covers ▪ Who the report is attention to ▪ Date ▪ Who compiled the report
Executive summary	<ul style="list-style-type: none"> ▪ An overview of the contents of the report, including a summary of the: <ul style="list-style-type: none"> – nature of complaints received – causes of these complaints – recommended actions needed to improve customer service performance
Introduction	<ul style="list-style-type: none"> ▪ Purpose and/or background explaining why the report has been developed ▪ The methods used to gather and analyse customer feedback ▪ Implications of the service issues to the business

Findings	<ul style="list-style-type: none"> ▪ Presentation of the information and evidence including the types of complaints received and causes of complaints and service issues ▪ Objective analysis of the critical aspects of service delivery that need to be improved
Conclusions	<ul style="list-style-type: none"> ▪ Summary of the recommended actions that need to be implemented to improve service performance ▪ Conclusions outlining how the recommendations will help the business

Example

Customer service report

Title

A report that explains the customer service issues in the past quarter and the proposed actions to improve service performance at JC Appliance Spares.

Report completed by: Jai Naidosh

Date: 21/01/2021

Executive summary

- There were 23 complaints compiled in the second quarter of FY 2020/2021.
- The two major types of complaints related to customer service performance were:
 - customer service representatives (CRSs) providing incorrect or misleading information about pricing, products and services to customers
 - low levels of customer service performance demonstrated at the customer cold face.
- These issues have had a direct impact on loss of sales and a decline in customer satisfaction, and swift action is required to eradicate these root causes.
- Recommended actions include developing a formal staff training program, increasing accountability of supervisors to monitor service interactions and developing an information management system for CRSs.

Introduction

This report was developed to identify the roadblocks inhibiting higher levels of customer satisfaction. Data about customer service performance was compiled using formal survey tools, information contained in the complaints register and informal feedback from customers and CRSs. The data was analysed using focus groups that involved supervisors and experienced CRSs, and the key improvement actions were developed based on an analysis of the underlying causes of the customer complaints.

The key implications of these complaints to the business include loss of reputation, loss of existing customers, poor word-of-mouth advertising and loss of short and long-term sales. It is evident that these issues need immediate action in order for the organisation to improve its market performance.

Findings

From the period of 1st October to 31st December, a total of 23 complaints were recorded in the complaints register. Of these complaints:

- 10 were caused as a result of CSRs providing incorrect or out of date information about pricing and product availability
- 8 were related directly to poor customer service performance, in particular low levels of communication skills, lack of engagement and initiative from the CSRs
- 4 were related to faulty parts being shipped to customers
- 1 was directly related to a supply issue.

Further investigation revealed staff have been provided with minimal training upon their induction into the role of CSR, and no formal training once they commence in their role. CSRs had varying levels of product and service knowledge, with many staff using out-dated product catalogues. Additionally, the time spent by supervisors in monitoring and providing feedback to CSRs was minimal and, in some cases, non-existent.

Staff indicated their frustration in the lack of information being made available and noted that they require more current and accurate information to provide customers with, in particular notices about changes to pricing and product availability.

Conclusion

To address the issues of poor service performance, staff require a structured training program in customer service skills. The program should focus on addressing attitudes toward customer service, interpersonal communication and rapport building skills. The program should be supported by a formal coaching program that is delivered by supervisors (who have KPIs) for a set number of hours and interactions in which they must meet on a weekly/monthly basis.

To eliminate the issues of incorrect or out of date information about pricing and product availability, a cost-effective and user-friendly formal information management system is recommended. The system should provide CSRs with real-time access to information about product pricing, specifications and service times, as well as timely notifications of changes to prices and stock availability.

Practice Task 7

Question 1

Provide a list of five common customer service issues.

Question 2

Draw a line to match each part of a report to its correct description.

- | | |
|----------------|---|
| » Conclusions | » A heading that explains the purpose of the report |
| » Findings | » A purpose and/or background explaining why the report has been developed |
| » Report title | » A presentation of the information and evidence including the types of complaints received and causes of complaints and service issues |
| » Introduction | » A summary of the recommended actions that need to be implemented to improve service performance |

Question 3

List four examples of improvements that may be implemented as a result of a report on customer feedback.

Summary

- Customer complaints will help you to identify specific customer service issues that must be addressed in order to improve business performance and achieve higher levels of customer satisfaction.
- Once you receive a complaint and the customer's issue is resolved, analyse the issue to determine the underlying causes.
- Reporting and acting on customer service issues will decrease the number of complaints, dissatisfied customers and improve the organisation's reputation, customer loyalty and profits.
- Customer service issues identified as part of the complaints handling process should be accompanied by recommendations as to how to address the problem.
- Recommendations must be reported to key people for consideration, such as supervisors, managers, business owners and other key stakeholders.

Learning Checkpoint 4

Provide feedback on customer service

Part A

1. Which of the following are common causes of customer service difficulties? Tick all that apply.

- Equipment breakdown
- Lack of staff training
- Poor attitudes/behaviours of workers
- Fair work practices
- Products are damaged or do not work properly
- Absenteeism of staff

2. Which key personnel should be included when reporting on improvements to customer service? List at least five.

3. Which of the following are ways customer feedback reports can help improve customer service? Tick all that apply.

- Contributes to planning and decision making
- Gives customers an opportunity to vent their frustration
- Helps the team improve their personal performance and achieve higher levels of customer satisfaction
- Informs management on the key issues and trends in service issues
- Ensures customer's needs and expectations are constantly at the forefront of the business' goals

Part B

Read the case study, then answer the questions that follow.

Case study

Tayla works for a real estate property company that manages properties on behalf of the property owners. She reports directly to the branch manager, Bernice.

In the past month, five large clients have emailed Tayla expressing their frustration about the level of service they have been receiving.

Tayla has reviewed the complaints and has identified the following problems in her report to Bernice:

- Lack of responses from telephone enquiries at reception; the average time for a call to be returned is four working days.
- Lack of communication between staff; customer questions are rarely answered on the spot, instead they often have to wait a considerable amount of time.

Overall, the clients are dissatisfied with the service they have received from the agency. Bernice has decided to take immediate action to rectify the issue.

1. Suggest at least three underlying customer service issues in this case study.

2. What information does Tayla need to include in her report to her manager, Bernice?

3. Draft an email to Bernice that summarises the key complaints and issues, and then recommend some ways to improve the business' service performance.

A large, empty rectangular box with a thin blue border, intended for the student to draft an email to Bernice summarizing complaints and recommending service improvements.

