Managing Customer Complaints as a Source of Competitive Advantage
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Course Description:
Businesses often consider customer complaints as a necessary evil, a nuisance that goes with the conduct of their daily business. What is lacking is a true appreciation of how to deal with disgruntled customers and to use customer complaints as input that would help the company improve its performance and gain an edge over its competitors. In short, a firm must respond strategically to complaints in a manner that allows the firm to keep its customers and acquire new ones.

In this course, we attempt to reach the following objectives:

1. To understand the concept of customer service and its dynamics and how successful firms engage with their customers and build relationships to gain customer loyalty.

2. To understand the relationship between customer complaining behavior and customer satisfaction; the absence of complaints does not mean none exists or that customers are satisfied.

3. To understand how firms can develop a proactive culture and methodology for receiving and handling customer feedback, including complaints and to use that information to meet customer needs and gain their loyalty through improving the firm’s service and performance, gaining a differential advantage over competitors.

Course Structure and Assignments:
This course will utilize a combination of class discussions, case exercises, and some lecture on the topics of customer satisfaction, customer complaints and creating long-term customer value and loyalty. The emphasis will be on class participation and interaction, and realistic case scenarios. Because of the short duration and format of the course, students are required to attend the entire weekend class and will miss the portion of the grade for participation and cases for any period of the class they are not in attendance. The students will also submit a final written project which is about two weeks after the course completion.

Please make sure to have read the assigned material prior to each class period. The required readings are posted online on Electronic Library Reserve. Go to http://weblib.lib.umt.edu/remote.html; if you connect from off campus you need to enter your Net ID and password. Go to “Course Reserve Materials”; Enter password: MBA69480 (no space).
In-class Case Assignments:

1. No returns or exchanges without a receipt: Encounter at the retail store
2. The Medical Examination
3. The Case of the Complaining Customer
4. A Patient’s Experience with Hospital Services

Understanding Relationship Marketing
Customer complaints and satisfaction issues
Case 1: No returns or exchanges without a receipt:
Encounter at the retail store
Required readings: 1, 2, 3, 4

Turning Customer Complaints into a Competitive Advantage
Case 2: The Medical Examination
Case 3: The Case of the Complaining Customer
Required readings: 5, 6, 7, 8, 9, 10, 11.

Tracking Complaints, Customer Satisfaction Audit
Challenges Facing the Organization in Adopting a Customer Service Orientation.
Case 4: A Patient’s Experience with Hospital Services
Required readings: 12, 13, 14, 15.

Grades are weighed as follows

4 cases (10% each) 40%
Class participation 20%
Final written project 40%

Total 100%

Course Grade Assignment

93-100% = A
90-92% = A-
87-89% = B+
83-86% = B
80-82% = B-
77-79% = C+
73-76% = C
70-72% = C-
Below 60% = D
Required Readings:


1. Analyze the following statement: Some customers just love to complain! We are better off sending them away to our competitors. We keep the good customers and they deal with the bad ones.

2. Discuss a systematic approach for handling customer complaints and the policies and processes that need to be in place in order to handle complaints properly. Identify a business of your choosing and discuss the extent to which they do or do not follow the approach you described in your response to this question.