

Lessons Learned from Toyota about Customer Complaints

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For many years, Toyota enjoyed an irrefutable reputation in the US as the maker of reliable, fuel efficient cars. Sales were double those of Honda, and Toyota rivaled GM and Ford for the #1 spot. However in 2010, things changed. A problem with a sticking accelerator pedal and floor mat pedal entrapment on six of its models, including the popular Rav 4, Corolla and Camry, surfaced in the news. Stories abounded where people were seriously injured and lives lost. As a result of the negative publicity, Toyota issued a massive recall and actually halted sales of these vehicles until the problems could be addressed.

What surfaced later was that Toyota was warned of these reoccurring problems approximately three years earlier. As a result, Toyota has been accused of questionable, evasive, and deceptive legal practices. They have been fined and have agreed to pay 16.4 million dollars as a civil penalty from the National Highways Traffic Safety Administration. As a consequence, Toyota will have to work at rebuilding their reputation.

T.A.R.P, Technical Assistance Research Program, tells us that 96% of the people do not take the time to complain. They just go elsewhere. But one dissatisfied customer can do a lot of damage. An upset customer typically tells eleven other people, and those people tell five more. If you do the math, that is 67 people spreading bad news about you and the company. It is as if someone placed an ad on a billboard or in a newspaper. When a customer takes the time to vent his anger, his or her complaint is significant and should be addressed. If you fix the issue, and do so quickly, 7-10 customers will stay loyal. If you ignore it or fix it in a haphazard manner or only after multiple complaints, customers do not feel valued and are more likely to take their business elsewhere when the opportunity presents itself.

Customer complaints are painful, but through pain, there is gain. With the knowledge of what isn't working with the customers, companies can make the appropriate changes, whether it is to a product, service or process.

So what are the lessons to remember about customer complaints?

Take all complaints seriously

Make sure frontline representatives know how to handle a customer complaint in a non-defensive, professional manner. Obviously, good listening and call management skills are essential to making the customer feel you are taking their complaint seriously. If the issue can't be resolved today, customers should know when you will have an answer. Phone reps must be true to their word and follow up. They should sincerely thank the customer for taking the time to bring this to the company's attention before ending the call.

Track reoccurring problems and FIX them

Complaints should be tracked so that any reoccurring trends can be seen. If the issue seems to be one of a broader scale, it is important to rectify the situation sooner, rather than later. Some reports have suggested that Toyota should have issued large scale recalls earlier.

Make it easy for customers to complain

After each interaction, front line representatives should automatically send an email survey to the customer to garner additional information about the way the complaint was handled. This information should be reviewed and addressed. Most airlines and hotels survey their consumers -but only when they know there have been no flights delays or hotel snafus. This type of information is skewed and isn't painting an accurate picture. If you want information, you will survey often and not just the people that you know were satisfied.

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Customers are your life blood. As good as your products or services are, there will be problems. How those problems are addressed affects customer loyalty.

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