Handling Customer Complaints in Food Manufacturing

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Contents

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Introduction

WE ALL HAVE EXPERIENCE with "those customers," the ones that no matter what actions you take, can't be satisfied. It may be that some people just like to complain, but beware of regarding them so casually. According to the 2020 National Customer Rage Study, for every reported complaint, an additional twenty-five likely go unreported (Customer Care Measurement and Consulting 2022). Even more alarming, customers tend to pass on negative experiences versus satisfying ones twice as often (Farnsworth et al. 2020).

Although no one really likes to handle customer complaints, the consequences of ignoring them or leaving them for "later" can be quite significant. If left unaddressed they can

- lead to a loss of sales and a reduction in customer confidence;
- influence new customers to purchase your competitor's product instead of yours;
- compromise repeat customers and/or your status as a preferred vendor; and/or
- result in recalls or additional regulatory scrutiny.

Businesses lose an estimated $494 billion of annual revenue because of mismanaged customer complaints (Farnsworth et al. 2020). Handle them properly, however, and complaints may just help your business to thrive.

Best Practices

As Bill Gates has said, "your most unhappy customers are your greatest source of learning" (Gates 1999). Set yourself up for that effect by adopting the following practices:

- **Respond quickly.** Customer feedback—even a nuisance complaint—is a critical tool. Regard it as data presented by your customers, whose hidden agenda is to help you to improve customer relations and/or product quality.

- **Track each complaint as part of a risk-management strategy.** Keep tabs on your business's performance and avoid adverse actions, like litigation.

- **Establish a customer-complaint or customer-relation protocol.** Regulatory and third-party companies require it, so it's not an unusual addition to general business practice. For those in the food-manufacturing sector, follow the **Global Food Safety Initiative (GFSI) benchmarking document requirements for customer complaint responses.** Along with identifying the priorities you need to develop when handling food-safety complaints, it outlines the requirements for conducting corrective and preventive action and root-cause analysis.

- **Provide customers with easy ways to provide feedback.** Indeed, it is crucial that your customers have a way to reach you. The United States Food and Drug Administration requires companies to include their name and location on product labels. However, customer feedback doesn't always come through direct channels. Regularly monitor online forms, social media, online marketplaces, and online rating apps as well.

The most important practice, however, is to set up a complaint management strategy. It's a bit involved, but well worth the effort.

Complaint Management

Complaint management refers to a system that allows a business to register, track, and evaluate customer dissatisfaction. It is made up of five components: data collection, complaint classification, communication stream, trend review, and training and company outreach.

Data Collection

A complaint management system is only as good as the data collected. Safeguard its high quality by developing a list of questions or template beforehand so that staff will be poised to ask probing questions of a customer. If you have a system or web form onto which customers can enter information, provide enough of a variety of questions to gather as much information as possible. Adequate data collection is vital for the investigation and to develop root-cause determination. Pictures or samples are extra bonuses for investigators.

Since there are many ways that customers can leave comments, processing the feedback is nearly a full-time job. As a result, it's a good idea to incorporate customer complaint management as part of at least one employee's responsibilities. Depending on the size of your company, you may include customer complaint investigations, trending, and responses as part of the duties of several departments.

Using a central database or customer relationship management (CRM) program is highly recommended, indeed a necessity. There are many commercially available CRM programs. Determine what fits your business model and culture. Until you decide what software fits your organization the best, a simple Excel sheet, modified as needed, makes for a good start. Click here to download the Customer Complaint Log and Tracking System.

Complaint Classification

A solid management program classifies complaints, thus enabling you to process them effectively. There are many different ways to prioritize customer feedback. Indeed, many CRM programs look for keywords in reports that trigger a notification to an authorized person. However, if you don't have an automated system, make sure whoever is reviewing complaints understands the classification system you've set up and that they clearly prioritize them.

Obviously, a food-safety complaint that may initiate a recall needs immediate attention. But a complaint regarding product texture is probably less urgent. Some companies adopt a less nuanced approach by using categories to rank them, like high, medium, or low; or they use colors to indicate their importance: red, orange, yellow, etc. However you classify them, follow up on them according to company policy. For instance, resolve high-risk or red food-safety complaints within twenty-four hours, the orange or medium complaints within three days, and yellow or low risk within seven days.

Communication Stream

Monitoring how your company processes a complaint is another crucial component of any solid

customer complaint management program. Develop a flowchart of who receives a complaint and in what time frame they processed/resolved it. Some CRM systems document this approach via features that send information automatically to emails or cell phones. (If employees do not respond within a certain time frame, the system automatically routes the information up the organizational hierarchy.) To ensure timely responses, identify communication streams within your organization and record them in a schematic. See Figure 1 for a sample communication flowchart that uses generic department headings. When you design yours, include actual job titles or names to ensure it meets your needs and accurately represents staffing positions.

Having a clear method for managing your communication streams helps to ensure that no complaint is lost or forgotten. Remember:

whether customers provide positive or negative feedback, respond to them in a timely fashion so they understand that their feedback has been documented, processed, and reacted to—essentially, that their experience matters.

Trend Review

Developing a policy for how often you review and trend customer complaints is part of any strong complaint management system. For example, every quarter period, identify all complaint trends and choose those the team should start to analyze and review (usually those of high frequency). Keeping Bill Gates's thoughts in mind, view the practice as a continuous improvement strategy and an exercise in product development. Trend review should become part of your management process regarding food safety and operational strategies. Really work over the information: Use some statistical process controls
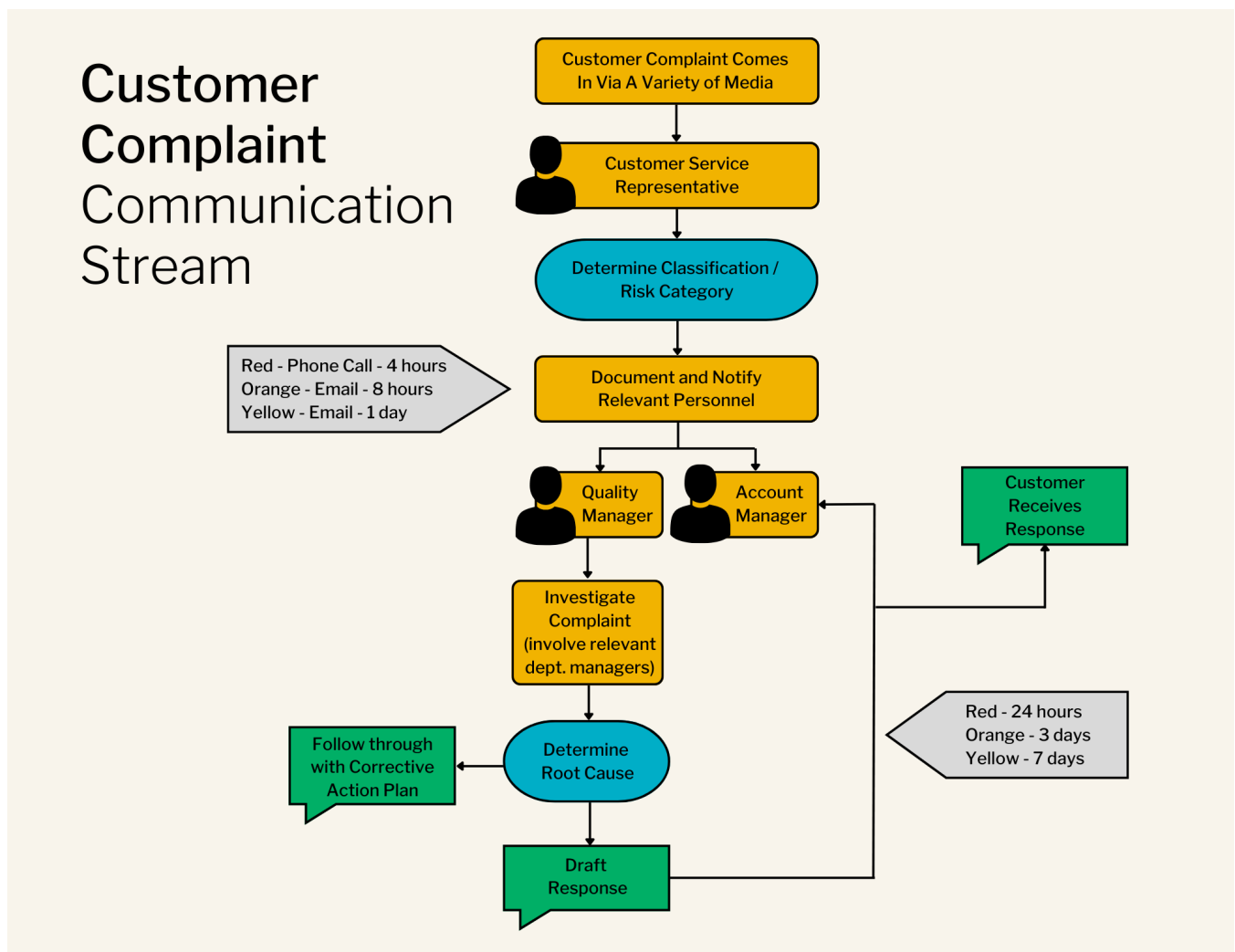

Customer Complaint Communication Stream

- Customer Complaint Comes In Via A Variety of Media
- Customer Service Representative
- Determine Classification / Risk Category
- Red - Phone Call - 4 hours / Orange - Email - 8 hours / Yellow - Email - 1 day
- Document and Notify Relevant Personnel
- Quality Manager
- Account Manager
- Customer Receives Response
- Investigate Complaint (involve relevant dept. managers)
- Red - 24 hours / Orange - 3 days / Yellow - 7 days
- Follow through with Corrective Action Plan
- Determine Root Cause
- Draft Response

Figure 1. Customer complaint communication stream.

tools. Trend the data so that you can see when you have made improvements or are losing ground.

Some examples that you might find useful:

- Classify the total number of complaints
- Note the number of complaints per X number of shipments
- Note the number of complaints per X pounds of product
- Note the number of complaints by topic/ root cause

Use the data you compile in your review to create a baseline so that you can identify SMART (specific, measurable, attainable, relevant, time-based) ways to improve. To be sure, trend review guards against complacency.

Training and Company Outreach

Customer complaints should not stay within a quality or sales department. Use your customer complaint data and subsequent investigation to improve operations and staff performance. Communicating what your customer is experiencing with the product is an excellent source of training material for your operators and staff. Part of having a positive quality culture is that employees of all levels benefit from customer input and have a say in how it's processed and acted upon. Indeed, involve your operators in the root-cause analyses and the company's response.

Conclusion

Because customer complaints can be a nuisance, most employees do not view managing them in a favorable way. However, customer complaint management is a very important risk-management strategy. Ensure you have a program that captures, responds, and trends customer complaints in order to gather the most effective information possible. Instead of viewing customer complaints as negative, use them in beneficial ways to upgrade employee training and improve customer interactions, a valuable data point for determining critical to quality attributes.

Further Reading

Customer Care Measurement and Consulting. 2022. "2020 National Customer Rage Study." Customer Care Measurement and Consulting. https://www.customercaremc.com/insights/national-customer-rage-study/2020-national-customer-rage-study/.

Farnsworth, D., J. L. Clark, A. Wysocki, K. Kepner, and M. Glasser. 2020. "Customer Complaints and Types of Customers." University of Florida/Institute of Food and Agricultural Sciences Extension Publication HR005. https://edis.ifas.ufl.edu/publication/HR005.

Gates, Bill 1999. *Business @ the Speed of Thought.* New York: Warner Books.

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