

CHAPTER 5

CONCLUSION AND SUGGESTION

5.1 Conclusion

According to Shammout and Hadadd (2014) study on the impact of complaint handling in customer satisfaction, there is a statistically significant impact of the overall dimensions of complaint handling on customer satisfaction. Yet, there are still not many observing its part in customer retention. The end result of this descriptive study on the effectiveness of complaint handling in retaining customers in Company X is that they still able to maintain its customer retention. Based on the observation, most of it because of the factor that Company X is a market leader and its product is really well-known and trusted. Unfortunately the ability of maintaining its customer retention is flawed by this and that in complaint handling.

Company X's complaint handling as discussed before is already effective in handling complaints. The only problem they have is the duration of the process which takes a long time and then cause customer dissatisfaction. The source of this problems are many; from the investigation process which sometimes indeed need longer time to be done in some cases, the late delivery of replacement until the gap

of customer expectation toward the complaint handling process and the actual process of complaint handling in Company X.

After being compared with the criteria of effective complaint handling theory, the complaint handling process in Company X is already effective. They have a very responsive act toward incoming complaint, all management and staff shows full commitment in handling every complaint, the company protocols also fully support the complaint handling and no doubt about fairness and consistency. Functions involved in complaint handling are not only sales representatives and customer service but also all function connected directly to the case. For example, transportation department involve in case like delivery errors. The solution given is the result of all function's suggestions and all of them shows full commitment in handling the case. The only thing left is the duration and visibility of the complaint handling procedure. There is gap of customer expectation about the complaint handling process and the actual complaint handling in Company X. this is due to the lack of visibility of information related to complaint handling in Company X. Customers want the complaint handling process is fast, simple and give them the solution that they wanted. While, the whole process itself is totally the opposite of their expectation. There is also duration of the process which is too long so some customers feel unhappy knowing that they have to wait for a long time to get the solution. This is not always happen, but it needs improvement.

The most significant thing that Company X can give to their customers through its complaint handling is increase the speed of the process of complaint handling. The duration of the process is a problem that most of the complainants feel when they reporting a complaint and waiting for the result. The improvement of complaint handling in Company X to be effective can start from evaluating the whole process and compare it with the theory. Lastly, when the problem, source and impact are found, the solution can be suggested. Although the impact of dissatisfaction because of complaint handling is not that big, it is important to keep customer satisfied. Dissatisfied customer, however can easily be lost customers if they are not treated well according to researchers.

Company X is, however, a market leader who has many loyal customers. The problem caused by complaint handling dissatisfaction will not impact them directly, especially in the short term. But as we can see that business world keep developing over time, it is not impossible that one there will be a competitor big enough to compete with Company X. This kind of dissatisfaction may not be big, but if it keeps happening repetitively, the customers may create bad image and will consider trying to switch to competitor. As Fornell (2007) said, if treated well, complaint can bring benefits to the company. The main purpose of complaint handling is not to reduce the frequency of complaint. Complaint from customers is a free performance monitor and act as an early-warning sign for the company. The real problem is

not minimizing the complaint but how to win back customers after dissatisfaction caused by product fail happened.

5.2 Suggestion

As discussed before, the problem that Company X has is a long duration needed for complaint handling which caused customer dissatisfaction. It may not be a big problem and impact directly to the company, but still it will damage company image in the long-run. It is also not impossible if one day comes a competitor strong enough to compete with Company X, customer will switch to it because of continuous dissatisfaction. In the end of this descriptive study on the effectiveness of complaint handling in retaining customers, author suggests some improvements to Company X complaint handling so it will be better in the future.

First of all, the result of the comparison between theory and observation data showed that the complaint handling is not highly visible and caused it to be not effective. Therefore the only solution is to post a complete information about all requirements to report complaint and how the complaint is processed in the office. It may reduce lead time in waiting for completion of all document required. Customers will have time to prepare all the documents, information and sample if needed beforehand. It is also reduce the chance of the

complaint being rejected by the investigation team because of incomplete documents or information. Last thing is to provide information about the process or provide FAQ about complaint handling. It could be anywhere where customers can see and easily access it. the company's official website will be a perfect place to post it because internet is very common nowadays. It should be very clear in giving information for customers and assist them through the whole process.

Second, reduce the gap between expectation and the actual complaint handling simply by give customer more information. It may alter their expectation toward the process of complaint handling and make them understand the condition in complaint handling. For example, set estimation time for replacement delivery. Some customers do not like waiting too long for their replacement while Company X cannot immediately send them replacement because of unavailability of transportation sometimes. For customer outside Java, the package has to wait for a container that is still not full (less than 900-100) and go to the same destination. It also takes time if it is sent directly to the sales representative in the region for the goods to arrive. It is better informing the customer beforehand so they would not disappointed because they already know the estimated time. Another example of customers expectation is to have their complaint being processed in a simple and fast way. Where in Company X, they have a set of steps to process a complaint which will takes approximately seven working days; could be less or more depending

on the case. For every case is unique and sometimes need different handling, they should notice the customers too that the estimated time could change. The purpose of this information is so that the high rate of dissatisfaction due to the gap in expectation and actual performance could lower.

Lastly, improvement in the whole process is also needed to cut down time in the complaint handling. There has to be improvement in the internal coordination so the process will be faster because that is the main concern in the complaint handling in Company X. One of the internal improvement is to make a fixed standard of how to make solution or answer for customer complaint. Company X clearly need a standard about how they handle a complaint. A fixed system that will let them know the classification of how to handle each complaint from each complainant. Since one of their procedure is to ask for each department's recommendation, this fixed standard will provide them with a range of fixed suggestion of solution. The standard itself can contains various information that Company X need to form an answer to complainants. For example: the grouping of complaints, classification of complainants, the volume of goods they purchased, type of investigation result, etc. Each of these classification will help Company X in setting a solution for every complaints. Not only that, this standard will govern as an SOP for complaint handling. With this fixed standard, they can reduce the time needed in complaint handling process. They no longer need many authorization or recommendation from every

departments to decide the solution. The idea is to have every department's authorization and agreement on this standard.

Another thing needed to boost the performance of complaint handling is to provide the company with a good information system. The idea is to make an interface system which the customer can access by simply put in their complaint reference number. In this website, they can see their complaint status everyday. Whether still in investigation, waiting for the result or their goods waiting for transportation or anything related to their complaint. With this, the customer can understand the situation and updated with the information about their complaint.

This system is more or less the same with the current software that Company X already have to store all data about complaint handling. The difference is this website is for customer and the interface should be more user friendly. The concept of this website is to be one-stop shop service that also contain FAQ, requirements, contact number and all things related with reporting complaint. This is one of the service differentiation that Company X as a market leader can give to customers. It is hard to imitate by the other competitors since they are not as big as Company X. Furthermore, this website designed so the investigation team could enhance their performance too by checking on the status of each complaint. All the coordination among managers can be computerized with the availability of this website. The detail of complaint will be

there and decision making will be faster and no need paper base coordination anymore. That way, the complaint handling will not be as time consuming as now.

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