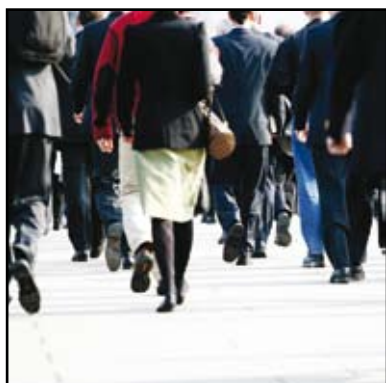


Customers: who cares?

Overview



UK Customer Care Survey

An overview of the Customer Care Alliance's latest study into Customer Care in the UK

by
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November 2008

“The focus should be on understanding customers' needs and meeting them more effectively”

10,102 consumers took part in the 2008 UK Customer Care Survey. The study investigated the contact handling experience of consumers reporting a problem with the products or services they have used and the impact on customer loyalty.

Problem experience remained high, as reflected in the previous studies conducted in 2004, 2005 and 2007. 78% of consumers experienced at least one problem with the products and services they consumed during the past year. Satisfaction with problem resolution was still sadly lacking with only 10% of consumers completely satisfied with the way the organisation handled their problem.

Whilst the concept of customer service may be understood, especially during the customer acquisition stage, there remains a worrying reluctance from UK organisations to provide ongoing customer care to existing customers when they need it. This short-sighted strategy assumes that it is easier for customers to accept problems than take their business elsewhere.

The survey results suggest that better customer care increases customer loyalty, but that the investment required to improve the standard of customer care need not be that great. The focus should be on understanding customers' needs and meeting them more effectively, rather than allocating additional resources or investing in compensation strategies. In fact, a small realignment of the marketing / sales budget towards customer retention rather than acquisition is all that may be needed to improve customer loyalty and satisfaction.

Contacting consumers are an opportunity, rather than a cost. 83% of consumers with a serious problem contacted for assistance, but poor or indifferent experiences resulted in low levels of satisfaction. This in turn increased costs to the business from multiple contacts as well as generating negative *word of mouth*.

British businesses and organisations should recognise that a greater and genuine focus on retaining existing customers can be a more effective business strategy than continual acquisition. Loyal customers not only continue to buy products and services, they also generate powerful advertising by giving recommendations to friends and relatives.

Key Findings

These findings are based on respondents' answers about their most serious problem as a consumer during the last 12 months.

Problem experience

78% of consumers experienced at least one problem with products or services used during the past year

The most common reasons for the problem were Product or service did not meet expectations (37%), Poor product or service quality (30%) and Unsatisfactory service (unrelated to repair) (26%)

70% of consumers stated that they were Very or Extremely upset by their most serious problem

Contacting for Assistance

83% with a serious problem contacted or complained to the organisation responsible and 45% shared the experience with friends / colleagues - on average 10 people were told of a negative experience

It took an average of 4.9 contacts to get a problem resolved – only 18% were resolved on the first contact but a further 18% took 10 or more contacts to reach resolution

It took an average of 18 days for a problem to be resolved but 37% of consumers felt that their problem was still unresolved

Telephone Contacts

The most frequent contact channel was by telephone (48%) followed by face to face (16%), letter (16%) and email (13%)

The average perceived time to actually speak to an agent on the telephone was 6 minutes

Only 16% spoke to an agent within 30 seconds

The worst performance came from the *Telephone – landline* sector, reporting 77% of callers having to wait more than three minutes to reach an agent (and 28% stating more than 20 minutes)

Offshore Contact Centres

Only 6% found it easier to contact an organisation with an offshore call centre than when it was located in the UK – 68% felt it was worse/much worse

88% found it difficult to understand the agent and 57% felt the agent had difficulty understanding them

42% felt that the offshore agent had insufficient knowledge to deal with their contact and 41% felt there was too much reliance on scripts

Given the choice, 91% Probably or Definitely would prefer to deal with an organisation that makes a point of not using overseas call centres

Key Findings

Satisfaction with Response

Across all respondents only 10% were completely satisfied with the way their most serious problem had been handled but this varied across industries from 1% to 25%

Only 13% of respondents felt they had been treated fairly by the organisation responsible for their problem

Based on their problem experience, 14% felt they definitely or probably would recommend the organisation responsible for their problem to a friend or colleague and 21% said that they definitely or probably would buy from that organisation again

The worst performing industry sectors, in terms of customer satisfaction with action taken, were Central Government (1% completely satisfied with the way their problem was handled), Mortgage Provider (4%), Local Government (4%), Holidays (4%) and Public Transport – excluding rail (4%)

The best performing industry sectors were Eating & drinking out / take away food (25% completely satisfied with the way their problem was handled), Retail – mail order / online shopping (23%), Retail – supermarket (22%), Credit card (18%) and Consumer electronics (16%)

40% of contactors wanted an apology but only 20% got one, 40% wanted an explanation but only 14% got one and 29% wanted an assurance that their problem would not be repeated but only 5% got one

33% felt they got nothing in response to their contact

Impact of Overall Satisfaction and Loyalty

Those customers who were satisfied with the way their contact was handled had considerably higher levels of overall satisfaction with the organisation, were much more likely to recommend the organisation to a friend or relative and much more likely to purchase again

Better performers were those industries providing fast solutions (usually face to face) but those providing a fast and effective telephone service also performed well – Retail – mail order /online shopping (54% of calls reaching an agent within 3 minutes) and Credit cards (50%)

Respondents receiving an apology, explanation and/or and assurance that the problem they experienced would not be repeated had higher- almost double - satisfaction and loyalty levels than those who did not

Just a third of respondents rated the standard of customer care in the UK as acceptable (2007 was 38%) but only 8% labelled it appalling

Impact of Contactor/Complainant Satisfaction

| Satisfaction with action taken (% Complainants) ¹ | % Satisfaction with company (Top 2 Boxes) ² | % Recommend with company (Top 2 Boxes) ³ | % Willingness to buy from company (Top 2 Boxes) ⁴ | Average number told about problem ⁵ |
|--|--|---|--|--|
| (Top 2 boxes) SATISFIED 10% | = 81% | 66% | 67% | 6.4 |
| (Second 2 boxes) MOLLIFIED 36% | = 21% | 16% | 25% | 8.4 |
| (Bottom 2 boxes) DISSATISFIED 54% | = 3% | 3% | 10% | 12.2 |
| ALL CONTACTOR/COMPLAINANTS | = 17% | 14% | 21% | 9.6 |

¹ Satisfaction with the way the company/organisation at fault handled your problem
² Based on "very satisfied" & "somewhat satisfied" with the company/organisation at fault
³ Based on "definitely would recommend" & "probably would recommend the company/organisation at fault to a friend or colleague
⁴ Based on "definitely will" & "probably will" buy from this company again
⁵ Based on the approximate number of people told about most serious problem (responses over 100 ignored)

Conclusions

- Customer care in the UK is, at best, mediocre. Organisations have got away with it because so few excel at service delivery and consumers have little incentive to defect – but there is real opportunity for the development of a customer-focused ‘competitive edge’
- Some organisations received both positive and negative feedback suggesting a lack of consistency delivering customer care
- Speed of resolution is a key driver of customer loyalty and satisfaction – faster responses with fewer contacts generate increased satisfaction and loyalty
- Basic no-cost actions such as an apology and explanation are often lacking, but can almost double satisfaction and future loyalty levels
- Telephone answering delays suggest that many call centres are either inadequately resourced or inefficient - despite best practice that most calls are answered within 30 seconds this survey suggests considerably longer is the norm
- The majority of UK customers dislike being directed to offshore call centres and would prefer to deal with an organisation that made a point of NOT directing their customers’ calls overseas
- A small realignment of existing marketing/sales budgets may be all that is needed to cover any additional costs - from customer acquisition to customer retention.

How Surveylab can help you

Sales performance is always monitored closely (and easily measured). Customer care is frequently overlooked, managed ‘ad-hoc’ or in fire-fighting mode. Surveylab works with organisations to design effective customer research studies. We provide one-off/annual surveys and ongoing tracking programmes that deliver powerful customer intelligence.

Our services include:

Tailored Industry Specific Reports

Surveylab provides individually customised reports from the UK Customer Care Study results on customer experience, satisfaction and loyalty in your industry including (subject to data availability) a comparison of major companies’ performance.

Contactor Experience

Surveylab design and field one-off contactor satisfaction surveys to measure your actual performance in delivering customer care and benchmark results to the UK Customer Care Study data.

Regular Performance Measurement

Surveylab develops and manages ongoing programmes of customer care measurement that rank performance of customer contact teams, highlight issues undermining performance and identify customers at risk.

Consumer Panels

Surveylab can build and manage a consumer panel that will enable you to regularly communicate with a group of customers to monitor their experience, measure your performance and seek their opinions about your organisation and the products or services you provide.

To find out more about Surveylab or this study’s results visit our website www.surveylab.co.uk or for an informal discussion about Surveylab’s services please contact:

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This study was conducted by the European branch of the Customer Care Alliance – a consortium established by companies specialising in helping both private and public sector organisations to maximise customer retention and loyalty.

The purpose of the study is to raise the profile of customer care as a management discipline, encourage businesses and public sector organisations to take customer care more seriously and to justify the investment in customer care strategies in maximising customer retention and loyalty.

