

2011 Global Customer Service Barometer

Findings in the United States

A research report
prepared for:



echo

GLOBAL RESEARCH PROTECTING BRANDS AND REPUTATION

Research Method



- **This research was completed online among a random sample of consumers aged 18+. A total of 1,018 interviews were completed.**
- **Interviewing was conducted by Echo Research between February 2 and 10, 2011.**
- **The overall results have a margin of error of +/- 3.1 percentage points at the 95% level of confidence.**

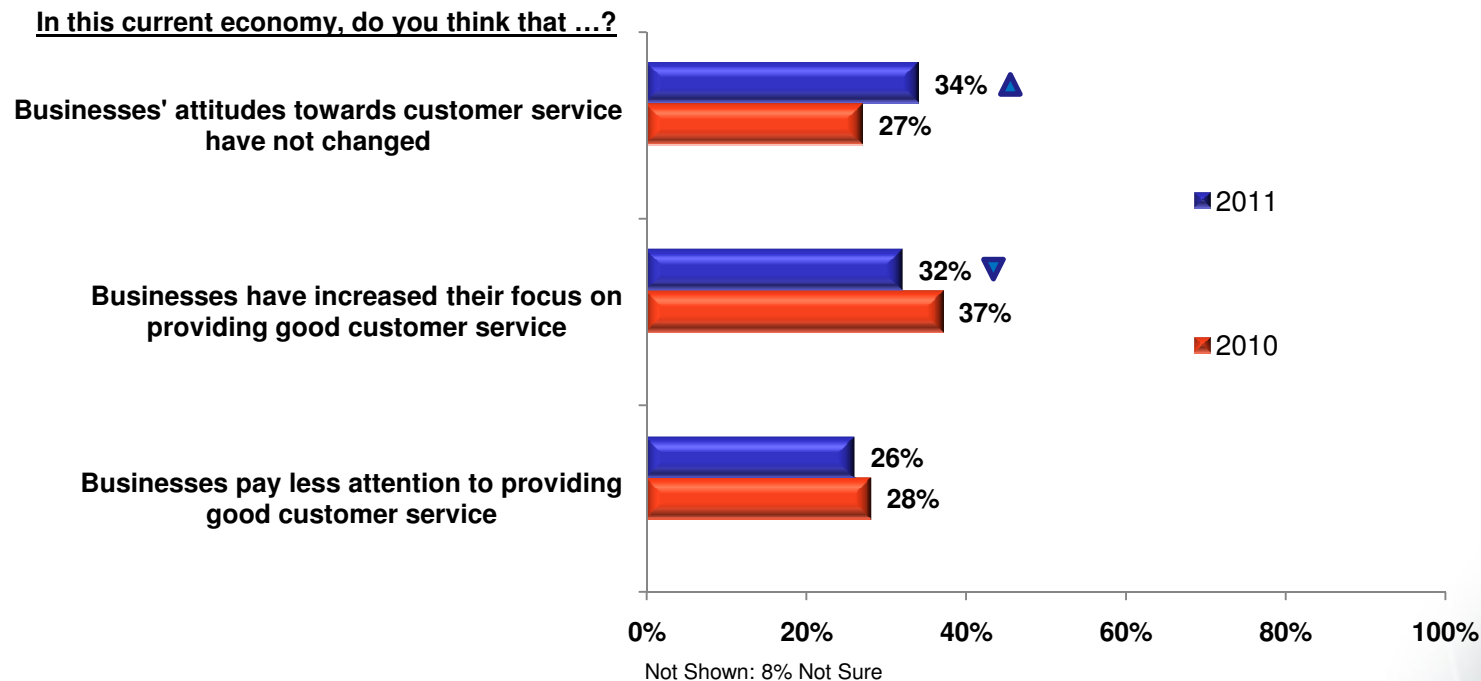


Consumers see less of an effort on the part of businesses in providing good customer service



One third of consumers believe that in this current economy, businesses 'have not changed their attitude towards customer service' (34% vs. 27% in 2010). This is a change from 2010 when a significantly higher proportion of consumers believed that businesses 'increased their focus on providing good customer service' (37% vs. 32% in 2011) in the current economy.

As seen in 2010, over one-quarter of consumers in 2011 think that businesses 'pay less attention to providing good customer service' (26% in 2011; 28% in 2010).



Q.T5

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▲ Significantly higher/lower than 2010 at the 95% confidence level.



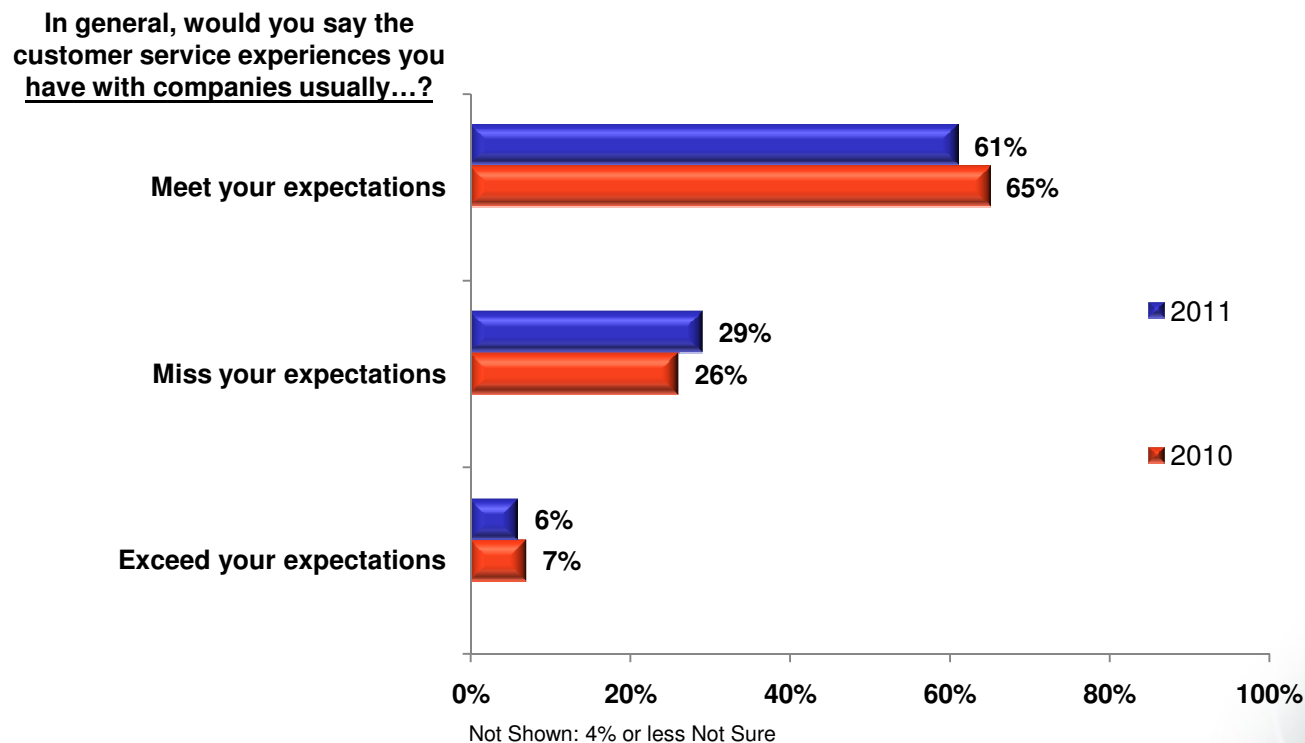
Businesses are meeting, but not exceeding consumer expectations



Most consumers – 61% – say that the customer service experiences they have with companies usually meet their expectations, slightly less than 2010 (65%).

Similar to last year, less than one-tenth (6%) of consumers in 2011 think that businesses ‘exceed their expectations’ based on their customer service experiences (7% in 2010).

Three in ten (29%) feel that their expectations are not being met.

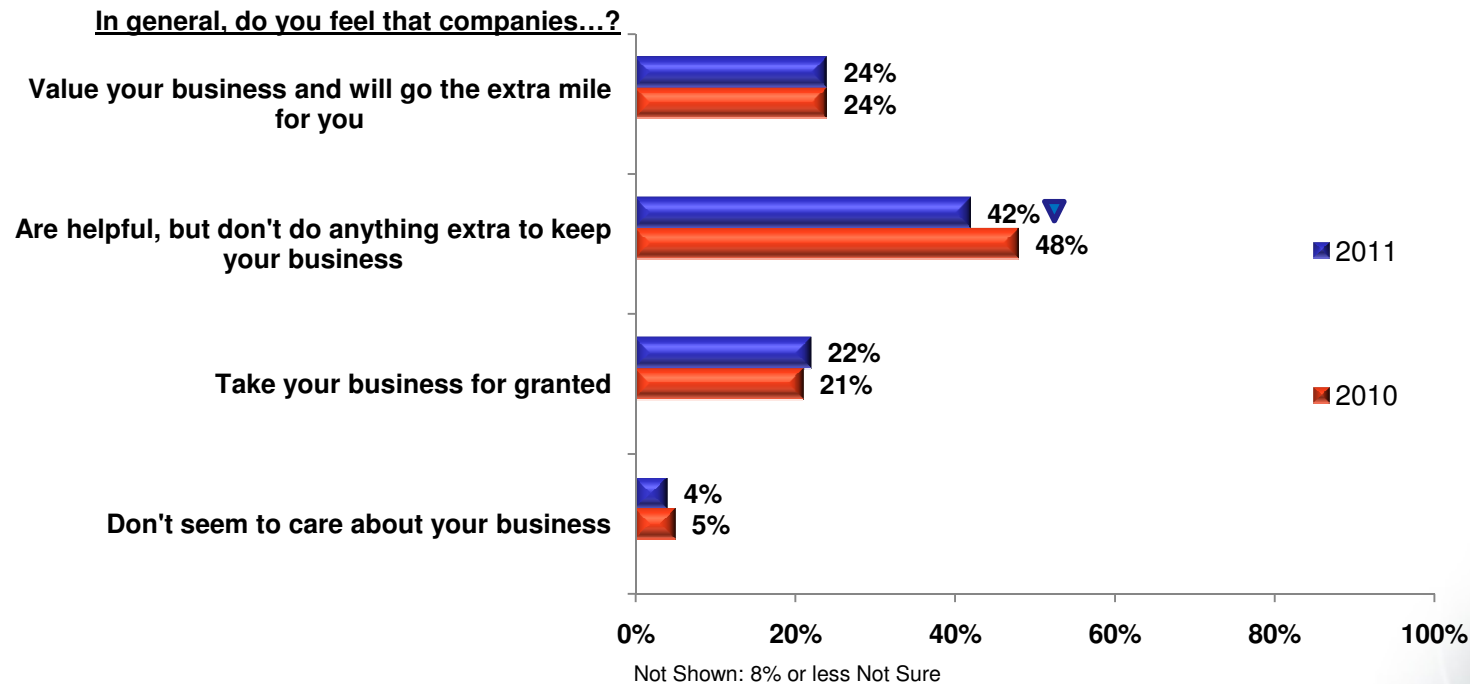


Most consumers still believe that companies are helpful but don't do anything extra to keep their business



Like last year, only one-quarter (24%) of consumers in 2011 think that companies 'value their business and will go the extra mile for them' (24% in 2010), and just over one in five think that companies 'take their business for granted' (22%; 21% in 2010).

Two in five consumers (42%) believe that companies 'are helpful, but don't do anything extra to keep their business.' This is down, significantly from the 2010 Barometer, where nearly half of consumers (48%) felt the same way.



Q.T2

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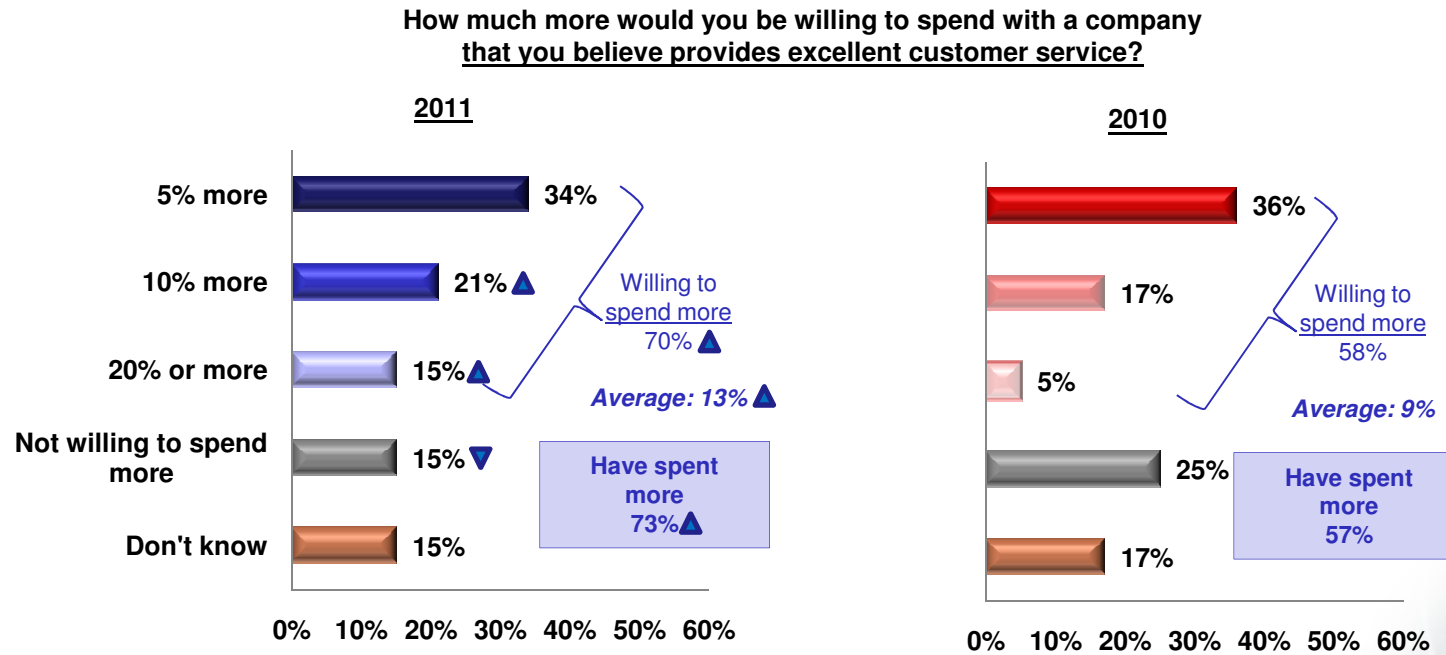
▲ Significantly higher/lower than 2010 at the 95% confidence level.

Consumers will spend more with companies that provide excellent service



Seven in ten (70%) consumers are willing to spend more with a company they believe provides excellent customer service and have a history of doing so. On average, they are willing to spend 13% more. This is significantly higher than in 2010 when three in five (58%) were willing to pay more – 9% on average.

Similarly, just over seven in ten (73%) consumers in 2011 say that they have spent more with a company because of a history of good customer service experiences, higher than 2010 (57%).



Q.T6/T7

© echo

▲ Significantly higher/lower than 2010 at the 95% confidence level.
▼



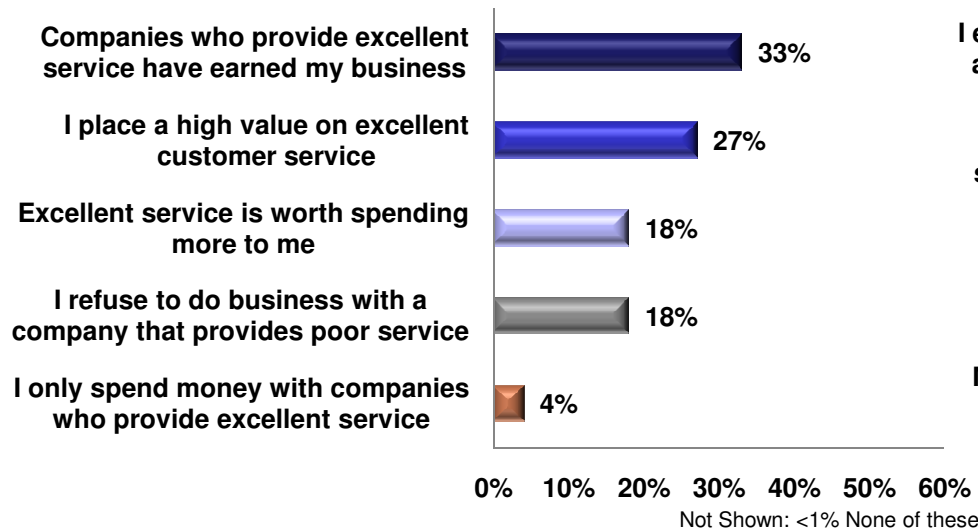
Consumers value excellent service – some are willing to pay for it, while others expect it



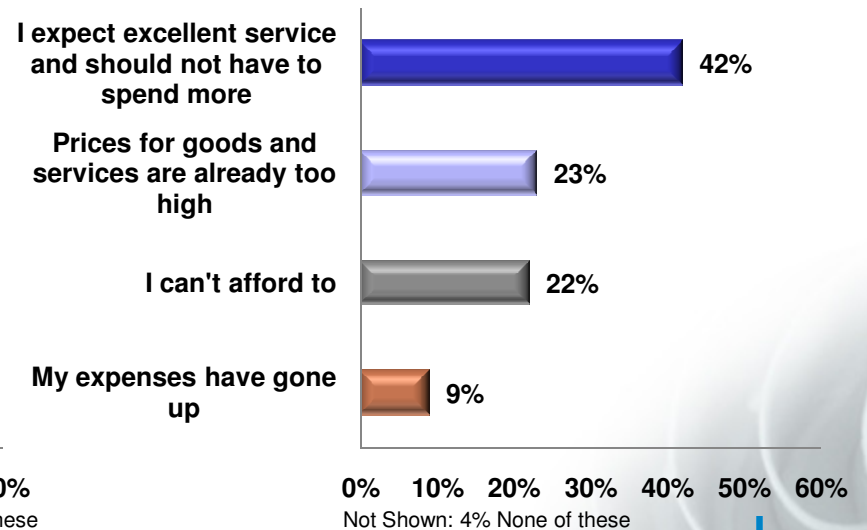
Consumers who are willing to spend more with a company that they believe provides excellent customer service ‘place a high value on excellent customer service’ (27%) and believe that ‘companies who provide excellent service have earned their business’ (33%). Just under one in five say that ‘excellent service is worth spending more’ (18%), while just over one in five consumers will do business no other way – ‘refusing to do business with a company that provides poor service’ (18%) or even ‘only spending with companies who provide excellent service’ (4%).

For those consumers who are *not* willing to spend more with a company that they believe provides excellent customer service, most say it comes down money – prices are ‘already too high’ (23%), they ‘can’t afford to’ (22%), or their ‘expenses have gone up’ (9%). However, two in five (42%) say that they ‘expect excellent service and should not have to spend more’.

Why would you be willing to spend more with a company that provides excellent customer service?



Why would you *not* be willing to spend more with a company that provides excellent customer service?



Q.T7A Respondents not willing to spend more (n=309)

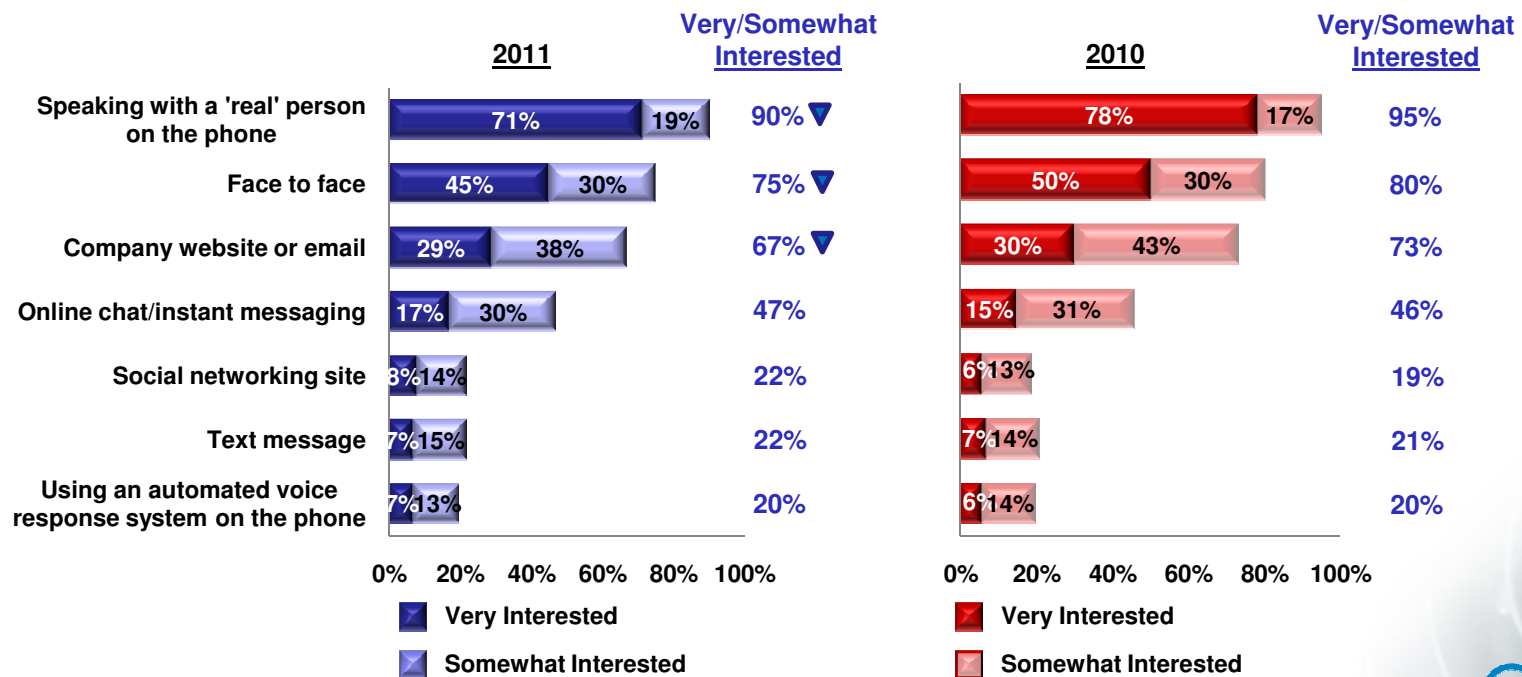
Q.T7B Respondents willing to spend more (n=709)

Consumers still want to deal with a real person when it comes to resolving customer service issues



Consumers are mostly interested in resolving their customer service issues by speaking with a 'real' person on the phone (90% very/somewhat interested) or face-to-face (75%). While these were the preferred methods in 2010 (95% and 80%, respectively), significantly fewer consumers were interested in these types of interactions in 2011.

Significantly fewer consumers in 2011 are interested in resolving customer service issues via a company website or email than in 2010 as well (67% vs. 73% in 2010). Just under half are interested in online chat/instant messaging (47%), while one in five are interested in resolving issues via social networking site (22%), text message (22%), or an automated voice response system on the phone (20%).



Q.T8

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▲ Significantly higher/lower than 2010 at the 95% confidence level.
▼

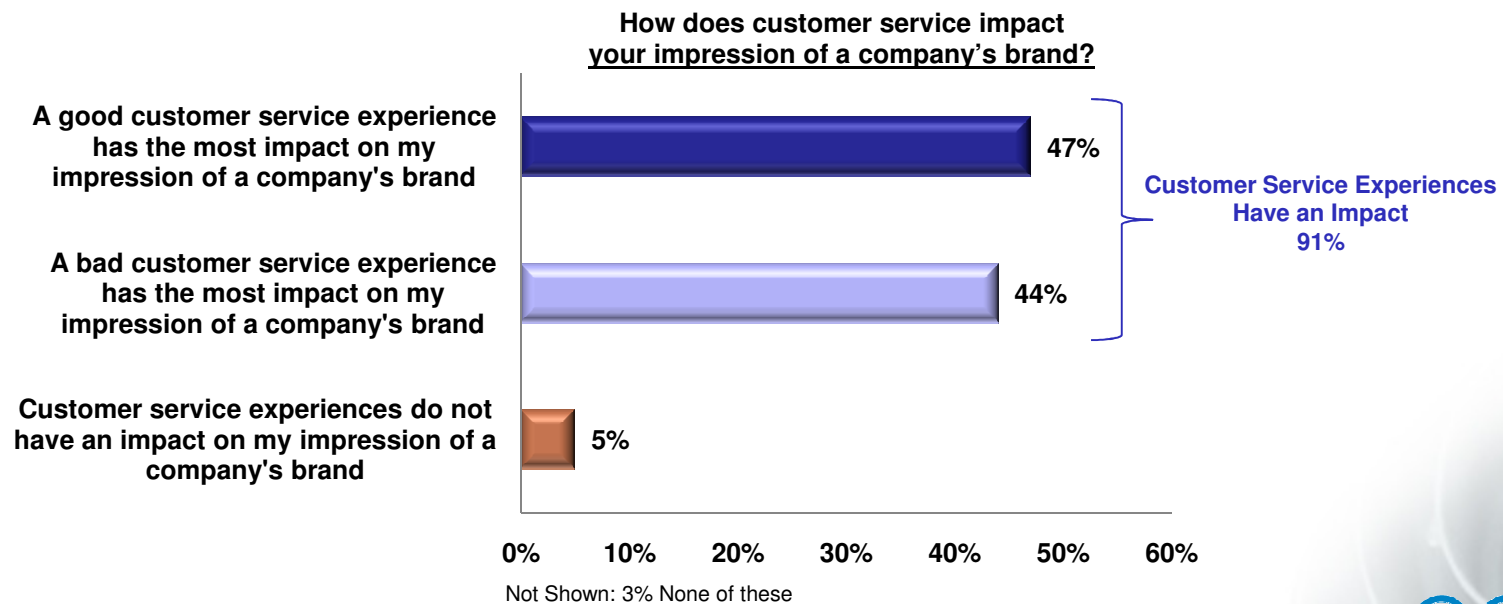


Customer service experiences have an impact on consumers' impression of a brand



Nine in ten consumers (91%) say that a customer service experience has an impact on their impression of a company's brand.

Slightly more say a good experience (47%), rather than a bad experience (44%), has the most impact on their impression.



Q.N3

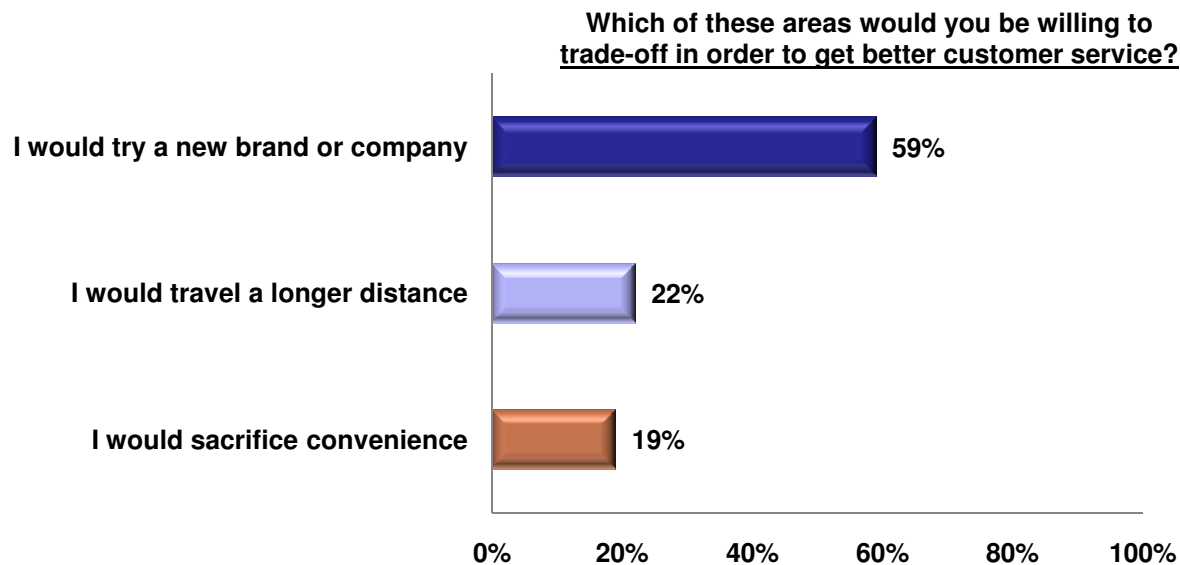
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Consumers will switch brands to get better customer service



Three in five (59%) consumers would be willing to try a new brand or company in order to get better customer service.

Other consumers are willing to go out of their way to get better customer service by traveling a longer distance (22%) or sacrificing convenience (19%).

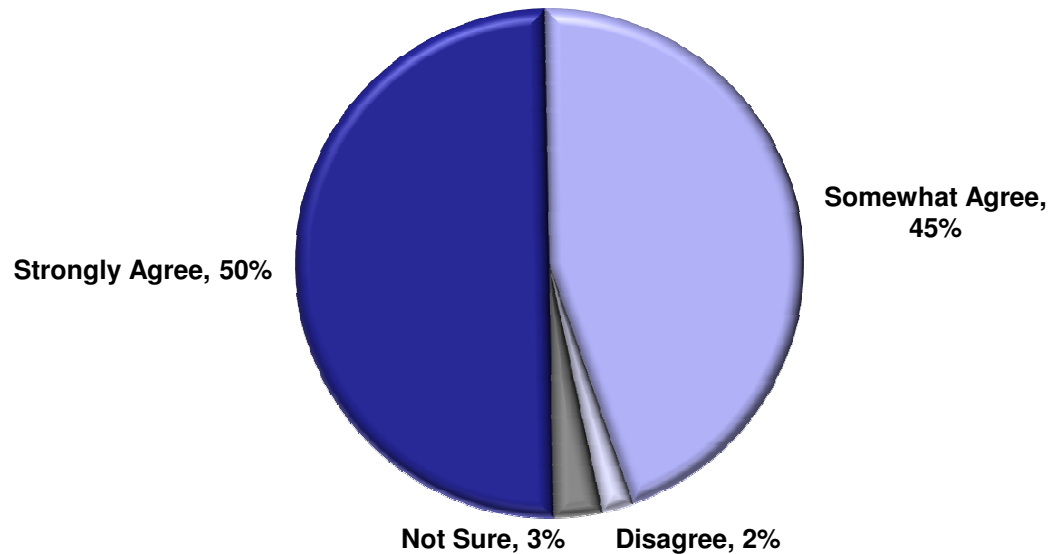


Good customer service leads to repeat business



Nearly all consumers agree that having a good customer service experience with a company makes them more likely to purchase a gift for someone else from that same company (95% strongly/somewhat agree) – half (50%) strongly agree.

Having a good customer service experience with a company makes me more likely to purchase a gift for someone from that same company.



Q.N1

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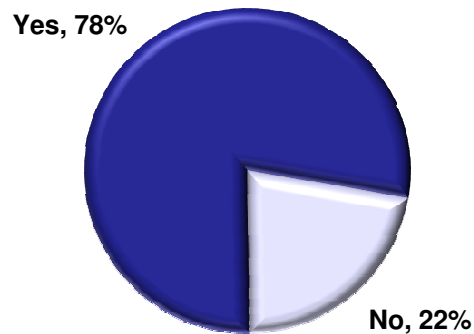
Poor service leads to lost sales

Nearly four out of five consumers (78%) have not completed a business transaction or have not made an intended purchase because of poor customer service.

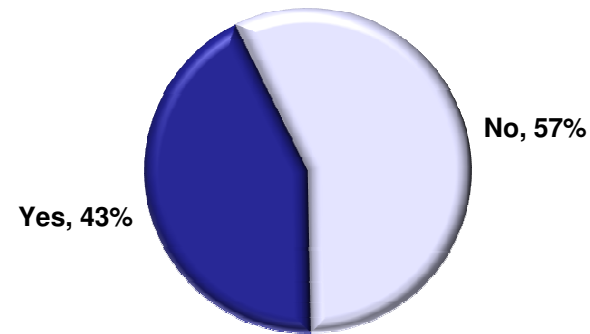
Greater than two in five have cancelled an online purchase or shopping experience because they were not satisfied with the service experience (43%).

- This rises to 56% among those who shop online daily or weekly.

Have you ever not completed a business transaction or not made an intended purchase because of poor customer service?



Have you ever cancelled an online purchase or shopping experience because you were not satisfied with the service experience?



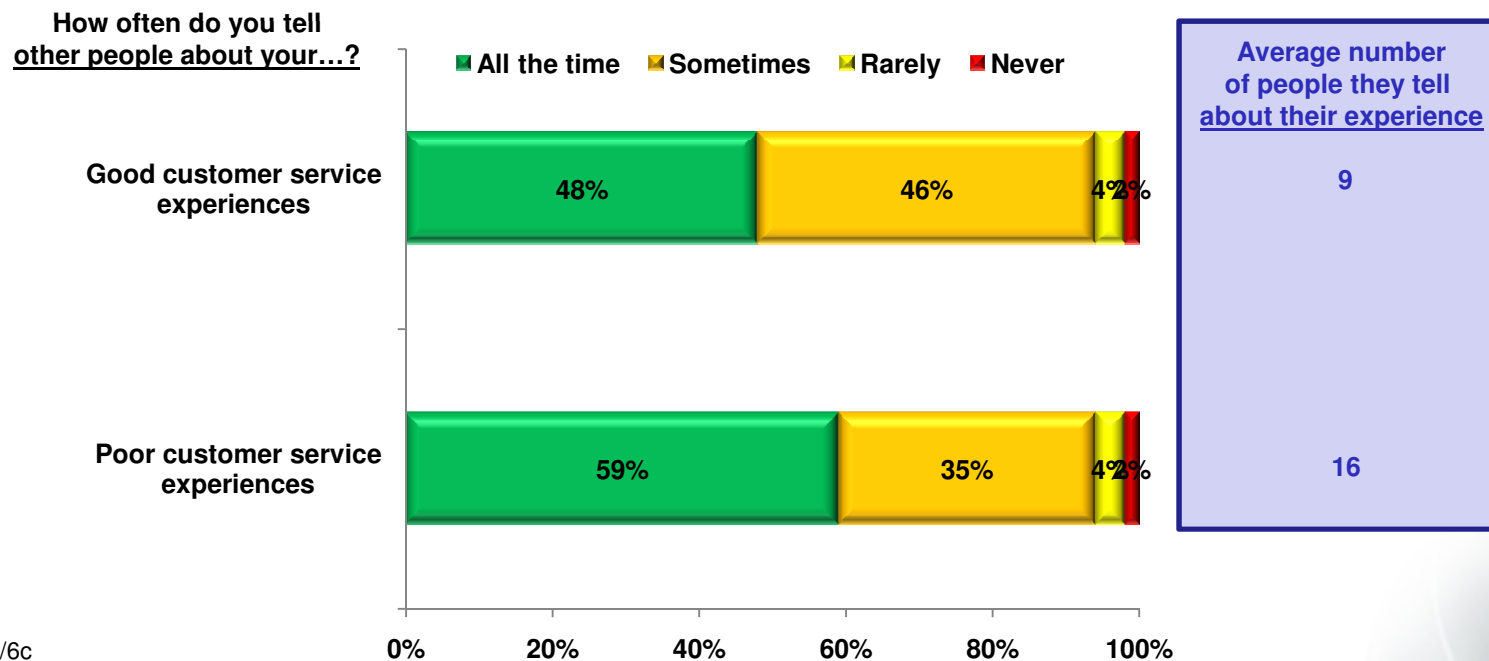
Consumers tell more people about *poor* customer service experiences more than their *good* experiences



Consumers will tell others about their customer service experiences, both good and bad – with the bad news reaching more ears.

On average, consumers tell approximately 16 people about bad experiences, with one in five (19%) saying they tell 20 people or more.

Consumers tell an average of approximately 9 people about good experiences.



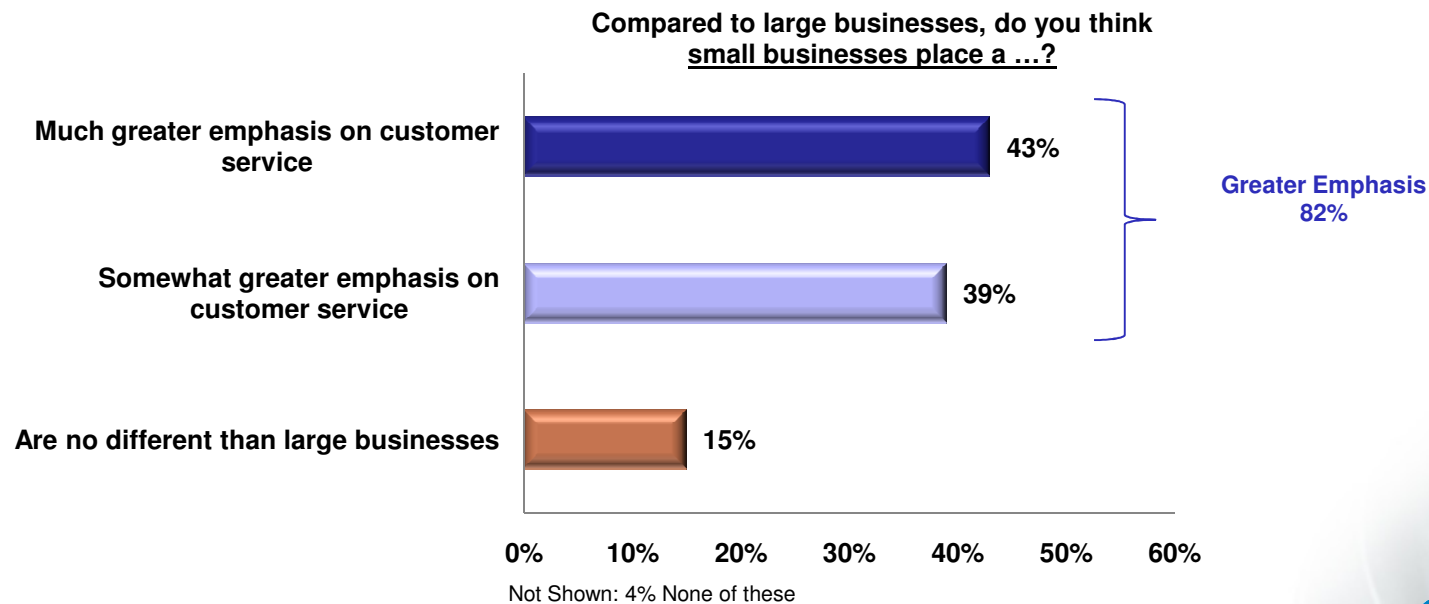
Q.N6/6a/6b/6c

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Small businesses do customer service better than large businesses according to consumers



Four out of five consumers (81%) agree that small businesses place a much greater (43%) or somewhat greater (39%) emphasis on customer service compared to large businesses.



Q.N12

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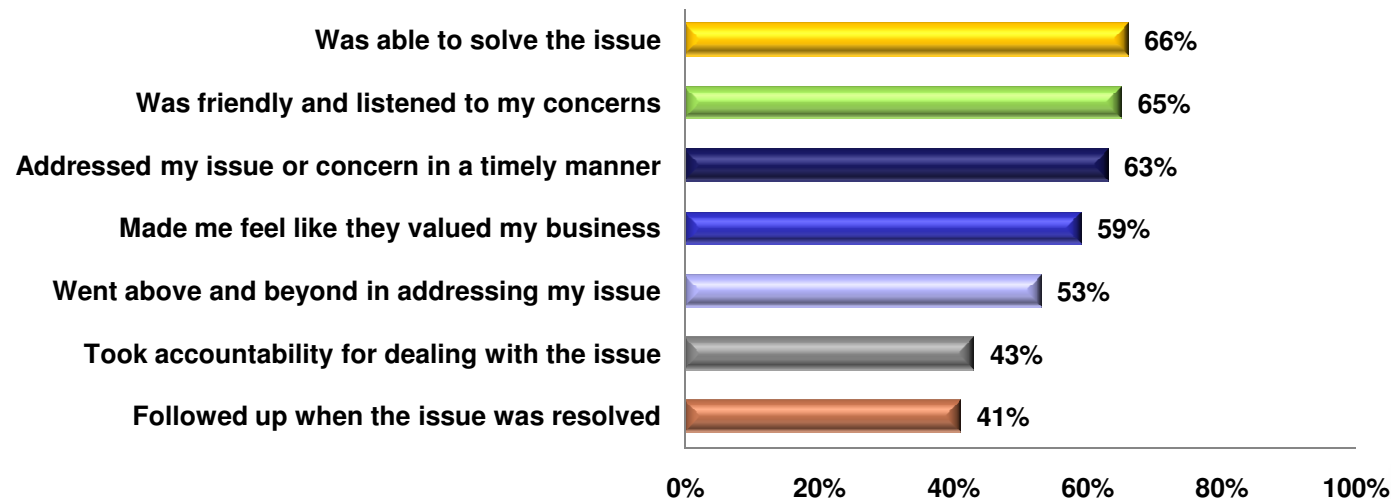
Customer service professionals play a major role in providing an excellent experience for the consumer



When thinking about the best service experience they have ever had in terms of a customer service professional dealing with an issue or concern, two-thirds of consumers said that a having a 'friendly representative who listened to their concerns' (65%) and was ultimately able to 'solve their issue' (66%) were the factors that made it an excellent experience. Slightly fewer, three in five, said that their experience was good because the 'representative addressed their issue in a timely manner' (63%) and made the consumer 'feel like they valued their business' (59%).

Over half of respondents had a good experience because the 'representative went above and beyond in addressing their issue' (53%). And, over two in five said that in their best customer service experience, the representative 'took accountability in dealing with the issue' (43%) and 'followed up when the issue was resolved' (41%).

In the *best* customer service experience you've ever had with a customer service professional dealing with an issue or concern, the representative...



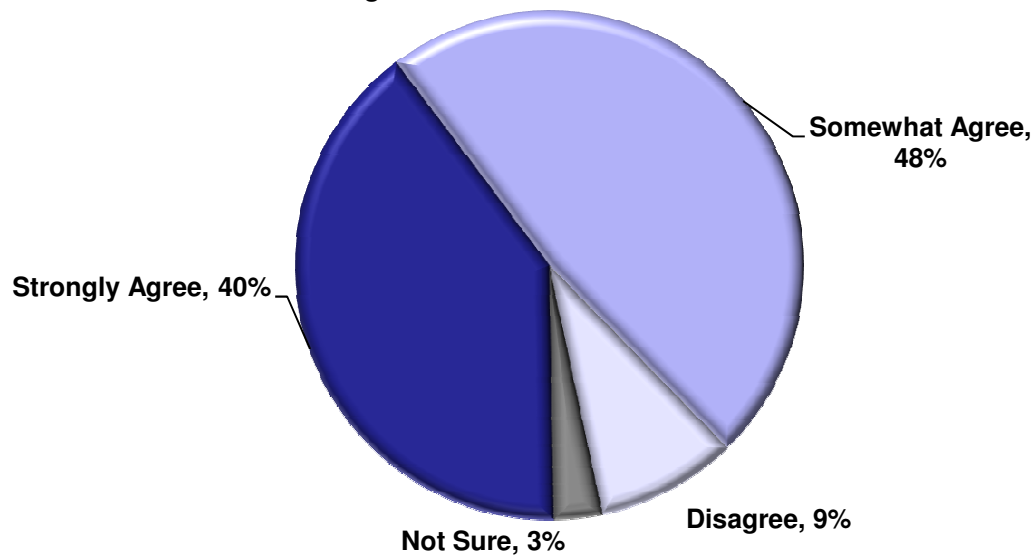
Customer service reps may need to work a little harder to provide good service



Nearly nine in ten consumers agree that when they 'treat a customer service professional in a friendly and respectful manner' they usually get better service in return (88% strongly/somewhat agree).

However, service professionals may have some work to do, as half (48%) of consumers only somewhat agree that this is the case.

When I treat a customer service professional in a friendly and respectful manner, I usually get better service in return.



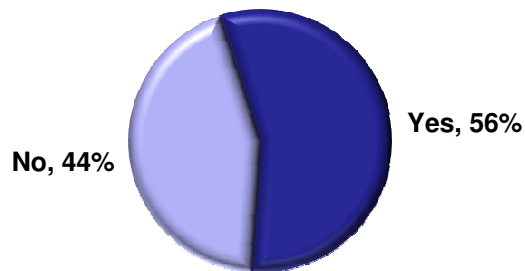
Consumers lose their temper with customer service representatives



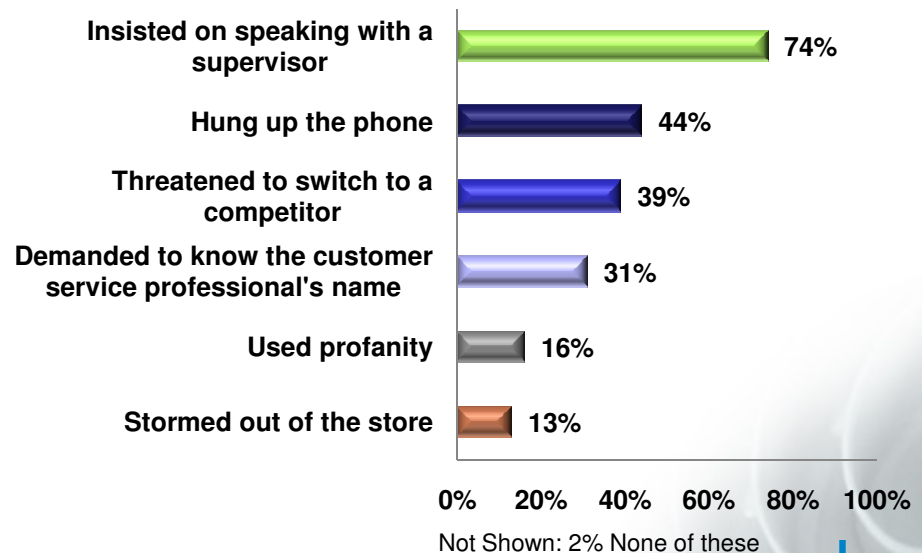
Nearly three in five (56%) admit to having lost their temper with a customer service professional at some point.

In doing so, three quarters said that they 'insisted on speaking with the representative's supervisor' (74%). Two in five or greater 'hung up the phone' on a customer service professional (44%) when they lost their temper or 'threatened to switch to a competitor' (39%). Greater than one in ten admit that they 'used profanity' (16%) or 'stormed out of the store' (13%) when they lost their temper.

Have you ever lost your temper with a customer service professional?



Which of the following have you done when you lost your temper with a customer service professional?



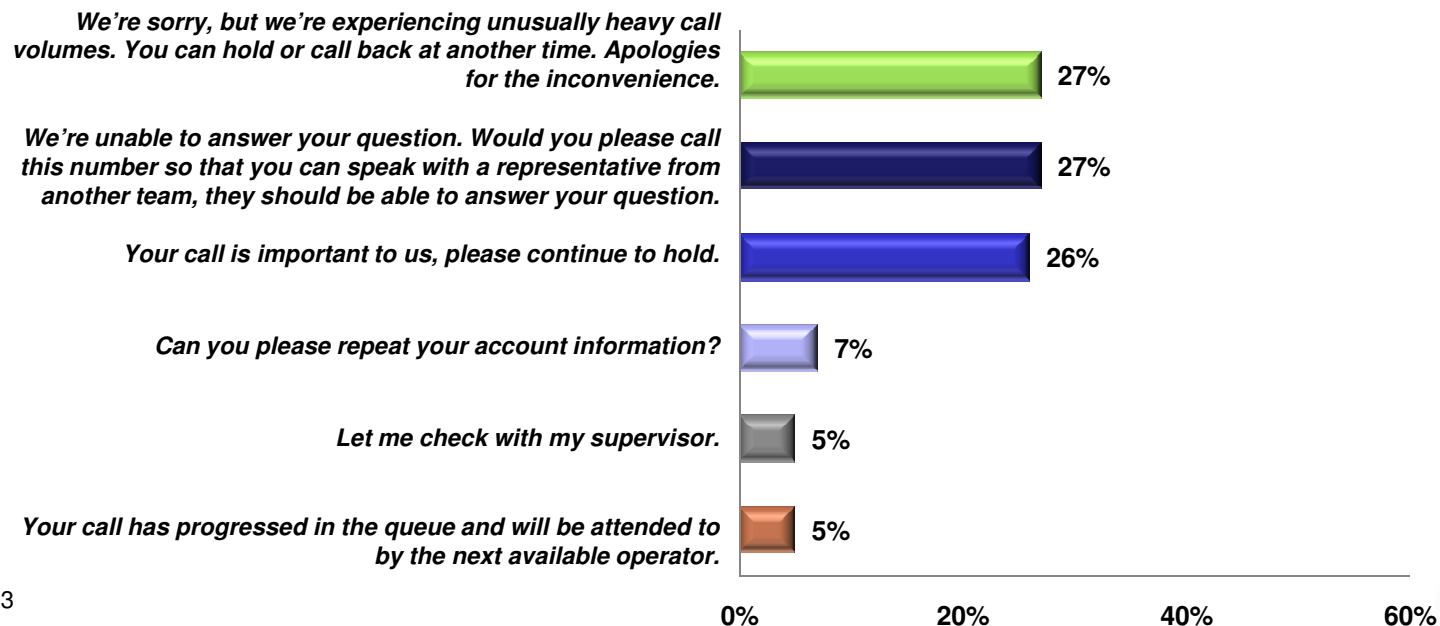
Consumers are annoyed by the typical customer service phrases heard on the phone



Consumers do not like to be kept waiting or passed along from one customer service rep to another.

They are nearly equally annoyed when they hear: *'We're sorry, but we're experiencing unusually heavy call volumes. You can hold or call back at another time. Apologies for the inconvenience.'* (27%); *'We're unable to answer your question. Would you please call this number so that you can speak with a representative from another team, they should be able to answer your question.'* (27%); *'Your call is important to us, please continue to hold.'* (26%).

Which of the following phrases frequently used by customer service professionals do you find most annoying?



Q.N13

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Spending holidays with the in-laws is preferred over negotiating with customer service reps



Consumers would rather spend the holidays with their in-laws (63% ranked 1st or 2nd preferred) than negotiate with a customer service professional about an issue (58% ranked 1st or 2nd preferred).

