Presto Cleaner's new computer system would work great—if it weren't for the customers.

The Case of the Complaining Customer

by Dan Finkelman and Tony Goland

In an effort to improve service, Presto Cleaner installed a new computer system, designed to cut the customers' waiting time and simplify the drop-off and pickup processes. But the system was only a few months old when Mr. J.W. Sewickley, the company president, received an angry letter from Mr. George Shelton, whose laundry had been lost by the new system. Mr. Shelton's letter described his experience with Presto Cleaner's complaint-handling operations and demanded compensation and an apology. To respond to the complaint, Mr. Sewickley sent the letter to his customer complaint office, asking for more information. The answer came back from Paul Hoffner. He explained that there were extenuating circumstances and suggested that some customers may not be worth keeping. Is the customer always right? Where should a company draw the line on compensation and service? What is the best way to handle cases of complaining customers?

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Mr. J.W. Sewickley  
President  
Presto Cleaner  

Dear Mr. Sewickley:  

October 14, 1989

My wife and I are angry, frustrated, and disappointed ex-customers. We weren’t always that way. In fact, for a year prior to the recent set of events, we were exceptionally pleased with your service. When you opened your store at the intersection of Adams and Broadway, we were delighted. Even though you’re not exactly the least expensive dry cleaner in the area, my wife and I felt that the convenience of the location, the extra early and late hours of operation, and the helpfulness of the staff more than made up for the cost.

That was before you installed your computerized system. The following set of facts will tell you why we are not doing business with Presto Cleaner and what you need to do to get us back as satisfied customers.

July 28: I dropped off some laundry at the store, and the counterperson introduced me to the new computer system. I filled out a “preference card” (light starch for my shirts, folded in a box, and so on) that was entered into the computer. I selected an identification code number (my phone number) and bought a special bag customized with my identification number. The bag was only $3, no big deal. Ideally, the next time I had laundry, all I would have to do was put my laundry in the bag and drop it off. No waiting in line, no waiting for a receipt, the computer knew what I wanted done. When it came time to pick it up, I would just pay, get the laundry, and go.

Easy, convenient, time saving. Supposedly.

August 4: My wife stopped in to pick up the July 28 order and dropped off the bag with the new laundry (4 of my shirts, 2 blouses, 1 suit, 1 skirt). The counterperson had her fill out her own preference card and entered that information into the computer.

August 10: On the way home from work, I stopped in to make a drop-off and a pickup. Guess what, Mr. Sewickley? I needed to buy a second special bag if I wanted to use the new system every time. I had to stand in line and wait my turn and finally give my order to the person behind the counter. It took forever. The great new system required the counterperson to enter every item, its color or other distinguishing feature, and also what operation I wanted done (clean, press, and so on). It took more than ten minutes. The old system was actually faster.

Then when I finished with the drop-off, I told the counterperson I also had an order to pick up. She asked me for the receipt. I explained that I had used the new computerized system with the bags, so I didn’t have a receipt. She asked for my identification number. When she punched it into the computer, it said that my wife had picked up the order earlier in the day.

When I got home, I asked my wife if she had picked up the order. She said she had because she had a business meeting the next day and needed a suit that was at the cleaners. I asked about the bag, and after looking everywhere, including the backseat of the car, we finally determined that she had picked up a previous order and definitely not the order with the special bag. Missing were 4 shirts, 2 blouses, 1 suit, and 1 skirt.

August 11: I called the store from work and explained the problem. The counterperson was very courteous, apologized, and said that the store would be searched for the missing items.

August 14: I went to the store to pick up the last order. I stood in line, waiting for roughly 15 minutes for the two people in front of me to struggle through the computer system. I finally got my order and asked about the lost clothing. After a lot of asking around, the counterperson finally determined that the clothes had not turned up at the store. We next tried to locate the order in the computer, only to discover that when my wife and I had chosen identification numbers, she had used our home phone number and I had used my business number.

After searching the computer using both numbers, we still turned up nothing. The counterperson said he would put a tracer on the order back at the plant.

August 15: My wife left work early to take our next laundry order to one of your competitors that has a store near our house. It’s open only until 5:30, but there’s less nonsense.

August 19: I picked up the order from the nearby Kwik N’ Klean on my way to my favorite men’s store to buy four new shirts. I didn’t have enough shirts to make it through two weeks of work because of the four that were still missing. I am enclosing the sales slip for the four new shirts. I fully expect you to reimburse me for these shirts.

August 22: I called the store to see if my clothes had been found. There was still no word from the plant.

August 25: I called the store again. It had heard from the plant, and the plant did not have the clothing.

Why, Mr. Sewickley, did they not call me? I asked how to pursue a claim for lost items and learned that I should call a Mr. Paul Hoffner at the office.
I immediately called Mr. Hoffner and was told that he was not available. I left a message for him to call back as soon as possible.

August 26: I called back again. Mr. Hoffner was not available. I left the same message.

August 27: I called back again. Mr. Hoffner was not available. I asked if there was anyone else who could handle a claim for lost items and was told that only Mr. Hoffner could do that.

August 31: Mr. Hoffner called. I told him that I wanted to put in a claim. He was totally unaware of the situation, so I had to explain it to him. He suggested that he call the store and the plant to find out if there was any progress. I got the distinct impression that he didn't believe me and that he felt he needed to check with the store to make sure that I really was a customer and that there really was missing laundry. I assured Mr. Hoffner that I was a real customer. In fact, for more than a year, my wife and I have averaged between $20 and $30 worth of dry cleaning every week. Despite my assurances, Mr. Hoffner insisted that he had to check before anything could happen. When I pushed to find out what the process was, Mr. Hoffner said that if the clothing really was lost, I could fill out a claim form and apply for compensation.

September 7: A week had passed with no word from Mr. Hoffner. I called. He wasn't available. I left a message.

September 11: Still no word from Mr. Hoffner. I called and miracle of miracles, he answered the phone. After all that time, the only thing he could tell me was that neither the store nor the plant could find the clothes. I asked him to send the claim form.

September 18: No claim form had yet arrived in the mail, so I called Mr. Hoffner again. I got him and asked about the form. He said he had delayed sending it because he was sure that the clothes would be found. I insisted that he send the form immediately.

September 21: The claim form arrived, and I discovered that it required that I attach both the original purchase receipt for the clothes and the counter receipt for the laundry order. Mr. Sewickley, do you keep your year-old receipts for clothing? And with the new computer system, there are no counter receipts!

I took two more calls to get through to Mr. Hoffner to complain about these requirements. He said that they were necessary to guard the company against fraud. He did acknowledge that since your own system no longer produced counter receipts, I couldn't be expected to send them in. But as far as the receipts for the clothes were concerned, he suggested that I go back through our charge card records to come up with the proof of purchase. I flatly refused. I told Mr. Hoffner that we have done more than $1,000 worth of business with Presto Cleaner over the past year and that we were not in the business of extorting money from dry cleaners. Further, I told him that if my word wasn't good enough for him, he could kiss our business good-bye, along with that of our friends and colleagues at work, who would soon hear all about the Presto Cleaner way of doing business.

September 22: Having had a terribly busy week, we forgot that my wife needed a dress cleaned for a business function Saturday night. Since it was Friday morning when we discovered this, our only real option was for my wife to drop off the dress at Presto Cleaner in the morning.

September 23: I went in to pick up the dress. The woman behind the counter recognized me and told me that the store had found our lost clothes. Apparently, they had been mysteriously included in another customer's order and only just now returned. She had no clue how this could have happened with the new system. She was, as usual, cheerful, apologetic, and polite about the mix-up. I paid for the order, picked up the dress, and went home.

September 25: Since there was no way to call your office over the weekend, I waited until Monday to try to reach Mr. Hoffner. He was again unavailable, so I left him the last message he will ever get from me: the clothes were found, but I would still like to talk to him.

Mr. Sewickley, that was more than two weeks ago, and I still haven't heard from Mr. Hoffner. I am outraged by this entire episode, by the way your company treats customers, by Mr. Hoffner's conduct, by the lack of communication, and by the ridiculous system you introduced. I am particularly incensed at having to pay for clothes that were delivered almost two months late and by having to purchase new clothes to cover your company's mistake.

I expect the following: a full refund for the order that was lost; full payment for the four shirts that I had to buy to make up for the lost order; and a full apology from Mr. Hoffner. If all of those are forthcoming, I might consider giving your company another chance at my business. Otherwise, my wife and I will never patronize your company again.

Sincerely,

George Shelton
Memo
To: JWS
From: Paul Hoffner
Re: Customer Complaint

Oct. 29, 1989

This is in response to your memo requesting background information to respond to the customer complaint of Mr. George Shelton. I have reviewed his letter as well as our own file concerning this matter. I am convinced that we did make a good-faith effort to do right by Mr. Shelton, although he may not recognize it as such. Nevertheless, should you wish to mollify the customer, I would be perfectly happy to play the role of fall guy if it would help. As far as extending compensation to the customer is concerned, his demands seem to me far in excess of any real liability: he did get his clothes back, he will keep the four new shirts and use them, as well. I would certainly extend an apology to him—if he would like it from me, fine; I assume that it would be even more satisfactory coming from you, along with an offer to clean his next order free of charge.

Having said this, there are some mitigating circumstances that you should be aware of. I would not share these with the customer, but present them to you so that you will understand more accurately and fully what really happened, rather than what this one customer says happened. Again, that does not mean that a mistake was not made; there was a mistake, and we should take responsibility for that. But we acted in a way consistent with company policy and operations. Let me describe what really happened:

1. The customer dropped off his clothing on literally the first day of operation of the new computerized system—a system that everyone at headquarters agrees is the key to our future success. Everyone also agrees that there will be problems, including, unfortunately, some lost customers. Mr. Shelton may be one such example. As you remember, because of delays with the system vendor and the software, we had only one week to train our people on the new system. Also, as I’m sure you’re aware, not all of our store personnel are great at using this technology. It has taken more time than expected to get them to understand all of the steps they have to take to prevent mistakes.

2. As I suspected all along, the real problem in this case was that the clothing was picked up by another customer. This is not that unusual. When it happens, we must rely on the goodwill of our customers to return what is not theirs. This time, because the customer was an infrequent user of our service, it took him more than four weeks to bring the clothes back in. Also, he dropped the clothes off at a different store. Unfortunately, we have more than one case of lost clothes at a time (please note all the letters of complaint that you don’t have, proof that the system works most of the time), so we cannot call every customer and ask him or her to come in and identify the clothes. Our policy, therefore, is simply to wait for customers to come in and then offer them a chance to identify the clothes.

3. Much of Mr. Shelton’s gripe concerns the early period (approximately August 12 through August 25) during which time he felt he was kept in the dark. But as you know, our process is designed to get the stores and the plant to figure out problems. My written record shows that the plant did two thorough searches before reporting the lack of results to the store. It’s hard to fault it for thoroughness. Apparently, the store also delayed referring the customer to me, probably thinking that the clothes would turn up and, perhaps, not wishing to have to report bad news concerning our new computer system. The process also may have taken this much time because of our standing company policy that requires all reports between stores, the plant, and the office to be in writing.

4. After I spoke with the customer, I spent the next ten days or so checking with the store and the plant in an attempt to determine what exactly had happened and to locate and identify the clothes. By the end of the first week, I felt sure that the clothes had mistakenly gone to another customer. But there was no way to retrieve them, other than to wait for them to turn up. I did not tell the customer this, of course; after years of experience, I have found that customers only get more upset at the idea that a stranger has their clothes.
5.) Unbeknownst to me, the missing clothes were returned to the Adams and Broadway location on September 14. The customer who had mistakenly received the clothes dropped them off at one of our suburban locations, which then forwarded them to the plant. The plant used our standard identification process, sent them to the Adams and Broadway store, and then wrote me a memo, which I received on September 23. Before I could call the customer and inform him, he had picked up his clothes. I did get one more very angry message from the customer, which I decided not to return, since further communication would unlikely be of any benefit.

6.) Mr. Shelton’s letter has several misstatements of fact. While there is no point in disputing these points with him, you should know the following:
   (a) I did not delay in sending him a claim form. I sent the form after he requested it and do not know why it was not received. When he called back on September 18, I sent another form. I did not tell him that I had delayed in sending the form. I told him we were trying to locate and identify his clothes.
   (b) When I spoke to the customer regarding the standard claim form, I did not tell him to produce proof of purchase. I told him it would be helpful to us if he could get a good estimate of the value of the items.

7.) As you can tell from the tone of Mr. Shelton’s letter, he is a very demanding, persistent individual. What his letter does not tell you, however, is that he inundated us with the sheer volume of his calls. Given the number and frequency of his calls, there was no way for me to demonstrate progress on his problem before he called again. When he writes that he “left a message,” you should know that his “messages” were usually cryptic. He often did not leave a phone number and, on more than one occasion, even refused to leave his name. For example, he would say, “You know who this is.” My secretary found all of this quite distressing. Moreover, I’ve never run into a customer so anxious to be compensated.

This brings up several interesting questions: How do we make up for the mistake we made without being browbeaten into excess compensation? For example, his four shirts would cost us more than $200; refunding his order would add another $35; if I had swiftly processed his original claim, it would have come to over $600.

In other words, despite Mr. Shelton’s threats, I think our system worked. Although we did misplace his clothes, he got everything back, and we avoided a major expense. Now some restitution, such as one free order and a written apology, should be enough. If that is not good enough for Mr. Shelton, it seems to me we should ask, “Aren’t there some customers we are better off losing?” Maybe this is a customer that Kwik N’ Kleen deserves!