Spring 1-2003

MBA 694.01: Managing Customer Complaints as a Source of Competitive Advantage

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Managing Customer Complaints as a Source of Competitive Advantage

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 satisfaction and how successful firms engage in “Relationship Marketing” with their customers to gain their 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 develop a proactive methodology for receiving and handling customer complaints and to use that information to increase customer satisfaction 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. There will also be a final written project that the students will submit within two weeks after the course completion. The required reading material is included in a facpack that the students can obtain from the UM Bookstore.

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. In-class handout (unfamiliarity with the case is part of the case exercise)
MBA 694 – Class Schedule

**Friday, February 21**
Understanding Relationship Marketing  
Customer complaints and satisfaction issues  
Required readings: 1, 2, 3, 4.  
Case 1: No returns or exchanges without a receipt:  
Encounter at the retail store

**Saturday, February 22**
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.

**Sunday, February 23**
Tracking Complaints, Customer Satisfaction Audit  
Challenges Facing the Organization in Adopting a Customer Service Orientation  
Case 4: In-class handout  
Required readings: 10, 11, 12.

**Grades are weighed as follows**

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>4 cases (15% each)</td>
<td>60%</td>
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<tr>
<td>Class participation</td>
<td>10%</td>
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<tr>
<td>Final written project</td>
<td>30%</td>
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<tr>
<td><strong>Total</strong></td>
<td>100%</td>
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**Course Grade Assignment**

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<thead>
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<tbody>
<tr>
<td>90-100%</td>
<td>A</td>
</tr>
<tr>
<td>80-89%</td>
<td>B</td>
</tr>
<tr>
<td>70-79%</td>
<td>C</td>
</tr>
<tr>
<td>60-69%</td>
<td>D</td>
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<tr>
<td>Below 60%</td>
<td>F</td>
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Required Readings:


