

# Professional complaint management as a challenge for tourism industry

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Session VIII: Innovations in tourism development

## Introduction



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Slide 2

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Basics

Methods

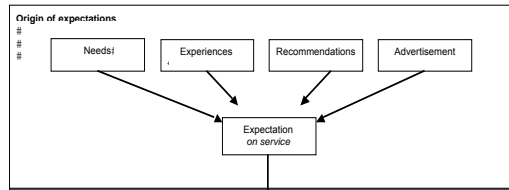
Case study

Conclusion

## The importance of customer satisfaction

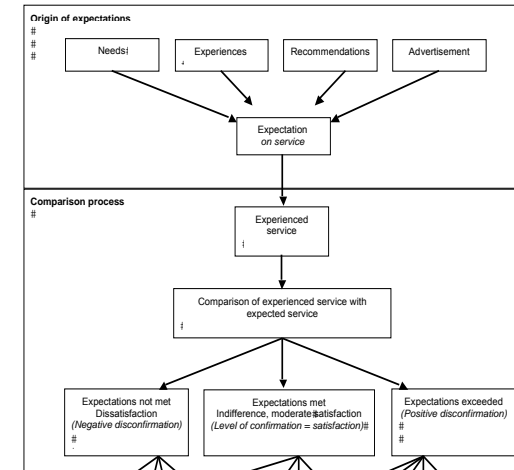
- Customer satisfaction for the long-term success
  - Re-purchase of product or service
  - Less price sensitive
  - Act as advocates
  - Positive word of mouth (WOM), positive customer reviews
  - Cross-selling activities
- Cost for the acquisition of new customers 8:1
  
- No guarantee for „problem-free“ services  
→ Necessity for a well-established complaint management

## Origin and consequences of customer (dis)satisfaction



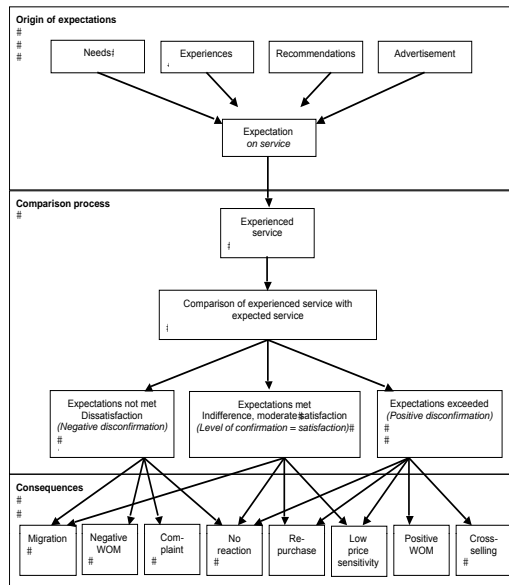
Own illustration, based on  
Hinterhuber, Handlbauer &  
Matzler 2003

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## Basics of complaint management

- Reasons for complaint handling:
  - Re-establishment of customer satisfaction
  - Minimization of negative consequences of consumer dissatisfaction
  - Use of product/service evaluation by customer

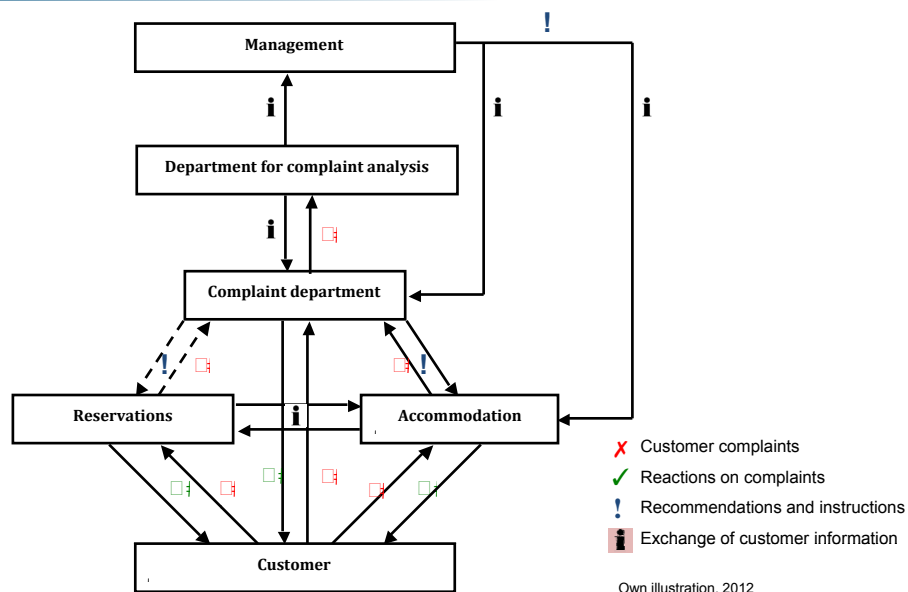
## Basics of complaint management

- Reasons for complaint handling:
  - Re-establishment of customer satisfaction
  - Minimization of negative consequences of consumer dissatisfaction
  - **Use of product/service evaluation by customer**

## Methodological approach

- 10 face-to-face interviews with employees
  - Detailed insight in all complaint related processes
  - Structure of complaint handling chain
- Analysis of all incoming complaints from German customers within one year (n=364)
  - Identification of the main causes for customer dissatisfaction
  - Structural information on complaint handling (time required to answer a complaint, amount of compensation)

## Complaint handling chain in case study enterprise



## Revealed gaps in complaint handling

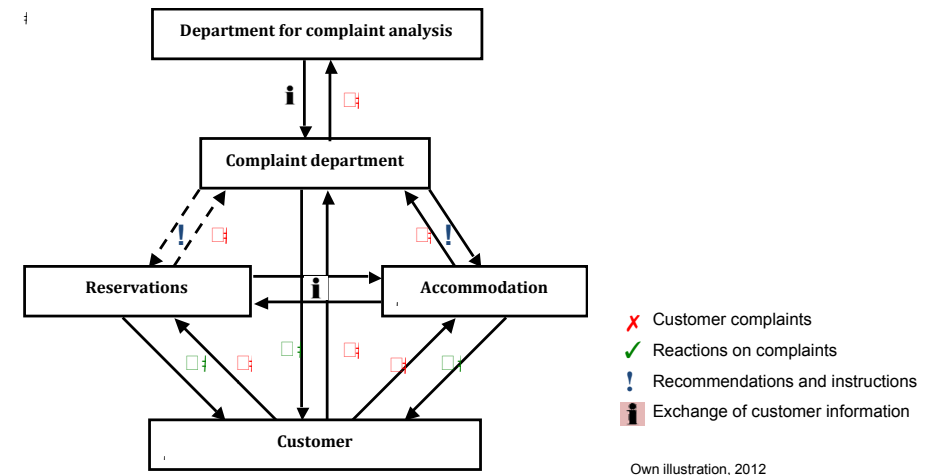
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- Identification and treatment of oral complaints as a major challenge
- Interruption of internal information transfer

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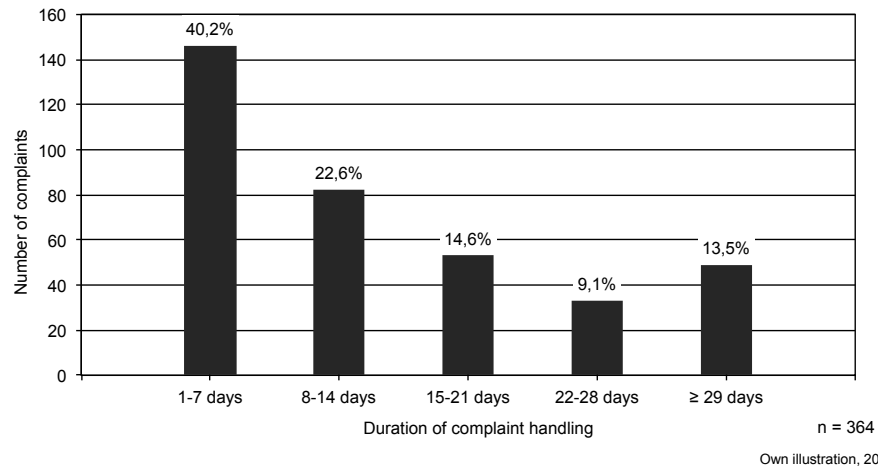
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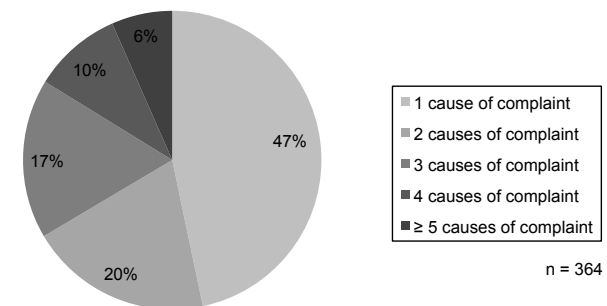
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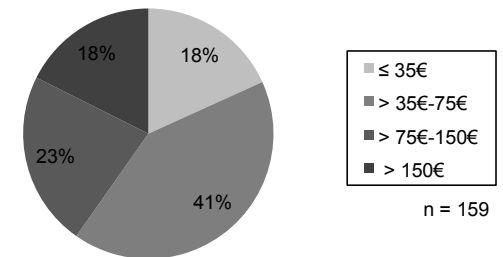


## Revealed gaps in complaint handling

- Lacking communication of complaint channels
- Identification and treatment of oral complaints as a major challenge
- Interruption of internal information transfer
- Difficulties in complying with time standards
- Insufficient evaluation of customer complaints
- Less cooperation between departments and rejection of recommendations
- Lacking managerial control on complaint handling

## Recommendations

- Open communication of complaint channels and offensive calling for feedback
- Installation and communication of a contact person
- Staff training
- Report system for customer feedback
- Employee-empowerment



Own diagram based on own data, 2010

## Recommendations

- Open communication of complaint channels and offensive calling for feedback
- Installation and communication of a contact person
- Staff training
- Report system for customer feedback
- Employee-empowerment
- Installation of an escalation system

## Conclusion

- Complaints contain customer's perception on price and quality of a product or service → valuable information for product/service optimization
- Several gaps identified in the complaint handling chain
- Communication between different departments within one company is a major challenge
- Employee-empowerment and digital customer relationship management tools as first approaches to improve the interaction between customer and company