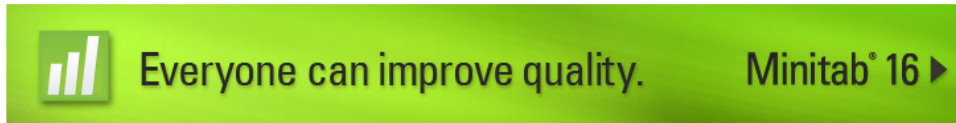


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Reactive Complaints: A Valuable Source of Customer Data

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Customer complaints, known in the VOC process as reactive data, may be difficult to hear, but they are valuable information for an organization to track. They usually represent many unspoken issues, and can be used to take needed improvement action.

By [Uwe H. Kaufmann](#)

Voice of the customer (VOC) is a key topic in customer service, as well as Six Sigma training and project work. VOC involves gathering information about customer needs in order to provide them with best-in-class products and services. There are two main categories for VOC: reactive data and proactive data. Proactive data is collected with [methods](#) such as focus groups, interviews, observations, surveys or test customers; reactive data is mainly based on customer complaints, feedback, hotline data or warranty claims. Practitioners can benefit from understanding the differences between these data types, and knowing that reactive data, which perhaps does not get as much attention, is a great opportunity for process improvement.

The Power of Negative Feedback

By their nature, reactive data channels collect mostly negative comments. Asking staff working in customer service departments about the feedback they receive from customers may result in comments such as: "No one calls to tell us how good we are in delivering our service. Most of the calls that are not questions are more or less strong complaints."

While sometimes frustrating, negative feedback can be powerful – someone is taking the time to tell a company what is going wrong in their processes, hence showing opportunities for getting better, for getting more competitive and for growing. The quality of this kind of information is usually much better than the feedback received via proactive channels such as surveys because respondents of surveys do not usually have a stake in the issue. Therefore, practitioners have much to gain from paying attention to this data and including it in their quality improvement work.

Hidden Complaints

Customer research studies in the German financial industry conducted during the 1990s showed that complaints reported to an organization normally reveal only the "tip of the iceberg." Receiving 50 complaint letters means a company has only collected the feedback from those people who took the time and had the courage to complain. There might be about 1,250 customers out there who experience a similar situation, but do not complain. Maybe they go immediately to the competitor if they have a chance.

The research also has shown that there may be as much as 10 times more negative contact points with the company, such as time spent on hold during a phone call. These negative incidents are not big enough for a complaint, but are impactful enough to drive customers' decisions sooner or later. According to this theory, those 1,250 customers who experience issues worth complaining about may be part of a greater population of 12,500 customers who have some negative contact points with the company.

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Take Action

The moral to this story: Organizations should welcome complaints. As long they get complaints, someone is interested in their service and wants to help them improve. Behind each complaint, the situation that led to the complaint may have already happened as many as 25 times, and customers may have experienced as many as 250 negative "moments of truth" with the company. Practitioners can use this valuable and powerful information to take action and turn complaints into opportunities for improvement.

About the Author: *Dr. Uwe H. Kaufmann* is the Singapore-based managing director of Centre for Organizational Effectiveness Pte Ltd., a management consulting company focusing on the Asian market. He has extensive experience in implementing process and organization improvements for various industries. Uwe is a German national and can be reached at uwe.kaufmann@coe-partners.com.

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