



A COMPLAINT
IS A GIFT:

BUILDING
CUSTOMER LOYALTY

Though it's unlikely to arrive in a box or come with a bow, and certain not to rattle when you shake it, a complaint is a gift – an opportunity that, if managed well, can lead to customers for life. Such opportunities enable us to hear, to listen, and to better understand our customers' perspectives. Feedback enables us to provide truly enlightened service that builds customer loyalty. To earn this loyalty, we must do more than offer the best rates and fees; we must connect emotionally with customers by demonstrating customer advocacy in service and sales interactions.

EXCEEDING CUSTOMER EXPECTATIONS IN ALL ASPECTS IS A KEY COMPETITIVE ADVANTAGE

Comprehensive and accurate Know Your Customer (KYC) data is essential to deliver an enhanced customer experience. With more customer information available than ever before, there is a great opportunity to turn this data into insight and to use that insight to provide customers what they want, when, and how they want it. On the other hand, regulators, including in the MENA region are placing greater emphasis on how banks

interact and treat customers, including how they handle customer complaints. By way of example, new regulations were issued in Jordan and UAE in 2017 that among other things mandate effective Board oversight over the customer complaints management process. The focus on effective management of customer complaints will doubtlessly continue across the MENA region. However, to effectively manage complaints, it is first helpful to examine the phases of the customer relationship. The customer relationship quadrant helps illustrate the four classifications for categorizing customer satisfaction.

CUSTOMER RELATIONSHIP QUADRANT:

QUADRANT 1

No Service Failure/No Complaints

May be cause for celebration or an indicator that customers have not voiced their concerns. On the surface, things look good because customers are not complaining. In reality, however, we do not know whether or how many customers are dissatisfied but have not made their complaints known.

Action Required: Soliciting customer feedback is important to confirming customer satisfaction as well as identifying strengths and areas for improvement.

QUADRANT 2

No Service Failure/Customer Unhappy & Vocal

In this instance, a customer might voice a concern about a matter that is beyond the bank's control - for example, a complaint associated with regulatory requirements, such as the collection of

specific customer identification information at account opening.

Action Required: It is important that we treat all customer complaints with the same level of superior service, regardless of how or why they were raised. There is an opportunity to learn from these complaints and retain customers if their concerns are addressed and handled well.

QUADRANT 3

Service Failure/Customer Silent

Represents the greatest challenge. To the extent that the bank is unaware of its customers' concerns or dissatisfaction, it is paralyzed from taking the actions required to address the issues and offer solutions.

Action Required: It is imperative that we establish a relationship that encourages customers to make known their questions and concerns.

QUADRANT 4

Service Failure/Customer Unhappy & Vocal

Requires great skill and attention. It is during this time that the bank has the most contact with their customers, gain access to the most information, and have the opportunity for service recovery and continuous improvement.

Action required: If we can successfully address a problem at the root, assume responsibility for the breakdown, and provide professional service, we are more likely to strengthen our relationship with not only the customer who raised the concern, but all other customers as well, who as a result will not share the same experience.



CUSTOMER SERVICE

With intense competition for consumers' business, a bank's profitability hinges on its ability to know its customers and gain their loyalty. The key is to understand the current reality of our institution as well as the desired result, and develop a strategy to close the gap. To increase customer satisfaction and establish customers for life, we must strive to exceed customer expectations. This requires going beyond minimum legal requirements to do the right thing and understand complaints as opportunities, and give the gift of enhanced service back to those we serve.

ABOUT THE AUTHOR:

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Joined Arab Bank plc in Novem-

ber 2005 as EVP and Global Head of Group Regulatory Compliance. Mr. Matossian has more than 30 years of experience in regulatory risk management, anti-money laundering, and compliance. Mr. Matossian participates on several national and international task forces addressing governance, anti-money laundering, and compliance matters and is the Founding Member and Deputy Chair of the MENA Financial Crime Compliance Group.

MENA FCCG

The MENA Financial Crime Compliance Group (MENA FCCG) is a voluntary body that seeks to bring collective action in the fight against money laundering and terrorist finance in the region. The group comprises 12 banks representing eight MENA countries, in-

cluding; Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, and the UAE. The Group is presided over by Wissam H. Fattouh, Secretary General for the Union of Arab Banks while Michael Matossian is the current Deputy Chair.

