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ESCUELA DE INGENIERIAS INDUSTRIALES

Grado en Ingeniería en Organización Industrial

# Management of complaints and claims

Special case: *Telefónica*

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**TFG REALIZADO EN PROGRAMA DE INTERCAMBIO**

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**TÍTULO: Management of complaints and claims. Special case: Telefónica**

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**CENTRO: Hochschule Magdeburg-Stendal**

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## **RESUMEN**

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Este Trabajo Fin de Grado (Bachelor Thesis) es el resultado de una investigación sobre los sistemas de gestión de quejas y reclamaciones de clientes y la implementación de la norma internacional ISO 10002:2004 sobre gestión de quejas y reclamaciones con sus respectivos principios, estándares, procesos y procedimientos. Se realiza un estudio sobre los motivos por los que los clientes no se encuentran satisfechos, en qué ocasiones estos presentan quejas o reclamaciones y cuándo no, cuáles son sus expectativas y sus percepciones así como qué es la calidad de los productos y servicios de cara a que las empresas u organizaciones proporcionen un excelente servicio de calidad. También se realiza un análisis de un caso práctico: empresa Telefónica, de qué sistemas de gestión de quejas y reclamaciones dispone con una comparación de su implementación en los diferentes países en los que opera.

## **CINCO PALABRAS CLAVES QUE DESCRIBEN EL TFG**

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GESTIÓN – MANAGEMENT - QUEJAS – RECLAMACIONES - COMPLAINTS

# MANAGEMENT OF COMPLAINTS AND CLAIMS

SPECIAL CASE: *TELEFÓNICA*

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## 1. INTRODUCTION

Through this thesis I conclude my Bachelor in Business Engineering (Grado en Ingeniería en Organización Industrial), a set of knowledge in Industrial Engineering and Economy, specialized in the area of industry organization. When Prof. Dr. Burkhard von Velsen-Zerweck suggested me to investigate the management of complaints and claims in companies, this seemed like a good idea in order to complete my academic training in economics and management, because until now in my bachelor, I had only studied production goods and I had not studied services. Due to this reason, plus the fact that I made my internship in a company related to the practical case study which Prof. Dr. Burkhard von Velsen-Zerweck suggested me, I have found this idea like an interesting way to finish this formative stage.

After this long period, I have seen how every company seek to satisfy a customer needs by producing products or services. In order to improve the quality of service provided to the customers, it is necessary to know their expectations, determine if they are being satisfied. When what customer expects exceeds the available resources in the organization or service to be provided, this information can be used to determine what changes should be made by the company board.

I will try to explain how nowadays, a management system of suggestions and complaints, plays a major role in the quality of the management of a service provider entity. Claims, suggestions or complaints from customers, are a source of information that firms and organizations can use to improve the delivery of its services, its reputation and the confidence generated among its customers; it also represents a tool for participation and contribution to quality performance. In order to benefit this knowledge to the organization, it is important that it has an effective management system of complaints and suggestions, as well as mechanisms to encourage the participation of customers and users.

This bachelor thesis aims to provide a guidance in the process of handling complaints and suggestions within an organization, including aspects of planning, design and operation of a system for management. It also includes a special study case: *Telefónica*, a very important telecommunications firm which works in many different countries and a comparison about how it works in different regions.

As an international *erasmus* engineering student, I believe that international standards rules help to get a good exchange of knowledge and common global goals. For this reason, this bachelor thesis is focused on how a company can implement the ISO 10002:2004 (guidelines for complaints handling organizations) in its structure.

My main sources of information have been internet and Hochschule Magdeburg-Stendal library. On the Internet I have found much information about systems for managing complaints and in the library I have searched more specific information related to improving customer satisfaction and services quality. Once I found information and I got to some conclusions, I started writing the project.

## 2. WHAT IS A COMPLAINT?

According to the ISO 10004, a complaint is an *expression of dissatisfaction made to an organization, related to its products or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected*<sup>1</sup>.

### 2.1 Others terms and definitions which will be used in this Bachelor Thesis

#### COMPLAINANT

Person, organization or its representative, making a complaint.

#### CUSTOMER / CLIENT / USER

Organization or person that receives a product or service.

#### CUSTOMER SERVICE

Interaction of the organization with the customer throughout the life cycle of a product or service.

#### CUSTOMER SATISFACTION

Customer's perception of the degree to which the customer's requirements have been fulfilled.

#### FEEDBACK

Opinions, comments and expressions of interest in the products or the complaints-handling process.

#### OBJETIVE

Something sought, or aimed for, related to complaints handling.

#### POLICITY

Overall intentions and direction of the organization related to complaints handling, as formally expressed by top management.

#### PROCESS

Set of interrelated or interacting activities which transforms inputs into outputs.

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<sup>1</sup> ISO 10002: 2004 Quality management. Customer satisfaction. Guidelines for complaints handling organizations (Point 3).



INTERESTED PARTY / STAKEHOLDER

Person or group having an interest in the performance or success of the organization.

RESOURCE

Tangible or intangible element that can satisfy certain needs.

ORGANIZATION / ENTITY

Group of people who join together to achieve a particular purpose.

COMPANY / FIRM / AGENCY

It is an organization whose principal objective is to make money transforming inputs into outputs through different process. They can produce products or services.

NEED / REQUERIMENT

What is needed to get or achieve a certain aim.

PROBLEM / INCIDENT / INCIDENCE

Set of facts or circumstances that hinder the achievement of some purpose.

DISSATISFACTION

Customer's perception of the degree to which the customer's requirements have not been fulfilled.

PROCEDURE

Sequence of actions or activities defined and documented in order perform a task.

FORM / APLICATION FORM

Standard printed with blank gaps to be filled by the user.

### 3. WHY DO CUSTOMERS COMPLAIN?

Complaints arise when the customer is dissatisfied with a service or product. To find the appropriate solution, it is necessary to understand the nature of this dissatisfaction. Some complaints do not fit a particular system resolution and other cannot be solved, even in these situations, they need to be treated with respect and explaining the reasons why the organization cannot accept or resolve them.

When a customer makes a complaint expressing dissatisfaction, it is necessary to determine the reason which caused this dissatisfaction. The best way to handle this, is listening to the customer, to understand the root of his request. To discover the real problem and determine the appropriate response is useful to ask the customer what solution could satisfy him.

Many complaints happen owing to the organization has not clearly communicated its regulations, policies or services. When users and customers know and understand what they may or may not expect from the organization, they have more realistic expectations of the level of service that they may require.

When a firm provides a service, whatever, at the time when something does not work as it should, customers must have the right and freedom to express their dissatisfaction to the organization, and expect the company to demonstrate its interest in resolving this inconvenience as soon as possible.

In this regard, some of the most common complaints among users are due to the following aspects<sup>2</sup>:

- **There is a lack of interest in the problem affecting the user is displayed.** This is one of the most common complaints in service organizations. When an organization really loses interest in customer issues. Employees demonstrate and communicate verbally and nonverbally, an attitude of indifference and even contempt. The user has the right to expect that the entity that sells and provides services, is at least interested in doing what is necessary for the provision of the services offered is quality and fulfill what is expected of them. No user tolerate the entity shows an attitude that underestimate or ignore their problems and requests.
- **Nobody wants to take responsibility for the problem.** *"Sorry, I can do nothing in these cases," "It's not my responsibility", "You have to talk to \_\_\_ about it"*. These are common answers listened by customers when they express problems or concerns.
- **The staff of the firm is expressed underestimating the customers.** It is very common, when customers contact with the organization to communicate a problem, that customers are treated condescendingly, as if uncertain of who is speaking. Any customer likes speaking in this way, it's embarrassing and humiliating; what the customer demand is a dignified and respectful treatment.

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<sup>2</sup> Adobe Creative Team. (2002) "Every Manager's Desk Reference", pp. 1344. Editorial: Alpha Books.

- **The firm is indifferent to the customer.** Some companies tend to fall into the attitude of ignoring the problems to expect that they will disappear. In fact, if the problem is ignored, the customer is who will leave the company. The client search an immediately answer to theirs problem; if it made a prior deal with them, it should be kept as if it was compulsory. You can solve a problem in the short term making future promises about the services, but in the long term, you will generate a major problem, if you do not carry out those promises.
- **The firm provides misleading or false information to the customers.** It is a fact that it is not always possible to provide the right answer, there will be problems that the organization will not know how to solve. When this happens, some companies choose to trick users into giving incomplete or false information, rather than admit they are not sure how to solve it. Providing incorrect or false information is even worse than not giving any information.
- **The user is treated disrespectfully.** Any customer will tolerate being treated rudely. Staff which use inappropriate treatment in contact with customers and users, cost large amounts of money to the firm. In general, people refuse to be treated like this, and any offense may cause the breakdown of the relationship.
- **Staff use the policies and procedures of the organization as an excuse in order to not provide a service.** The success of an organization in today's competitive environment depends on satisfy the needs and expectations of customers, not the internal policies and procedures. The customer must be considered as the most important factor by the organization.

According with this, there are some certain basic requirements expressed by the customers which every organization should achieve them:

- **Getting a respectful treatment.** Customer satisfaction begins with a respectful and dignified treatment by the organization.
- **Responsiveness.** Customers expect immediate attention, and a receptive attitude and understanding their problems and needs, of whatever kind.
- **Technical excellence.** Users expect that staff have enough knowledge about the service they are providing. Staff members who have direct contact with the customer, should have the necessary experience to represent the services offered by company. In fact, this sector staff should emphasize for their communication skills, kindness, sympathy and knowledge.
- **Be focus on solving problems.** When a problem happens, customers want to resolve their problems immediately. Users expect that the managers of their requests tip over to find an appropriate solution, the customer dissatisfaction will be intensify if the staff responsible for resolving problems are looking for excuses, proving the inability of the organization to resolve the problem immediately.
- **Flexibility.** The user who has a problem or nonconformity want to deal with someone in the organization who was flexible and creative in finding solutions.

Customers expect the organization to be able to face and overcome whatever is necessary to solve the problem.

- **Soonest resolution.** When a problem occurs, users expect an immediate resolution, they are not interested in the causes or guilty. They do not expect complicated explanations about the reasons for the inconvenience either. What customers want is that the problem was recognized, a public apology, the problem resolution and the security that it will not happen again.

### 3.1 Why do not customers complain?

Experience shows that only a percentage of dissatisfied customers and users get to complain directly to the organization<sup>3</sup>. There are many and varied reasons for this attitude, but the most common are listed below.

Typically, the user has the perception that his complaint or suggestion will not be taken into account. This thought happens because in many organizations are not carried out preventive or corrective actions as a result of these complaints. Furthermore, in some cases, the customer only get answers or small solutions in short-term.

Another reason why a dissatisfied customer does not complain is because of the uncomfortable situation that it causes and they prefers to avoid a confrontation with the staff. In order to counter this prevent users, it is important that the responsible staff for handling these incidents and who have direct contact with the customers, were trained and they had the necessary attitudes to promote open and receptive communication. Additionally, it should also be encouraged and maintained communication channels between the agency and the customer.

The spread of this existence of complaints management systems and customer suggestions, and the fact of making public the interest of the organization to know what users are thinking, are ways to encourage these participation channels.

If these channels of participation are not clear to the user, or they do not exist, or the process takes too long time and the solutions offered are not entirely satisfactory, it is likely that the customer will not complain again and prefers to leave the entity.

Typically, the client feels that the entity has no interest in knowing his opinion about the offered services and his satisfaction. When the organization transmits to the customers its concern, it encourages customers' interest in participating in the process of expressing their complaints and suggestions.

The user should be aware and understand that within the participatory philosophy of the organization, feedback is very important and its view, expressed by way of suggestions or complaints, is important and is taken into consideration.

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<sup>3</sup> Gilly, M. C.; Stevenson, W. B. y Yale, L. J. (1991) "Dynamics of Complaint Management in the Service Organization", *The Journal of Consumer Affairs*, 2(25), pp. 295.

## 4. CUSTOMERS EXPECTATIONS

### 4.1 What is client satisfaction?

Customer satisfaction is the result of comparing the **expectation** they had before buying and using the product or service and the **perception** they have after it.

Customer satisfaction is something that can be managed influencing their perceptions and expectations. Many companies which have an excellent reputation spend much time and money listening to customers in order to know their perceptions and expectations. If they are satisfied, they may recommend this products or service to others. If their perceptions of the service exceeds their precious expectations, then they will be more than satisfied (even delighted).

All customers want to have a quality service, it is often defined as the customer's overall impression of the relative inferiority or superiority of the organizations and its services<sup>4</sup>. According with R. Johnston and G. Clark, eighteen service quality factors exist which are those attributes of service about which customers many have expectations and which need to be delivered<sup>5</sup>:

*Access – aesthetics – attentiveness – availability – care – cleanliness - comfort  
commitment – communication – competence – courtesy – flexibility – friendliness  
functionality – integrity – reliability – responsiveness – security*

Some of these factors are critical and other are more neutral. Managers should not only be aware of the customer's expectations but they should also realize the importance and potential effect of these factors. It is necessary to know which factors delight and which dissatisfy so as to manage the creation of satisfaction during the service process.

### 4.2 Expectations and perceptions

From the comparison between expectations and perceptions it can give some of these cases:

- **Service could be perceived to be “good” when it is bad.** It happens when customer have low expectations. It makes for-profit organizations vulnerable to competitive.
- **Service could perceived to be “bad” when it is “good”.** If happens when the expectations are high.
- **Service that was “good” last time, may only be “OK” this time.** If a service was perceived to have been very good, then customer's expectations could be raised for next time despite the fact that the quality of the service has remained unchanged.

<sup>4</sup> Bitner, Mary- Jo and Amy R. Hubbert (1994) “Encounter satisfaction versus overall satisfaction versus service quality: the consumer's voice”. Service Quality: New directions in theory and practice pp 72-94

<sup>5</sup> Robert Johnston and Graham Clark. “Service operations management: improving service delivery” Chapter 4. Customer expectations and satisfaction (Third edition 2008).

- **Satisfied customers may switch.** Customers have high ambitions and they always want to have better products and services. Furthermore, alternative service providers might offer a superior level of service.

#### 4.2.1 Expectations

Companies need to understand expectations and manage them in order to get the customers satisfaction. These can be based on what clients believe it should happen.

##### Levels of expectations

A range of expectations exists. In this range, we could define a **zone of tolerance**<sup>6</sup> as the part of the range in which the client will be satisfied if the organization meets these expectations. Customers may accept some variation quality service within range.



*Range of expectations.*

*Figure 1*

The critical point here is: firm should be careful when they ask customers about their expectations. There also exist some fuzzy expectations that may be unclear and clients might not be certain what they expect.

##### Influencing expectations

Customers' expectations can be influenced by many things: *price* (is one of the most important influence), *alternative services available*, *marketing* (image branding and advertising campaigns help, often at great cost to the firm), *word-of-mouth*, *previous experience*, *mood and attitude*, *confidence* (it is a very important aspect, especially about complaints).

##### Finding expectations

All the eighteen factors named above can help us to understand customer expectations. Moreover, there are some tools with can help managers and employees to know them in order to improve services. *Questionnaires and surveys*, *focus groups*, *customer advisory panels*, *new or lost customer surveys*, *complaint analysis* (in point 9 of this thesis it is developed), *critical incident technique*, *sequential incident analysis*, *etc.*

<sup>6</sup> Robert Johnston and Graham Clark. "Service operations management: improving service delivery" Chapter 4. Customer expectations and satisfaction (Third edition 2008).

#### 4.2.2 Perceptions

In order to evaluate the perception of our services, it is necessary to know customers perceptions, so that there exists some instruments<sup>7</sup>:

- **SERVQUAL**

It is a concise multiple-item scale questionnaire that organizations can use to assess their customers' expectations and perceptions of their service and obtain a single figure for tracking and comparison. It uses five consolidated quality factors or dimensions, then, a perception gap score is calculated for each pair of items.

- **Mystery shoppers**

It assesses the service that their customers experience. It usually is provided by external agencies.

Nevertheless, some problems with these instruments exist too: changing questions, missing the point, qualitative versus quantitative, too many questions, etc. Furthermore, obtained data can be manipulated depending on the view where they have been looked, high satisfaction scores do not necessarily get firm success.

#### Managing perceptions:

It is also interesting to study the perceptions while a service is developing. It is common that the customer has changed mood as a result of different perceptions he is having during the process. Managers can identify expectations and then make a list with the necessary steps so get them. Like I explained in the below point, one of the greatest customers' satisfactions happens when the company anticipates his needs. For this reason having a list of steps can help a company to improve its services.

In the annex II, I write an example about this.

#### 4.3 Excellent service

Research commissioned by the Institute of Customer Service found the most typical phrases about the nature of excellent service provided and they were divided into four categories<sup>8</sup>:

- **Delivering the promise** (Ex: *"they do what they say"*, *"they meet expectations"*).

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<sup>7</sup> Robert Johnston and Graham Clark. "Service operations management: improving service delivery" Chapter 4. Customer expectations and satisfaction (Third edition 2008) pp123.

<sup>8</sup> Johnston, Robert (2001) Service Excellence = Reputation = Profit: Developing and sustaining a reputation for service excellence, Institute of Customer Service, Colchester.

- **Providing a personal touch** (Ex: *“the treat me like an individual”, “they care about you”*).
- **Going the extra mile** (Ex: *“they anticipate my needs”*).
- **Dealing well with problems and queries** (Ex: *“they know what to do if there is a problem”*).

In summary, it argues that excellent service is not about exceeding expectations, it is mainly about delivering what is promised and dealing well with any problems and queries that arise.

A final method of measuring satisfaction is by making the intangible, tangible. With the purpose of improve customer satisfaction, a company must ensure that there are no gaps between customer expectations and perceptions.



## 5. COMPLAINS MANAGEMENT SYSTEMS (CMS)

The transformation process of complaints and suggestions from users into useful knowledge for the company in order to provide added value for its services, implies the existence of a strong system for managing complaints and suggestions. This management system of complaints and suggestions must get a high level of quality, and generate systems for the participation of customers and users for the overall improvement of services.

According with Martin J.I., so that system was an effective and operational tool, some basic aspects should be considered when a firm has to implement it<sup>9</sup>:

- It is important to have a department or person responsible for managing claims, suggestions and complaints. This staff should be trained for the activities of collection, management, processing, resolution and communication; especially, they should have a good capacity of answering questions and problems.
- Having an established and formal procedure for managing suggestions and complaints.
- Good dissemination and communication to users about the existence of a system for the collection and management of complaints and suggestions. In addition, it must be public and sufficiently clear so that the user could file a complaint or suggestion if it was necessary.
- The system must be easily accessible to customers and users.
- Forms must be available to users for filing complaints and suggestions, as well as it must exist a place for presentation them.
- Existence of various methods for filing suggestions and complaints, including written, electronic or telephone formats.

This system must be supported by:

- The real **commitment** of the company with efficient and objective management of complaints and suggestions.
- A **policy** focused in customers, being public and that takes into account all stakeholders.
- The **principles of responsibility and authority** must be clear for senior management and all staff of the organization.

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<sup>9</sup> Martín, J. I.; Giner, E. y Marcos, I. (2006) "Guías de apoyo a la calidad en la gestión pública local. Guía. Participación ciudadana e instrumentos de medición de la percepción con el servicio prestado por la administración local".

5.1 Main advantages and disadvantages of different means:

	Explanation	Advantages	Disadvantages
In-person	Customer speaks with staff and explains his problem.	<ul style="list-style-type: none"> <li>-Quick first response.</li> <li>-Fast feedback perceived by the customer.</li> <li>-Guided process.</li> </ul>	<ul style="list-style-type: none"> <li>-Many customers do not file complaints because they are embarrassed to talk to the staff about problems.</li> <li>-Need for displacement.</li> <li>-Restricted times.</li> <li>-Some staff can give bad image of the company.</li> </ul>
Telephone	Customer phones to a special number and explains his problem.	<ul style="list-style-type: none"> <li>-Quick first response.</li> <li>-Fast feedback perceived by the customer.</li> <li>-Guided process.</li> </ul>	<ul style="list-style-type: none"> <li>-Long wait on the phone.</li> <li>-Restricted times.</li> </ul>
Post	Customer writes a letter of a special form he could have requested in a shop or downloaded in website.	<ul style="list-style-type: none"> <li>-A written cannot be changed (as regards the understanding).</li> <li>-Customer does not have to speak directly with staff.</li> </ul>	<ul style="list-style-type: none"> <li>-Slow medium.</li> <li>-Slowdown response.</li> <li>-Not always the meaning what a person writes and what other reads, coincides.</li> </ul>
Internet	Customer use a special form which is available in the company website.	<ul style="list-style-type: none"> <li>-Guided process.</li> <li>-Available anytime.</li> <li>-Cost savings for the company.</li> <li>-Customer does not have to speak directly with staff.</li> </ul>	<ul style="list-style-type: none"> <li>-Some people do not have internet (especially older people).</li> <li>-Too information (it sometimes produces misinformation).</li> </ul>

*Main means.  
Table 1*

## 6. NORMA ISO 10002:2004

### 6.1 General System Principles

The International Organization for Standardization ISO provides the ISO 10002 standard 2004, as a guidance document for the design and implementation of an effective process for managing complaints. There are also other related (CMSAS 86: 2000, AS 4269: 1995) standards of requirements management system.

From these recommendations it is possible to find essential elements in order to be implemented in an effective system for handling complaints and suggestions, a system that would help resolve these issues. As a result of implementing this system, probably there will be an increase of customer satisfaction. A system like this, should have the following characteristics:

#### 6.1.2 Visibility

- The organization must demonstrate its commitment of spread its procedures of manage complaints, promoting them internally and externally.
- Any customers who have any problem with a product or service needs to know how to file a complaint or suggestion and where can go to file it. This information should be available at all times.
- The organization must provide information about how and whom to file complaints and suggestions, including a contact phone number, address, email address, etc. It must exist mechanisms and tools to spread this information.
- It is useful that the entity makes public its service standards, so users will know that standard of service they can expect.

#### 6.1.3 Accessibility

- The mechanisms for managing complaints and suggestions should be easily accessible to all customers and users. This process should: be easy to find, be easy to use, be understood, being available in multiple formats communication.
- The formats used should allow the user to clearly express his request and the desired action that could satisfy him.

With regard to accessibility, should be provided with adequate means for persons with disabilities can access this service, including alternative service, such as print, braille system or audiotapes alternative formats.

- The procedure should be available in the languages in which products and services are offered by the organization.
- Organizations which are located in areas in where there are more than one official language, mechanisms for complaints and suggestions should be made available in the languages in which products or services are offered or provided.
- Staff who have special contact with the user, must be able to answer his questions in the official language which they choice.

#### 6.1.4 Responsiveness

- Suggestions and complaints must be dealt with promptly, courteously and according to their urgency. Organizations should set compliance deadlines for the resolution of incidents and make public these deadlines in all documentation relating to the procedures of handling complaints and suggestions.
- Letters with acknowledgment are also recommended, to indicate receipt of a request. This must be sent within a prescribed period and it must include information about the process of research and have the contact details.
- The response for the user should include information on:
  - Relevant information about the complaint or suggestion.
  - Sufficient reasons for a decision has been taken.
  - Any modification has been made as a result of the complaint or suggestion.
  - Recognition or appreciation for user participation.
- If it was not possible to resolve the incidence within the prescribed time limits, the user should be notified.

#### 6.1.5 Objectivity

The management process of suggestions and complaints must be fair and objective for the user and organization. All complaints must be treated and investigated legitimately and without prejudice. Customers or users and the entity must work with objectivity, impartiality and fairness throughout the all the process, following some principles:

- The person subject of the complaint, must know all the details contained in the complaint, in relation to their performance.
- Staff must have the opportunity to explain his version of the circumstances and the entity must provide them appropriate support.
- All stakeholders must be heard.
- It must be considered and investigate all existing evidence and arguments while they were relevant.

#### 6.1.6 Charges

The filing of a complaint or suggestion must not have any cost to the user in any case.

#### 6.1.7 Confidentiality

Information concerning the personal data of the user who has a suggestion or complaint will not be published, except when it was absolutely necessary for resolution, and it must only be spread with the client consent.

#### 6.1.8 Customer-focused approach

The organization must show in the development of the management process real interest in knowing the wishes, needs and expressions of their customers, and their willingness to feedback from the user reviews.

#### 6.1.9 Accountability

The organization must clearly establish who are the responsible staff related to the process, assign clear management functions, processing, making decisions and communication at all stages of the management of suggestions and complaints.

The organization should align this process with the strategy and business policy. It is also important to publish these results in the annual reports of the entity. This will make public the commitment and responsibility that is taking the organization regarding the management of complaints and suggestions and improving the quality of products and services.

#### 6.1.10 Continual improvement

The process should be reviewed regularly to ensure the quality and efficiency of results, being a main objective within the organization.

All of these principles are recommendations of the ISO 10002, furthermore, others authors recommend some more<sup>10</sup>:

#### 6.1.11 Resource quality

It is important to allocate adequate resources for managing suggestions and complaints, with a sufficient level of authority.

#### 6.1.12 Help and support

Staff must be willing to help and assist the users who want to file a complaint or suggestion, if it was required. This ensures that the incidence was presented so as to allow further processing.

#### 6.1.13 Solution and clearing

The entity must establish compensation policies in the process of handling complaints and suggestions. This compensation must take into account the circumstances of the case, legal, ethical obligations, and good business practices. These policies, depending on the case, can range from reimbursement of fees until public apologies or thanks.

#### 6.1.14 Information gathering

It is important that systematic methods for gathering information on complaints and suggestions received were established, this will allow the company to track the process and identify repetitive situations. The entity must ensure get the highest possible level of detail of information to allow an advanced level of analysis. This level of detail will depend according to the objectives and information needs.

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<sup>10</sup> Ang, L. y Buttle, F. (2006) "Customer Retention Management. A Quantitative Study.", *European Journal of Management*, 1/2(40), pp. 83.

### 6.1.15 Detection of recurrent problem or system

These kinds of problems are caused by: failures in the service or product design, system performance, or policies or procedures of the company. In these cases, it would be useful to classify these types of complaints, in order to identify potential recurring problems and allow rectification. A good analysis of these complaints already classified in relation to the severity and frequency of the problem, will serve as a basis for assess the risks and improved services and products.

## 6.2 Procedure for managing complaints and suggestions

The procedure for the treatment and management of suggestions and complaints within an organization will depend on its criteria, priorities, requirements and analyzed information. Each organization defines the characteristics of internal process, taking into account at least the principles described above.

The methodology proposes that if a complaint or suggestion can not be resolved immediately, actions run at another level to search their prompt resolution. In the diagram two levels of internal resolution are proposed, then it would move to the external resolution if no response was found in the action range of the entity. Each organization will establish the limits and scope of its own process. Here, each stage of the internal resolution of the proposed scheme is exposed.

*Annex I of this bachelor thesis can help the reader understand the proposed procedure.*

### 6.2.1 Start

At this stage the actions of "Communication and Dissemination" and procedures are defined. The objective of this phase is that all staff and users aware of the existence of complaints and suggestions process.

Staff training must be considered as a very important aspect. This information must be clear about roles, responsible people for the process, the physical location of the points where users can present suggestions or complaints, and those aspects that are considered essential in the management process, such as: the way the claimant must submit the incident, an explanation of the process flow, deadlines associated with different stages of resolution, different resolution options which users can choose.

The different media for the spread of the existence and operation process will depend on the position of each entity. Some means recommended to achieve a greater diffusion of this information are<sup>11</sup>:

- Brochures internal diffusion.
- Information circulars, simple character. The format may include commitments and deadlines. It could be used to distribute to staff and users.

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<sup>11</sup> Ministerio de Administraciones Públicas. (2006) "Guía para la gestión de quejas y sugerencias", *Evaluación y Calidad. Administración Pública.*, Madrid.

- In electronic form on the website of the entity, or intranet staff. This section should inquire about the location of the place of care, procedures and any information that is useful to the user.
- Pinboard located on the facilities of the entity.
- Talks or briefings.

It is also interesting to measure the effectiveness of different methods used in internal communication, and if it could be possible, it is also recommended to monitor the level of general knowledge of the existence of the procedure and its functions, measuring the effectiveness of each communication channel used, so that could be strengthened using those more effective media.

### 6.2.2 Complaint receiving

It must be possible to submit complaints and suggestions in different formats (in compliance with the accessibility principle). The different possibilities of presentation must converge in completing the **standard form**, the data and information to be applied in the following phases of the process, so that no treatment should be initiated without the appropriate form.

The information to be recorded from the completed forms must include transcendent data and considered necessary for future treatment and management of incidence. Some important data can be:

- Information concerning the claimant.
- Description of the complaint or suggestion related data support.
- Solution that the client requests or proposes.
- Product, service, or procedure of the entity, object of the complaint or suggestion.
- Deadlines limit of response.
- Information about staff related to the incident.
- Immediate actions have been taken.

### 6.2.3 Tracing

Previously recorded information must be stored and classified so as to allow future reference, and therefore facilitate tracking throughout the process. To this end, this "database" or "registration system" should be updated periodically to allow user queries when it requires.

### 6.2.4 Acknowledgment of receipt

A notification must be sent to the user, indicating that his complaint or suggestion has been received and is in the process of resolution. This will be done in a relevant format.

### 6.2.5 Inicial Evaluation

Every complaint or suggestion received, should be evaluated and classified according to established criteria. Each organization should establish this classification according to internal parameters.

### 6.2.6 Research

Depending on the classification and categorization determined before, the depth of the research will be established to carry out. However, for each incident must be investigated causes, situations, people and relevant circumstances.

### 6.2.7 Continuing resolution

At this point it is necessary to determine whether the information obtained from the investigation is sufficient to continue the resolution process, if it was not so, it would need further research. Subsequently, it must be determined if the possible resolution is viable, if it was, we could continue with the process; if it was not possible to carry it out, it would direct it to a higher level of resolution.

### 6.2.8 Activation process

In this process step actions must be determined to carry out depending on the nature of the impact, if a complaint or a suggestion. The determination of these actions must be carried out together with the staff and management of the entity. Finally, the decision must be communicated to the user.

### 6.2.9 Closing process

It must be determined if the solution offered has been satisfactory for the user, otherwise it will be decided whether to continue with the process at a higher level of resolution. If the answer is satisfactory, incident will be closing and recording.

## 6.3 Some important considerations

A very important aspect to note is that the ISO 10002:2004, norm about guidelines for complaints handling in organizations, is only a **recommendation** standard that organizations can follow or not. However, all types of organizations must necessarily comply with the **laws** that governments have adopted in their respective territories.



## 7. PREVENTIONS OF COMPLAINTS

Even I have decided to call this section like *Preventions of complaints*, actually, the objective of the firm must not be only reduced the number of complaints but get reduce unsatisfactory situations and improve the quality of the products and services. For this reason the objective after have managed a complaint is **eliminate the cause** that produced this claim. Only if the company eliminates this cause, customer satisfaction will get improve.

Many times customer's dissatisfactions in services are caused due to poor formation of staff functions or company knowledge (for example when employees do not know where the correct place for applying a service is or why the company has some rules). Some of this situations can be solved if the company hire and form good professional managers with much knowledge in areas like communication and leadership.

Here, I propose some useful tools which companies can implement in order to improve the quality of services and reduce customer dissatisfaction.

### 7.1 Management

A manager is a person *responsible for achieving organizational objectives through efficient and effective utilization of resources*<sup>12</sup>. Efficient refers to doing things right, to maximizing the utilization of resources. Effective refers to doing the right thing in order to attain the objective, or the degree to which a manager achieves objectives. Manager's resources include: human. Financial, physical and informational.

A good manager will have to learn and improve some management skills which will help him or her in his or her work. This skills are related with different areas like: technical, human, communication and making decisions. Furthermore of knowing this skills, a good manager must know when use each kind of them. He or she must differentiate the role that has in each moment and what is the situation (for instance if it is a formal or informal situation).

There are many theories about management (Behavioral Theory, Administrative theory, management Science, etc.) and a lot of researchers who have investigated about it like Elton Mayo, Abraham Maslow or Douglas McGregor among others. All this theories describe different management styles.

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<sup>12</sup> Robert N. Lussier "Management: concepts, applications, skill development." Ch.1 (1997)

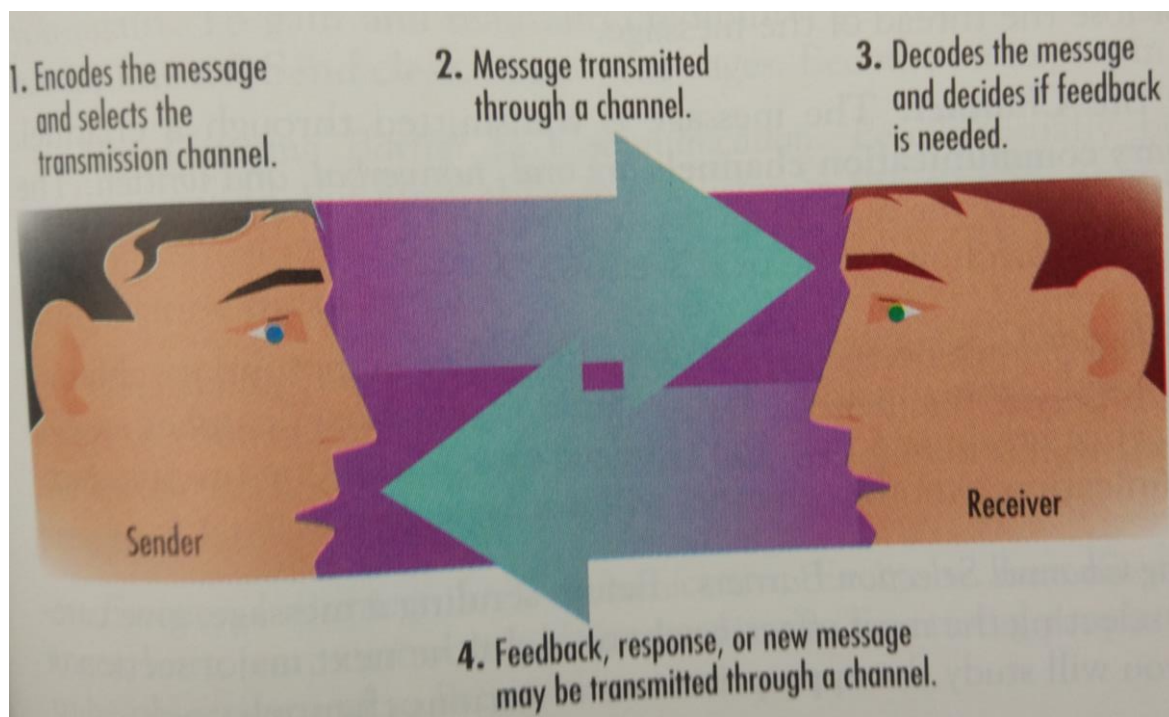
## 7.2 Good communication

Communication plays a very important role in companies, it is one of the major skills needed by managers and staff. The organizational mission, strategy, goals, policy and culture all must be communicated effectively. Organizational communication often flows in a vertical and horizontal direction. Each type has specific characteristics<sup>13</sup>.

**Vertical communication** is the flow of information both downward and upward through the organizational chain of command. It is also called formal communication. It succeeds for instance when the board makes decisions, procedures, etc or when employees send messages to their bosses.

**Horizontal communication** is the flow of information between colleagues and peers. Although it is a formal communication, it does not follow the chain of command. This kind is needed to coordinate within a department and among different departments.

The **communication process** consists of a sender who encodes a message and transmits it through a channel to a receiver who decodes it and may give feedback. Many problems happen when the message is not understood, when the channel does not work, etc. Feedback is considered as a most main point in communications since the person who receives the message could interpret the meaning of the message badly. So that does not happen, it is useful that the sender person rephrase the message to see if the other person has understood the message, especially in oral communication.



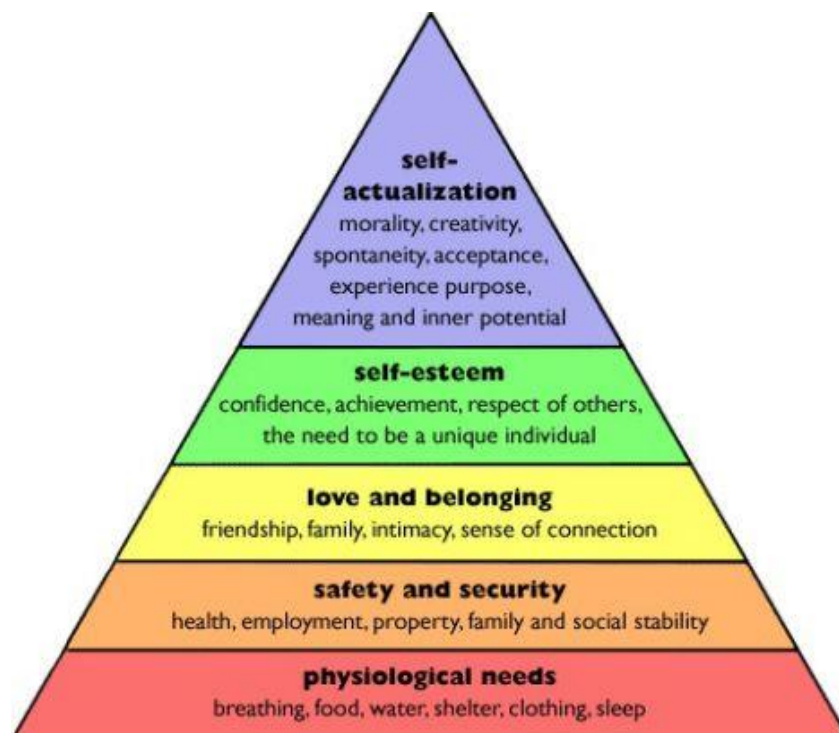
*Good communication.*  
*Figure 2*

<sup>13</sup> Robert N. Lussier "Management: concepts, applications, skill development." Ch. 10 (1997)

### 7.3 Employees motivation

According to Stephen p. Robbins, motivations is defined as “*the willingness to exert high levels of effort to reach organizational goals, conditioned by the effort’s ability to satisfy some individual need*”<sup>14</sup>. I believe that employee’s motivation is a very important aspect to have in account as when someone is motivated, he tries hard and he works better. In order to get employees motivation, first we must think about employee’s needs.

Probably the best-known theory is Abraham Maslow’s hierarchy of needs theory. It states that there is a hierarchy of five human needs: physiological, safety, social (love and belonging), esteem and self-actualization. As each need is substantially satisfied, the next need becomes dominant. From a motivation view-point, the theory says that, although no need is ever fully gratified, a substantially satisfied need no longer motivates. If you want to motivate someone, according to Maslow, you need to understand where that person is in the hierarchy and focus on satisfying needs at or above that level.



*Maslow needs pyramid.  
Figure 3*

<sup>14</sup> Stephen P. Robbins and David A. De Cenzo “Fundamentals of Management” Ch. 12 (1998)

## 7.4 Leadership

Leaders are people who are able to influence others and who possess managerial authority<sup>15</sup>.

Leadership and management are not the same<sup>16</sup>. People tend to use the term manager and leader interchangeably, however, managers and leaders differ. Leadership is one of the four management function<sup>17</sup>. Managers are appointed. They have legitimate power than allows them to reward and punish. Their ability to influence is based on the formal authority inherent in their positions. In contrast, leaders may either be appointed in emerge from within a group<sup>18</sup>.

Paul Hersey and ken Blanchard developed the situational leadership model. This model is used to select one of four leadership styles that match the employees' maturity level in a given situation. Leader must know what style use in each moment. Leadership styles:

**S1. Telling / Directing.** In this stage, for instance, followers need clear and specific directions, as would be provided by a high task-low relationship leader.

**S2. Selling / Coaching.** Both high-task and high-relationship behavior are needed. The high-task behavior compensates for the follower's lack of ability, and the high-relationship behavior tries to get the follower psychologically to "buy into" the leader's desire.

**S3. Participating / Supporting.** This stage creates motivational problems that are best solved by a supportive nondirective, participative style.

**S4. Delegating.** Finally, the leader does not have to do much because followers are both willing and able to take responsibility.



Figure 4

<sup>15</sup> Stephen P. Robins and David A. De Cenzo "Fundamentals of Management" Ch. 13 (1998)

<sup>16</sup> Larry Van Meter, "Lead Before managing: The Team Concept Approach" Business Credit (June 1995) Vol. 97 Iss. 6 pp.9-10.

<sup>17</sup> Robert N. Lussier "Management: concepts, applications, skill development." Ch. 12 (1997)

<sup>18</sup> Stephen P. Robins and David A. De Cenzo "Fundamentals of Management" Ch. 13 (1998)

## 8. CONTINUOUS IMPROVEMENT

According with ISO 10002:2004, an organization should continually improve the effectiveness and efficiency of the complaints-handling process. As a result, the entity can continually improve the quality of its products. This can be achieved through corrective and preventive actions and innovative improvements. The organization should take action to eliminate the causes of existing and potential problems leading to complaints in order to prevent recurrence and occurrence, respectively. The organization should<sup>19</sup>:

- Explore, identify and apply best practices in complaints handling.
- Foster a customer-focused approach within the organization.
- Encourage innovation in complaints-handling development.
- Recognize exemplary complaints-handling behavior.

### 8.1 Deming Cycle

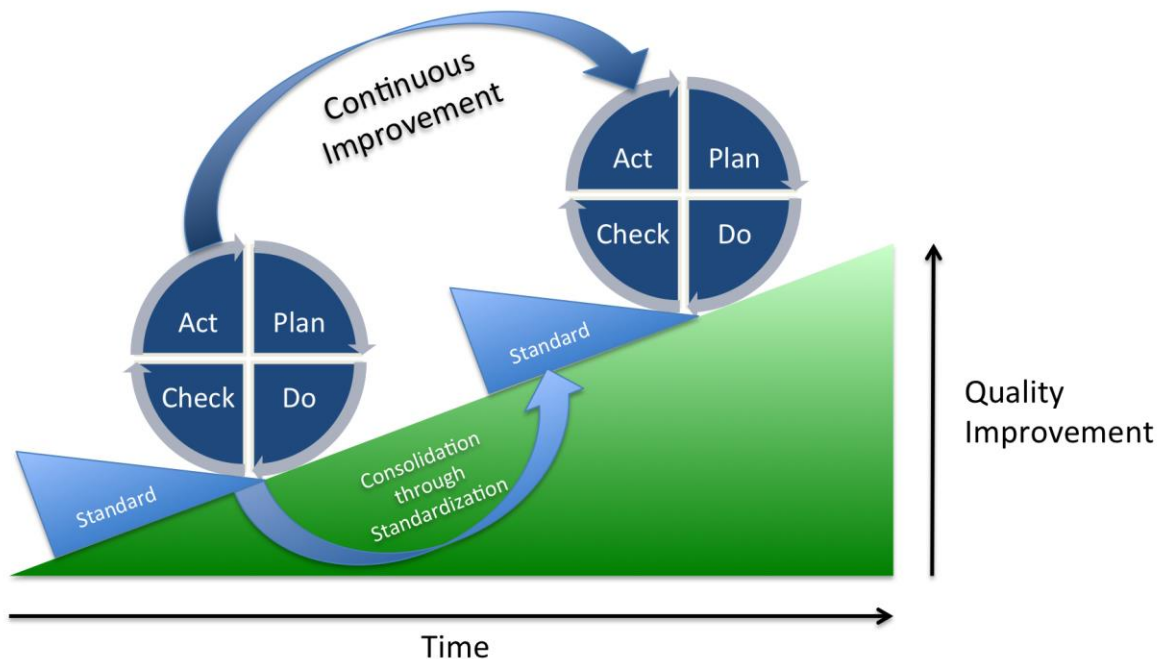
The Deming cycle (makes reference to Edwards Deming), also known as circle PDCA (Plan, Do, Check, Act) or spiral of continuous improvement, is a strategy of continuous improvement quality in four steps, based on a system devised by Walter A. Shewhart concept. It is used by Management Systems Information Security and in Complaints Management Systems too. It works as an iterative four-step management method for the control and continuous improvement of processes and products.

- **PLAN**  
It consists in establishing the objectives and processes necessary to deliver results in accordance with the expected output.
- **DO**  
Implement the plan, execute the process, making the product. It step also include collecting data for charting and analysis in the following stage.
- **CHECK**  
Study the actual results and compare them with the expected results (targets or goals from the first stage) to ascertain any differences. Look for deviation in implementation from the plan and also look for the appropriateness and completeness of the plan to enable the execution.
- **ACT**  
If in the previous stage, it shows that the plan that was implemented has been improved to the prior standard, then that becomes the **new standard** for how the organization should make the product or service. If it shows that the plan that was implemented is not an improvement, then the existing standard will remain in place.

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<sup>19</sup> ISO 10002: 2004 Quality management. Customer satisfaction. Guidelines for complaints handling organizations (Point 4.10).

In either case, if it shows something different than expected (whether better or worse), then there is some more learning to be done and that will suggest potential future PDCA cycles.



*Deming cycle (PDCA).  
Figure 5*

## 8.2 Audits

An audit is the critical and systematic review done by one person or independent group of a system (which can be a person, organization, process, procedure, project or product) in order to provide an independent and competent opinion.

Although financial audit is the most common, there are also different kinds of audits. This is a good tool used to control the alignment of the organization with the strategy proposed by the board.

Thanks to audits, it is possible to identify errors in the company and may be amended on time any failure in implementing the strategy, and prevent threats so walk in a right direction. It is recommended an audit at least once a year, but is really required when there is evidence of overspending, breach of projects, customer complaints, high turnover of human resources and when the results are far from which the company expects.

It is possible to perform internal audits, with the staff to perform process control as well as hiring outside companies to perform an objective audit of the organization identifying the main risks to be resolved and refine strategies to ensure that get board's objectives.

## 9. STUDY OF COMPLAINTS

### 9.1 Collections of information

The organization should record the performance of its complaints-handling process. The organization should establish and implement procedures for recording complaints and responses and for using these records and managing them, while protecting any personal information and ensuring the confidentiality of complaints. This should include some recommendations<sup>20</sup>:

- a) Specifying steps for identifying, gathering, classifying, maintaining, storing and disposing of records
- b) Recording its handling of a complaint and maintaining these records, taking utmost care to preserve such items as electronic files and magnetic recording media, since records, in these media can be lost as a result of mishandling or obsolescence.
- c) Specifying the organization's criteria for responding to requests for record presentation and record submissions made by a complainant or his or her agent; this may include time limits, what kind of information will be provided, to whom, or in what format.
- d) Keeping record of the type of training and instruction that individuals involved in the complaints-handling process have received.
- e) Specifying how and when statistical non-personally identifiable complains data are disclosed to the public

### 9.2 Difference between "treatment" and "management" of complaints and suggestions

In oriented service delivery customer-focused organization, it is of great importance to consider the gap between the managers' perception about customer expectations, and the realistic expectations. Communication and information flow to management levels are tools to bridge this gap, and one of the ways that manifests this information are suggestions and complaints which customers make; as it has been mentioned in some before points, giving to the organization the opportunity to satisfy those unhappy customers and prevent the spread of a poor vision of their services.

The effective **treatment** of these incidents is carried out in order to improve the client benefit, however, complaints and suggestions made by customers have a utility which goes beyond individual customer satisfaction. If the information obtained from them was disseminated throughout the organization, and especially towards the

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<sup>20</sup> ISO 10002: 2004 Quality management. Customer satisfaction. Guidelines for complaints handling organizations.

direction, it would be possible to eliminate, reduce or improve processes and causes of dissatisfaction.

It is in this point where suggestions and complaints **management** appears, in the transmission of the obtained information, for the purpose of detect and correct the causes of the incidence; while the simple "treatment" of complaints and suggestions only respond to the dissatisfied customer<sup>21</sup>.

In the process of **management** of complaints and suggestions it is highly important to establish clear and comprehensible procedures for the flow of information obtained from the customer participation and directed towards those who can make decisions within the organization. This applies especially to sectors such as telecommunications, where due to the product consumption and production are carried out simultaneously, customers can express their complaints to different staff members and at different times.

### 9.3 Analysis and evaluation of complaints

All complaints should be classified and then analyzed to identify systematic, recurring and single incident problems and trends, and to help eliminate the underlying causes of complaints.

A study may also help a firm to know its customers better, understanding how it can improve their satisfaction and giving it ideas for new products or services for the future.

### 9.4 Special case: complaints from employees

This thesis is focus on customer complaints, nevertheless, it is also common in a company that employees are not satisfied with the performance of their work. Like in the customer case, many employees complain at work but they do not take the complaint to their managers who could resolve the problems. For the same reason that I stated in point 3, it is much better to get complaints out in the open and try to resolve them than to have employees complaining to everyone else. "It is advisable to use an open-door policy that allows employees to feel free to come to you with a complaint"<sup>22</sup>.

Although employees also could use the normal Complains Management System (this event depends on each company), I believe that it would be better having another special system for them. Since all companies have an organization hierarchy, the best solution would be use it for try to solve problems.

Before propose a solution, I would like to differentiate between complaints and suggestions and between small and big companies.

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<sup>21</sup> Gilly, M. C.; Stevenson, W. B. y Yale, L. J. (1991) "Dynamics of Complaint Management in the Service Organization", *The Journal of Consumer Affairs*, 2(25), pp. 295.

<sup>22</sup> Robert N. Lussier "Management: concepts, applications, skill development." Ch. 3 (1997).



	Small company	Big company
Suggestions	Saying to the manager or the board company.	Having a special I+D+I department which could study the suggestions. Furthermore, if after the suggestion study it was good, the employees should be rewarded.
Complaints	Using the Complaint-Handling Model proposed by Robert N. Lussier	Having a special Complaints management System for employees, based on Complaint-Handling Model too.

Complaint-Handling Model proposed by Robert N. Lussier<sup>23</sup>

Table 2

More than a system, these are some simple and easy recommendations to follow by the managers of the entity. This model involves five steps.

### 1. Listen to the complaint and paraphrase it

When employees come to you with a complaint, try not to take it personally as a reflection on you or your management ability. Do not become defensive and try to talk the employee out of the complaint. Listen to the full story without interruptions and paraphrase it to ensure accuracy (it is very important because employees often do not know how to state their complaint accurately). As the manager job, determine the true cause. It is also important distinguish facts from opinions.

### 2. Have the complainer recommend a solution

After the first step, you should ask the complainer to recommend a solution, it does not mean that you have to implement it. If the solution is not possible, you will have to explain to him why.

### 3. Schedule time to get all the facts and/or make a decision

Since employee complaints often involve other people, you may find it necessary to check records or to talk to others. It could be helpful to talk with your boss and schedule a specific period of time to giving an answer to the employee.

### 4. Develop a plan

This plan may be developed by simply using the complainer's solution or others.

### 5. Implement the plan and follow up

Make sure that the plan is implemented through follow-up methods.

<sup>23</sup> Robert N. Lussier "Management: concepts, applications, skill development." Ch. 3 (1997).

## 10. MANAGEMENT OF COMPLAINTS OF CUSTOMERS IN TELEFÓNICA

### 10.1 Company's presentation

*Telefónica* is one of the most important companies in the world, at first it was born in Spain like a natural company with the monopoly of telephonic service. Although during some years it was a public company, now is a fully private company which has more than one and half million shareholders and is listed on several major stock markets around the world. It offers the means to facilitate communication among people, providing the secure and cutting-edge technology, to live better and get what they proposed. Currently, it has more than 322 million customers in 21 countries<sup>24</sup>. Its principal services are phone communication and internet connections.

Since May 1, 2010, *Telefónica* brand is exclusively reserved for the institutional role of the company. For marketing of services and products, the company has three main brands: **Movistar** for Spain and Latin America, **O2** for the rest of Europe and **Live** for Brazil<sup>25</sup>.

#### Company vision<sup>26</sup>

- The digital life is life, and technology is an essential part of being human.
- We want to create, protect and promote life connections for people who choose a world of infinite possibilities.
- At *Telefónica* we believe that technology is part of everyone's life. Today, connectivity is not just for interacting, it is essential to our personal and work life.
- Our role is to facilitate your enjoyment of the connection, safeguarding the use of your data and giving control of your digital life.
- We want to be an *OnLife TELCO* a *telco* for people, a *telco* for your life.

### 10.2 *Telefónica*, a service provider firm

Quality management in organizations providing services has some certain peculiarities and singularities in its definition and implementation. The provision of services differs from product manufacturing industry in terms of how they produce and how they consume; services are intangible and heterogeneous, and its production and consumption is simultaneous. For that reason, in this kind of organizations is really critical the interaction which takes place between the service user and the entity<sup>27</sup>. This is the case of the companies which provide communications services as *Telefónica*, whose work is the generation and provision of telecommunications services to a group of users.

<sup>24</sup> Official website [www.telefonica.es](http://www.telefonica.es) Section "Acerca de Telefónica"

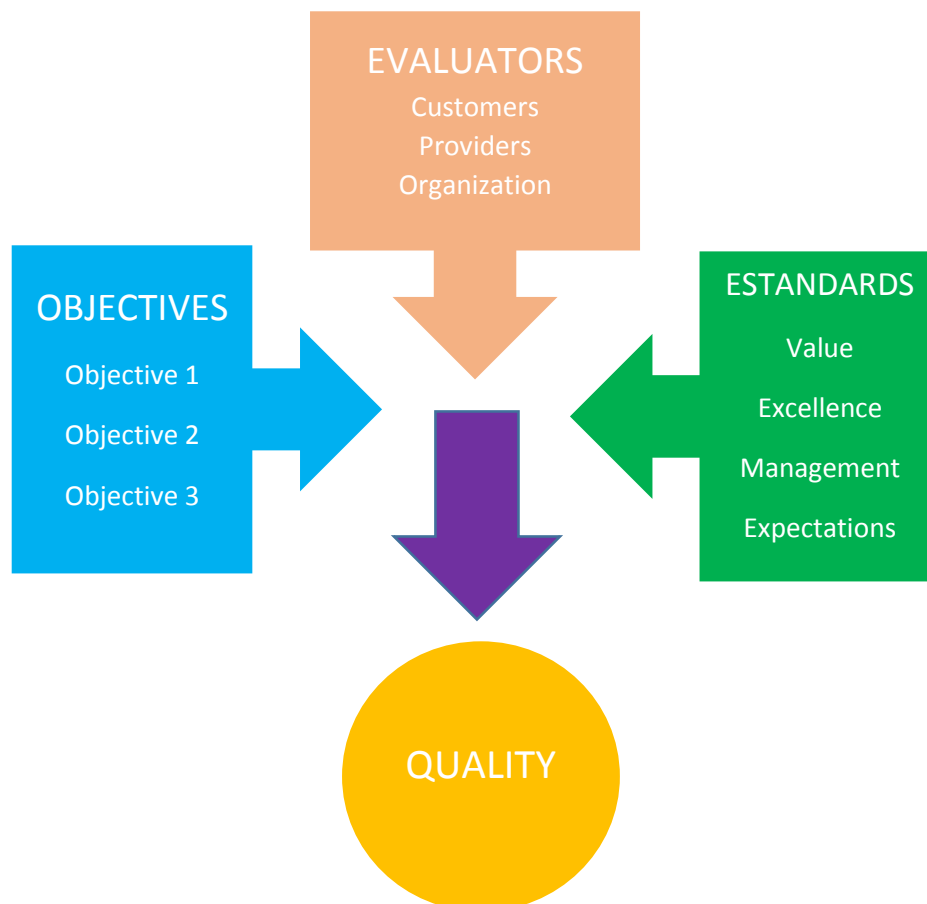
<sup>25</sup> Wikipedia <https://es.wikipedia.org/wiki/Telefonica>

<sup>26</sup> Official website [www.telefonica.es](http://www.telefonica.es) Section "Acerca de Telefónica"

<sup>27</sup> Chelladurai, P. y Chang, K. (2000) "Targets and standards of quality in sport services", *Sport Management Review*, (3), pp. 1.

The quality of service can be defined according to the characteristics of the service, the customer needs and expectations, or from both perspectives. Agree with this differentiation, *Chelladurai y Chang* propose a framework for quality assessment in the management of telecommunications services companies (Figure 6), this consists of:

- Quality objectives: service characteristics related with quality evaluation.
- Quality standards: the specific criteria used in the area.
- Quality evaluators: managers judge the level of quality.



*Objectives, standards and quality evaluators according to (Chelladurai, P.; 2000)*  
Figure 6

Section which evaluates the quality depending on the degree of satisfaction of customer expectations might be more related to service delivery and specifically in telecommunication companies, and is in this section where the importance of an efficient and open customer-focused system of complaints and suggestions is really highlighted. From this perspective, it is the customer who determines the quality of service when he enjoys it. This view is closer to these organizations since their services are intangible and it is difficult to measurement their specifications.

The intervention of the customer in the management processes of a telecommunication company through their complaints and suggestions, involves a direct interaction with the staff of the firm. Such interactions should be considered as an important objective for the quality assessment of the organization. The quality of

these interactions is related to the respect and courtesy to the user, and also with the desire to provide a prompt and accurate resolution to his request.

Secondly, but not least, user intervention through the expression of suggestions and complaints, involves another relationship with the firm, this time as a **participatory relationship**. In this case the customer is actively involved, not only as a participant of the services, also as a co-participant in the process of improving the quality of these services.

The user perception of the quality of their own participation in the processes of the organization, is critical to its long-term motivation. Lengnick-Hall suggests that customer participation in service has five dimensions<sup>28</sup>: it is a resource, a co-producer, a client, a user and a product.

### 10.3 Systems of complaints in *Movistar España*

Because of the fact that in each country the company operates autonomously (even with different name like I described in section 10.1), depending on the country there will be available different systems, the languages in which people can file claims also depends. In the case of *Movistar España* we can find this principal system and means:

#### 10.3.1 In-person

In this system, depending on the kind of complaint, the type of client or service wants to claim, the customer goes to a *Movistar* shop (franchises) or to an official *Movistar* office (no franchise), some complaints can only be put in a central office. In these places, staff will listen to them and will try to propose a solution. If the customer accepts it, this solutions has to be carry out for the corresponding department. All suggestions or claims must be registered into the *Movistar* CMS with a special number.

#### 10.3.2 Telephone

*Movistar* has the free 1004 phone number for customer support which included a special department for managing claims and suggestions. If the complainant is not a customer of *Movistar*, he or she can phone to other number, it is free too. If the customer is a big company or is a special service, there are special phone numbers<sup>29</sup> (although if they rang to 1004, this department will transfer to the appropriate section).

#### 10.3.3 Post

There is also the possibility of sending a reclamation by post. The customer can write a letter, download an official reclamation paper or send an official form which had requested in a store.

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<sup>28</sup> Lengnick-Hall, C. A. (1996) "Customer contributions to quality: A different view of the customer-oriented firm.", *Academy of Management Review*, (21), pp. 791.

<sup>29</sup> Teléfonos de atención movistar <http://www.movistar.es/particulares/atencion-cliente/ficha-ayuda/Telefonos-de-atencion> Official website

Although this method is used increasingly less, it is widely used by those customers who are embarrassed to make a verbal complaint (either by phone or in person). When this complaint arrives in the office company, *Movistar* registers it in the CMS and studies the case like with other means.

#### 10.3.4 Internet

At this moment, this is the most developed system by *Movistar*. Through its website it is possible to file a complaint online, furthermore, it exists a section of frequently answers questions which helps the complainant during the process. You can also speak with an employee by chat. Depending on the type of complaint you want to file, there is a procedure or another, but the online system guides you through a few simple steps.

This medium differences between an incidence (you have had a first problem and you only want to solve it, for example a machine does not work) and a claim (you are not satisfied with a service), the procedure of filing them are not the same. For filing an incidence you have to be client and log in your personal account, for filing a claim is not necessary to be a client. Afterwards, you have to select the packet you have installed in your home or company (the system guides you), write your personal data and your problem. If at the end of this process you do not find an option of filing your personal claim, the system will offer you a free call of its staff or chat. After filing the complaint suggests, you fill out a survey about the process and the system, in order to know your opinion and try to improve it (continuous improvement).

This medium is being increasingly used because of its simplicity. Moreover, for the company is cheaper due to the fact that the complaints are automatically registered in the CMS so it saves staff costs. In all means, especially in this, with the identification number of the claim, the customer can check in what state is his complaint (tracking).

#### 10.4 Particular case: optical fiber installation (*ZENER PLUS*)

*ZENER PLUS* is an outsourced company of *Telefónica* for fiber optic installations in which I worked for three months. During this time, I had to manage some claims about bad installations. This is the internal procedure that is performed when an incident is recorded:

Step 1: Registration with a code.

Step 2: Study of the incidence.

##### Cases:

- **The installer did not attend the installation.** Call the installer and ask why he did not go.

-If the installer was ill→ call the customer, apologize and propose a new appointment (with the same technical if he is not sick or with other if he is ill yet).

-If the installer did not find the house → call the customer, apologize, ask about the correct direction and propose a new appointment.

-If customers did not open the door to the installer → call the customer, apologize, tell the problem happened, suggest that perhaps the bell does not work and propose a new appointment.

- **The installation is not finish yet.** Call the installer and ask why is not finished the installation.

-If he can finish soon → Call the customer, apologize and propose a new appointment to finish the installations

-If he cannot finish because he does not know how doing it → Call the head of the technical and ask him if it is possible to finish it or no.

+If other technical can finish it → assign new technical → Call the customer, apologize and propose a new appointment to finish the installations

+If is not possible to finish now because we do not have enough materials → Call the customer, apologize and propose a new appointment when we will have materials

+If is not possible to finish the installation (for instance there is no CTO box in the building) → Call the customer, apologize and cancel the installation calling CAOL

- **The installation does not work well.** Propose an appointment in order to solve the problem.
- **The client had a bad relationship with the technical.** Call the customer, apologize and propose a new appointment with other technical to finish the installation. Furthermore, giving a report to the Director of Human Resources.
- **It broke some furniture during installation.** Give this claim with the board.
- **The client asks information about prices or other products.** Call the customer and explain that we are an outsourced of *Telefónica*, for knowing information about prices or other products he must phone 1004. If he wanted, we could transfer the call.
- **Other kind of complaint.** Give this claim with the board.

In all the causes in which it could be possible to finish the installation but the customer did not want, we would have to contact with CAOL and cancel the installation.

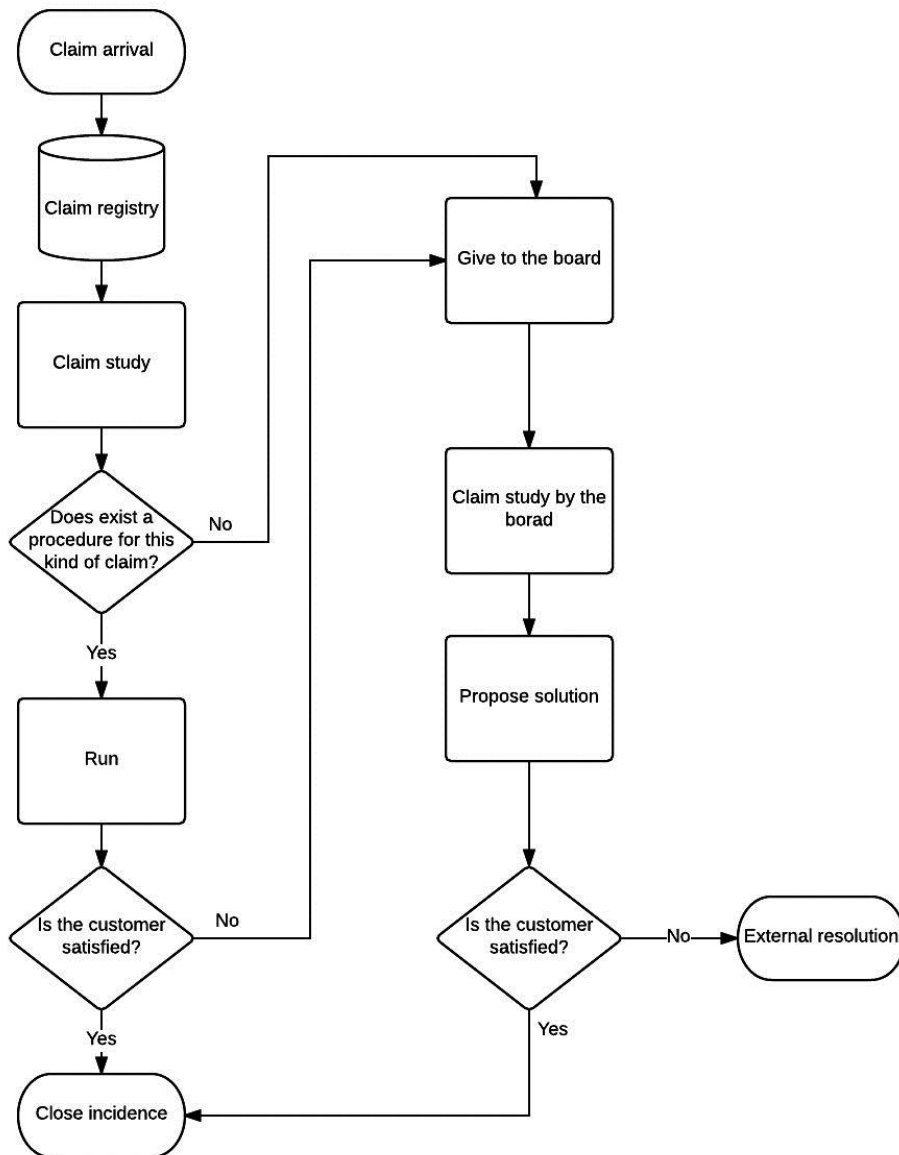
CAOL (*Centro de Atención Online de Movistar*) is the *Movistar* department which manage new installations and assign them to an outsourced installation company.

Step 3. Close the incidence.

For managing all incidents we have an internal platform ERP called *PlusDB*. All information is registered in this server and because of much of this information is confidential, only responsible staff can access. Depending on task and the department where employees are, staff have different permissions to access information.

10.5 Flowchart

**ZENER CLAIMS FLOWCHART**



*ZENER claims flowchart.*  
Figure 7

## 10.6 Comparison between *Movistar* and *O2*

Although *Telefónica* is the same company in the United Kingdom and Spain, their names (*O2* and *Movistar*) and complaints management systems are not the same. Furthermore, they operate independently. The *Movistar España* means have been explained in point 10.3. These means are similar than *O2 United Kingdom* means but with some differences. Comparison:

- While in *O2 United Kingdom* not all telephone numbers for complaining are free, in *Movistar España* all numbers are free. In *O2 United Kingdom* it depends of if you are client or no, if you ring since your *O2* phone and the packet you have contracted<sup>30</sup>.
- In *O2 United Kingdom* exists a *Complaint Review Service* which customers can use if they are not satisfied with the resolution of their complaint, in *Movistar España* does not exist it.
- Despite the fact that *O2 United Kingdom* has an online complaints service, it has not so guided steps than *Movistar España* has.
- In both online system exist, and the procedure offers you, frequently answers questions (FAQs) that can help you during the process.
- In both exists the possibility of complain by post and also both suggest use other mean (due to other means are faster).
- While *Movistar España* only offers different means of complaints, *O2 United Kingdom* offers them besides the explained in more detail.
- *O2 United Kingdom* also offer the possibility of using *Ombudsman Services*: a third entity which listen to the client and listen to the *O2* company and proposes a consensual solution. *Movistar España* does not offer this service. Moreover, in *O2* also exist a *Finantial Ombudsman Service*.
- In both customers can file complaints in person (in each country in its official language).
- While *Movistar España* only suggests complain internally, *O2 United Kingdom* offers complain externally through different agencies like EU Online Dispute Resolution. This EU Online Dispute Resolution is only for services purchased by internet.
- *O2 United Kingdom* also offers using a *Finance and leasing Association*.

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<sup>30</sup> *O2 United Kingdom* official website. Section How to complain by phone <http://www.o2.co.uk/how-to-complain>



The company...	Movistar España	O2 United Kingdom
...has a complaints management system (CMS).	Green	Green
...offers complain in person.	Green	Green
...offers complain by post.	Green	Green
...offers complain by telephone.	Green	Green
...offers complain by internet.	Green	Green
...has a particular department of complaints.	Green	Green
...has an <i>Complaint Review Service</i>	Red	Green
...has an online complaints service with guided steps.	Green	Red
...has frequently answers questions (FAQs)	Green	Green
... explains in detail the different possibilities for complaining.	Yellow	Green
...suggests using a third entity like <i>Ombudsman Services</i> .	Red	Green
...suggests complain externally.	Red	Green
...offers using a <i>Finance and leasing Association</i> .	Red	Green
... has over ten years with an implemented system	Green	Green
...has free numbers phone for complaining.	Green	Yellow

Comparison between Movistar and O2.  
Table 3

Yes	No	Not all
-----	----	---------

Appendix: Complain form

## Reclamar sobre su factura

**Servicio \***

Factura Móvil

Factura Fijo/Internet

Factura Fusión+/TV

**Teléfono asociado a la factura \***

¿Es un móvil asociado a Movistar Fusión?

Selecciona esta opción si es un móvil asociado a Movistar Fusión

**Número de factura \***

Ej: 28-L184-243555 ¿dónde encontrarlo?

**Motivo - Submotivo \***

No conforme con mi factura o saldo por... ▾

Consumos (Llam. - SMS - Descargas) ▾

**Comentarios \***

---

**Tipo de documento \***  ▾

**Número de Documento \***

**Nombre**

**Teléfono de contacto \***

**Correo electrónico \***

Official complain form.  
Figure 8

## 11. CONCLUSIONS

After I have read several articles and have researched on this subject, I would like to summarize the most important general ideas that I have come. Some of these ideas have already been mentioned above, but I believe that I should remember them and make a synthesis in order to sum up and finish the thesis.

Several studies have shown that dissatisfied customers speak bad of the entity, which affects the reputation and credibility of the organization. While those clients whose problems have been resolved promptly and effectively, tend to be more loyal and pleased to the organization than those who have never had a problem. If the complaint or suggestion is not taken into account or is poorly, the customer discomfort will also be manifest in their environment, creating a bad image of the organization. However, if complaints or suggestions are taken into account and treated appropriately (even compensating the client if it was necessary), this customer will be even more satisfied than if I had not had any problems.

Then, the complaints management process can be analyzed as an opportunity for the organization: as a mechanism to deal customers who are dissatisfied so that they will not dispense with the services provided by the entity. Complaints management can be thought as a system, to offer customers and users an opportunity to resolve their complaints and disadvantages perceived. Moreover, it can also be an effective tool for customer retention because it can increase the customer's perception of the usefulness of the service or product purchased.

In my opinion, organizations should encourage that dissatisfied customer complaints and companies should also provide resources to promote and facilitate the procedures for claims and suggestions. Although the efficient management of the complaints and suggestions of the organization can be a powerful competitive tool, many times organizations are not aware of it. About this aspect, there is a long way to walk yet.

Due to the fact that only few dissatisfied customers complain, each complaint received provides a small sample of a higher percentage of dissatisfaction. Managing and analyzing the causes of complaints, the organization can reduce the number of claims and furthermore, the level of dissatisfaction that generates a service, product or procedure.

Regarding this, it arises a problem: increasing complaints generated a wrong perception in the direction, rather than considered the opportunity cost of not receiving a complaint, many times an increase in complaints is perceived as a negative warning. However, a reducing number of complaints or suggestions does not mean, necessarily, a decrease in the number of problems or incidents with customers. If the number of complaints is reduced but not the number and complexity of the problems, in the long-term, this will generate customer loss and a deterioration of the organization's external image.

Furthermore, customer and staff suggestions are an important source of ideas for improving products and services provided, for this reason, it is interesting to incorporate the participation of customers and users in the process of improvement and innovation products and services. The management of user feedback should be focus on listening which is the customer perception about the products and services offered by the company, and incorporate the result of this process to the correct management of the firm, always with an active attitude of the company board.

On the other hand, I have also proposed some ways to improve customer satisfaction because a company always have to think about how can get better products and services (continual improvement). These are some tools which the company board should implement in the entity. With the case study of *Telefónica*, I checked as it is possible that a company can implement a complaints management system with the necessary characteristics of the ISO 10002: 2004 standard.

Finally, I would like to finish sharing some words which Lam Seet Mut, the senior manager for human resource development in *Singapore Airlines (SIA)*, wrote: *“we will also use it as a learning lesson. If we don`t learn something from a complaint then we´ve failed.”*

## 12. BIBLIOGRAPHICAL SOURCES

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## 12.2 Figures

*Figure 1.* Own elaboration

*Figure 2.* Robert N. Lussier "Management: concepts, applications, skill development." Ch. 10 (1997).

*Figure 3.* Google imágenes without rights.

*Figure 4.* Google imágenes without rights.

*Figure 5.* Google imágenes without rights.

*Figure 6.* Own elaboration according to (Chelladurai, P.; 2000).

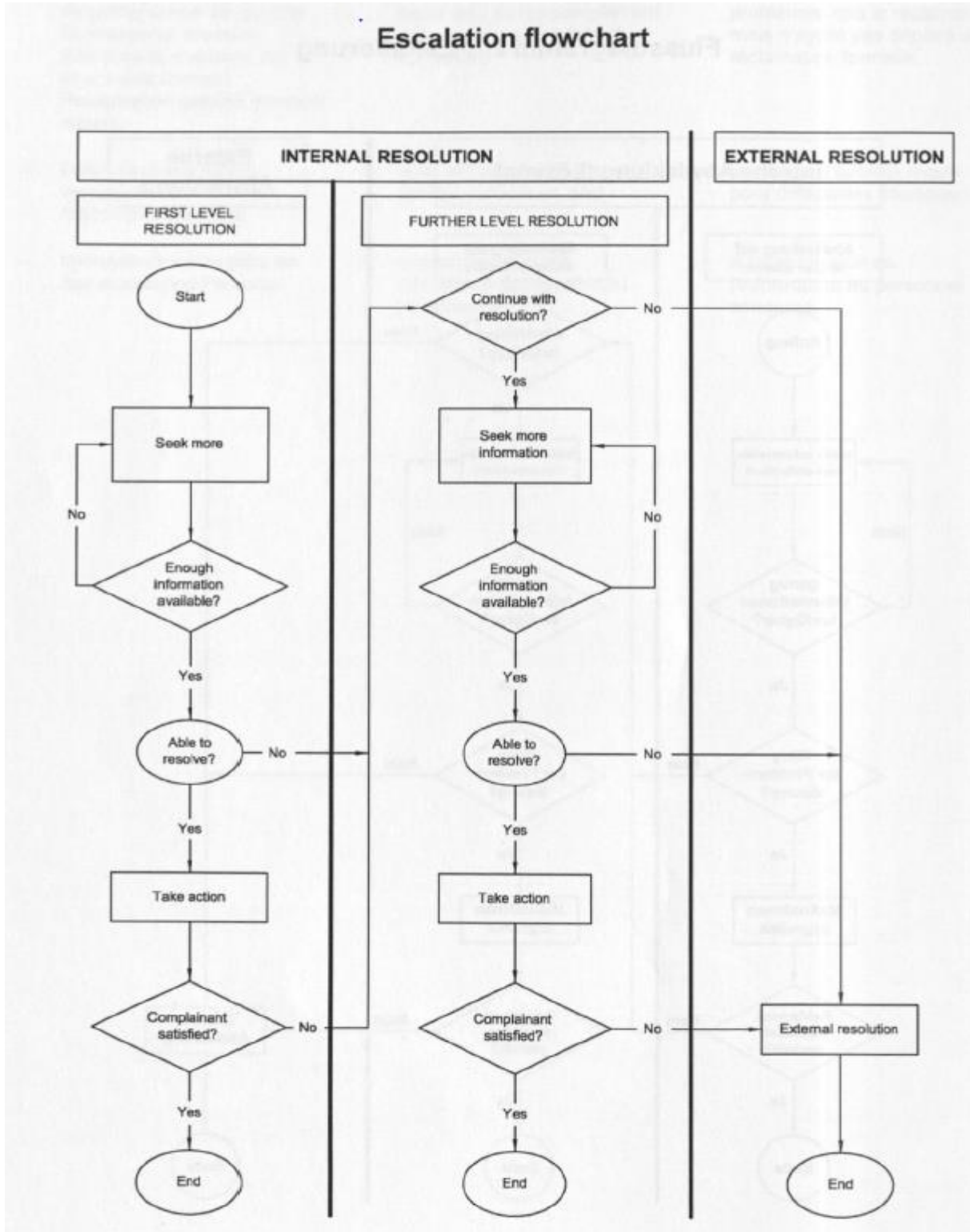
*Figure 7.* ZENER claims flowchart. Own elaboration.

*Figure 8.* Formulario de reclamaciones sobre facturación de clients Movistar <http://www.movistar.es/particulares/atencion-cliente/formulario-reclamaciones> Official website

*Figure 9.* Own elaboration.

### 13. ANNEXES

Annex I<sup>31</sup>



<sup>31</sup> Escalation flowchart Annex F ISO 10002:2004

Annex II

ZERNER PLUS (an outsourced company of Telefónica for fiber optic installations), after have studied a lot of complaints, has studied and has implemented a method in order to improve customer satisfaction. It consists of anticipating customer typical needs before they were upset. Some technicians have developed this method which they use in clients homes. These are some examples of that method:

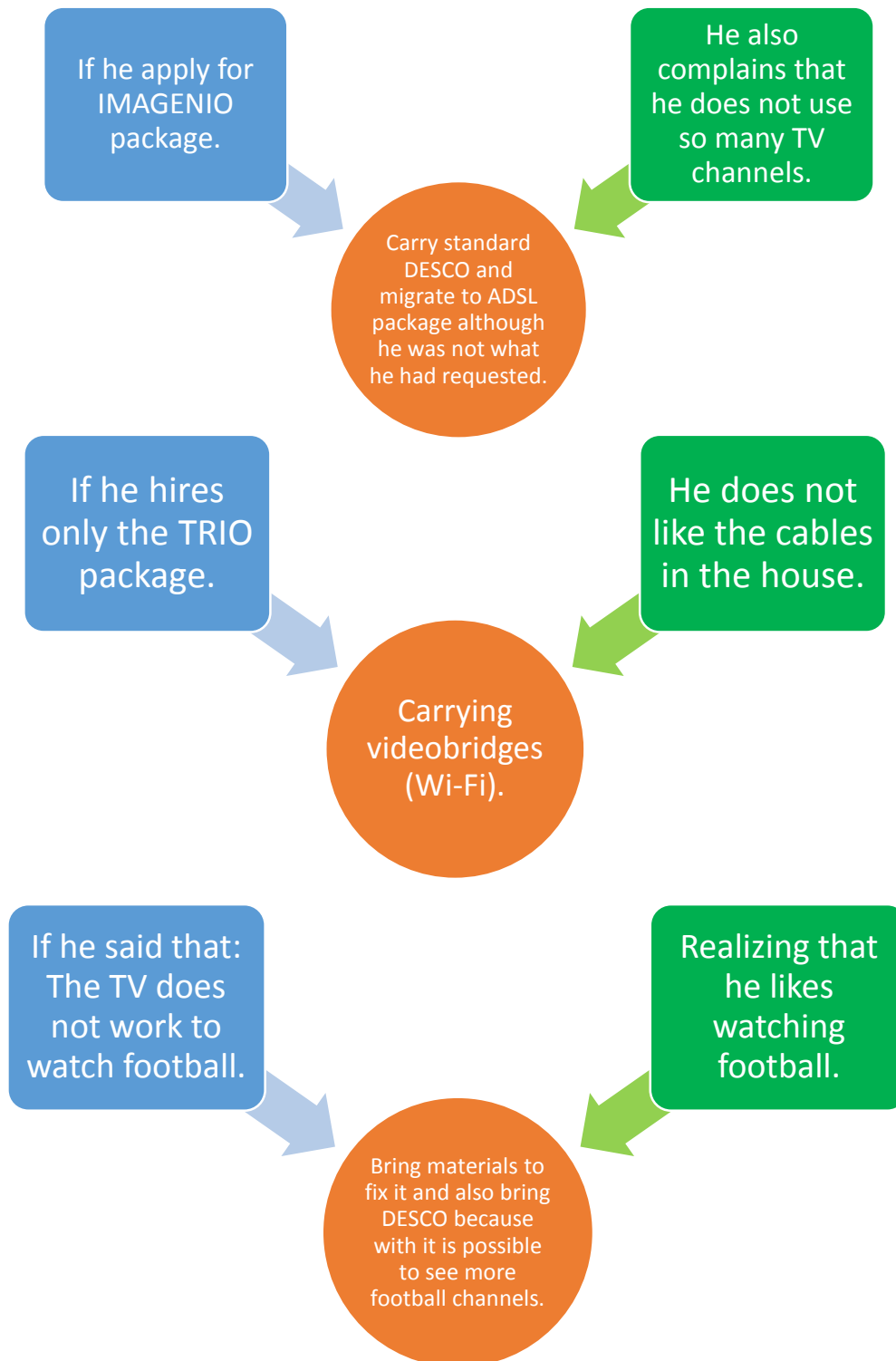


Figure 9

## 14. EVALUATION AND VALIDATION

I, Ángel Álvarez Miguel, present this *Bachelor Thesis (Final Project Work)* at Hochschule Magdeburg-Stendal, stating that all bibliographical sources have been cited, for presenting and evaluation on July 11, 2016 on the campus of Stendal and its subsequent recognition like *Trabajo Fin de Grado* in my home university: Universidad de Valladolid, as it appears in the Learning Agreement.

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*Ángel Álvarez Miguel*

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*Prof. Dr. Burkhard von Velsen-Zerweck*