

**THE DESCRIPTIVE STUDY ON THE
EFFECTIVENESS OF COMPLAINT HANDLING IN
RETAINING CUSTOMERS IN COMPANY X**



**BY:
DELLA LAKSAPUTRA**

3303012010

INTERNATIONAL BUSINESS MANAGEMENT

FACULTY OF BUSINESS

WIDYA MANDALA CATHOLIC UNIVERSITY

SURABAYA

2016

THE DESCRIPTIVE STUDY ON THE EFFECTIVENESS OF
COMPLAINT HANDLING IN RETAINING CUSTOMERS IN
COMPANY X

INTERNSHIP REPORT

Addressed to

BUSINESS FACULTY

WIDYA MANDALA CATHOLIC UNIVERSITY SURABAYA

To Fulfill the Requirements for the Bachelor of Economics Degree

International Business Management Program

BY:

DELLA LAKSAPUTRA

3303012010

INTERNATIONAL BUSINESS MANAGEMENT

BUSINESS FACULTY

WIDYA MANDALA CATHOLIC UNIVERSITY SURABAYA

2016

AUTHENTICITY STATEMENT OF SCIENTIFIC PAPER AND PUBLICATION APPROVAL OF SCIENTIFIC PAPER

For the sake of knowledge development, I as a student of Widya Mandala Catholic University Surabaya

I, the undersigned below:

Name : Della Laksaputra

NRP : 3303012010

Title : THE DESCRIPTIVE STUDY ON THE
EFFECTIVENESS OF COMPLAINT HANDLING IN
RETAINING CUSTOMERS IN COMPANY X

Acknowledge that this final assignment report is authentically written by me. If it is proved that this paper is plagiarism, I am ready to receive any sanctions from the Business Faculty of Widya Mandala Catholic University Surabaya. I also approve that this papers to be published /shown in the internet or other media (the digital library of Widya Mandala Catholic University Surabaya) for academic importance to the extent of copyright law.

Thereby the authenticity statement and the publication approval that I made sincerely.

Surabaya, June 1st 2016

Stated by:


Della Laksaputra

APPROVAL PAGE

INTERNSHIP REPORT

**THE DESCRIPTIVE STUDY ON THE EFFECTIVENESS
OF COMPLAINT HANDLING IN RETAINING
CUSTOMERS IN COMPANY X**

By:

DELLA LAKSAPUTRA

3303012010

Approved and Accepted

to be Submitted to the Panel Team

Advisor,

A handwritten signature in blue ink, appearing to read 'R. Sigit H. L.', written in a cursive style.

Robertus Sigit H. L., SE., M.Sc

Date: June 24, 2016.

RATIFICATION PAGE

Internship report that is written by: Della Laksaputra NRP:
3303012010

Has been examined on June 20th, 2016 and is accepted to pass by the
Panel Team.


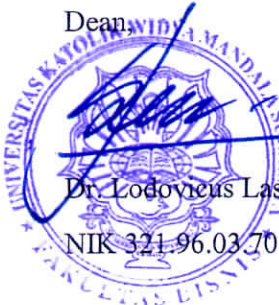
Panel Leader:



Dra. Ec. Lydia Ari W, MM

Confirmed by:

Dean,

Dr. Lodovicus Lasdi, MM
NIK 321.96.03.70

Head of Program



Elisabeth Suprihayanti, SE., M.Si

NIK 311.99.0369

FOREWORD

Praise and thanksgiving to the presence of God Almighty for all the blessings, guidance and blessings to the author until the completion of this thesis entitled "The Descriptive Study on the Effectiveness of Complaint Handling in Retaining Customers in Company X".

Preparation of this paper aims to fulfill one of the requirements to obtain a bachelor's degree in the faculty of business economics Widya Mandala Catholic University Surabaya.

Although it has been tried in accordance with all existing capabilities, but the author is fully aware that this thesis there is still shortcomings. Suggestions and constructive criticism is expected by the authors for improvement in the future.

The authors realize that this paper will not produce good results without their valuable assistance from various parties. Therefore, on this occasion, the author would like to thank to:

1. Mr. Robertus Sigit Haribowo H. L, SE. M.Sc. as guardian lecturer who have provided his time, energy, guidance and advice for the completion of this thesis.
2. Company X Surabaya and all of the staffs who have provided significant assistance to the author during observation.
3. Dr. Lodovicus Lasdi, MM. as dean the Business Faculty of the Widya Mandala Catholic University as well as all of the lecturers who have

provided help and knowledge for the author during study in International Business Management.

4. The family and friends who have a lot to give moral support to complete this thesis in the end.

The author hopes that this paper will be useful both for science and the development of Widya Mandala Catholic University Surabaya.

Surabaya, June 1st 2016

Author,

(Della Laksaputra)

TABLE OF CONTENT

	Page
TITLE PAGE	i
AUTHENTICITY OF SCIENTIFIC PAPER	ii
APPROVAL PAGE	iii
RATIFICATION PAGE	iv
FOREWORD	v
TABLE OF CONTENT	vii
LIST OF TABLES	ix
LIST OF PICTURES	x
ABSTRACT	xi
CHAPTER 1 INTRODUCTION	
1.1 Background.....	1
1.2 Significance of the Study	6
1.3 Purpose of the Study	7
1.4 Research Question	7
1.5 Outline of the Thesis	8
CHAPTER 2 LITERATURE REVIEW	
2.1 Consumer Complaint	10
	vii

2.2 Effective Complaint Handling	12
2.3 Customer Retention	17
CHAPTER 3 RESEARCH METHODOLOGY	
3.1 Research Design	23
3.2 Data and Source of Data	23
3.2.1 Data	23
3.2.2 Source of Data	23
3.3 Research Instrument	24
3.4 Research Technique	24
CHAPTER 4 DISCUSSION	
4.1 Background of the Company	26
4.2 Discussion	28
4.2.1 Problem Statement	28
4.2.2 Source of the Problem	39
4.2.3 Impact of the Problem	44
4.2.4 Problem Solving	46
CHAPTER 5 CONCLUSION	
5.1 Conclusion	58
5.2 Suggestion	61
BIBLIOGRAPHY	65

LIST OF TABLES

	Page
Table 2.1 Three Levels of Retention Strategies	20
Table 4.1 Complaint Grouping in Company X	30
Table 4.2 Frequency of Complaint per Group in Oct, Nov, and Dec 2015 in Company X	31
Table 4.3 Group of Customer Expectation on Complaint Handling Procedure in Company X	40

LIST OF PICTURES

	Page
Graphic 4.1 Customer Satisfaction Oct-Dec 2015 in Company X	33
Graphic 4.2 Complaint Handling Procedure in Company X.....	35

ABSTRACT

Complaint handling is the essential part of a company to have. It acts as a corrective action for customers if they feel disappointed if the product or service didn't meet their expectation. It will need to be as effective as it can to prevent disappointed customers to leave and switch to competitors. Some of the important aspects of effective complaint handling are responsiveness, accessibility, and high visibility.

Company X is a market leader in its industry. It is important for a high rank company like Company X to have effective complaint handling. However, although their complaint handling is already advanced and effective in most of the aspects, there is still problem in here and there. The main problem of their complaint handling is the speed of complaint handling process or duration. It causes post-complaint handling dissatisfaction. To overcome with this weakness, Company X should have improvement in its internal coordination to make the process faster. They also have to be more visible to customers related to its complaint handling. For example provide FAQ in company website or detail about the procedure of complaint handling.

The ineffectiveness may not impact directly to customer retention in the short-term as their complaint handling is already effective. But if it is continues for a long time, it may harm company's image.

Keyword: Complaint Handling, Customer Retention