



Global Customer Service Barometer

Findings in the United States

A research report
prepared for:



echo

Research Method



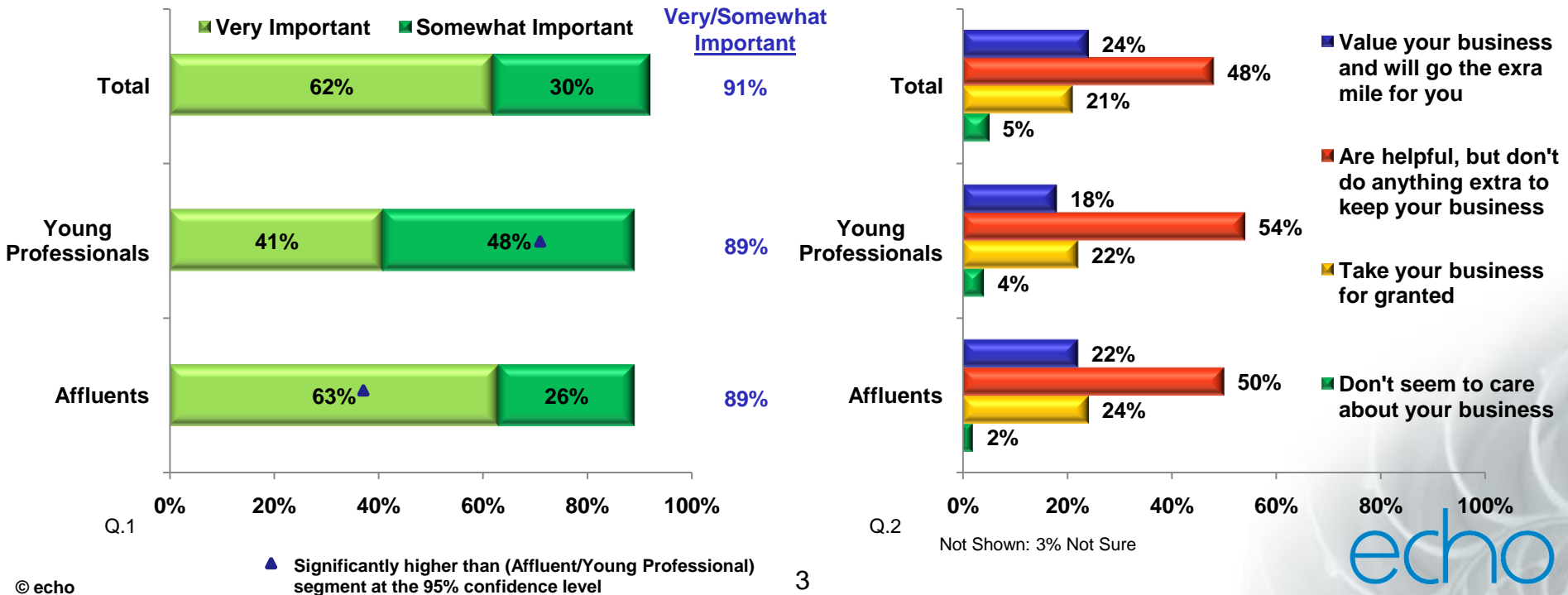
- This research was completed online among a random sample of consumers aged 18+. A total of 1,000 interviews were completed.
- In addition to a general population sample, two sub-groups – Affluents, and Young Professionals were targeted.
 - n= 100: Affluents – defined as having a minimum annual household income of \$100,000
 - n= 100: Young Professionals – defined as less than 30 years of age, having a college degree, and a minimum annual household income of \$50,000
- Interviewing was conducted by Echo Research between April 13 - 20, 2010.
- The overall results have a margin of error of +/- 3.1 percentage points at the 95% level of confidence.

Consumers place high importance on customer service



Nine in ten consumers (91%) believe that the level of customer service they receive is important when deciding to do business with a company. Three in five consumers (62%) believe that the level of customer service they receive is very important. Affluents (63%) and the General Population (62%) put greater emphasis on customer service than Young Professionals (41%).

Despite the importance placed on customer service, only one-quarter (24%) think that companies 'value their business and will go the extra mile for them'. In fact, half of consumers (48%) believe that companies 'are helpful, but don't do anything extra to keep their business' and one in five think that companies 'take their business for granted' (21%).



Customer service among most important factors when deciding to do business with a company

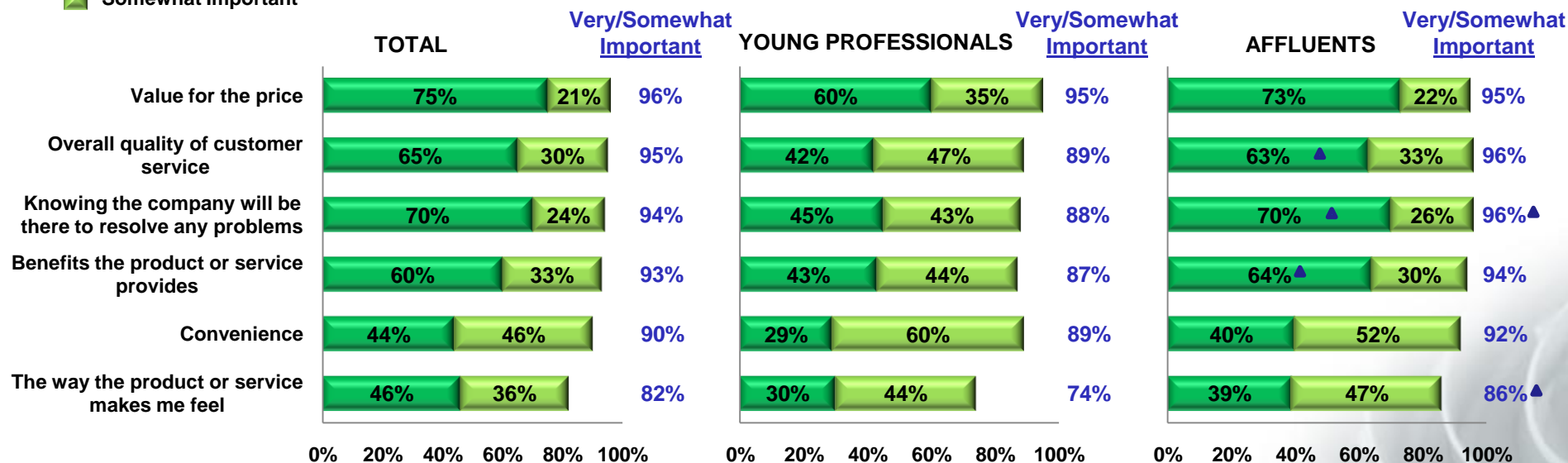


While most consumers view 'value for the price' to be the most important factor in deciding to do business with a company (75%), they also want to know that the 'company will be there to resolve any problems' that may arise (70%), and they also value the 'overall quality of customer service' (65%).

Affluents find the security of 'knowing the company will be there' significantly more important than do Young Professionals (70% vs. 45%). They also value the 'overall quality of customer service' more than do Young Professionals (63% vs. 42%).

Very Important

Somewhat Important



Q.3

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

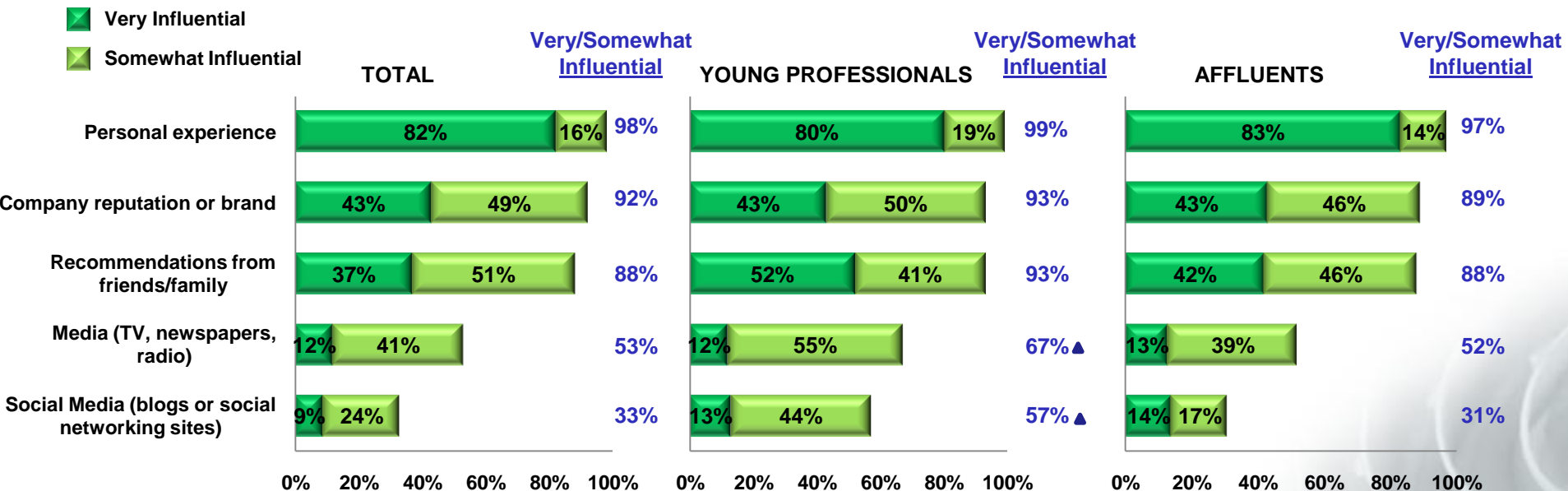
Personal experience is the most influential



Most consumers find a 'personal experience' (98%), the 'company's reputation or brand' (92%), and 'recommendations from friends/family' (88%), to be influential (very/somewhat).

Young Professionals are significantly more likely than Affluents and the General Population to find 'media' (67%) and 'social media' (57%) to be influential (very/somewhat).

A significantly higher proportion of consumers overall find a 'personal experience' with a company to be 'very influential' (82%), compared to the 'company's reputation or brand' (43%), suggesting that a company needs to deliver on its promises.



Q.3A

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

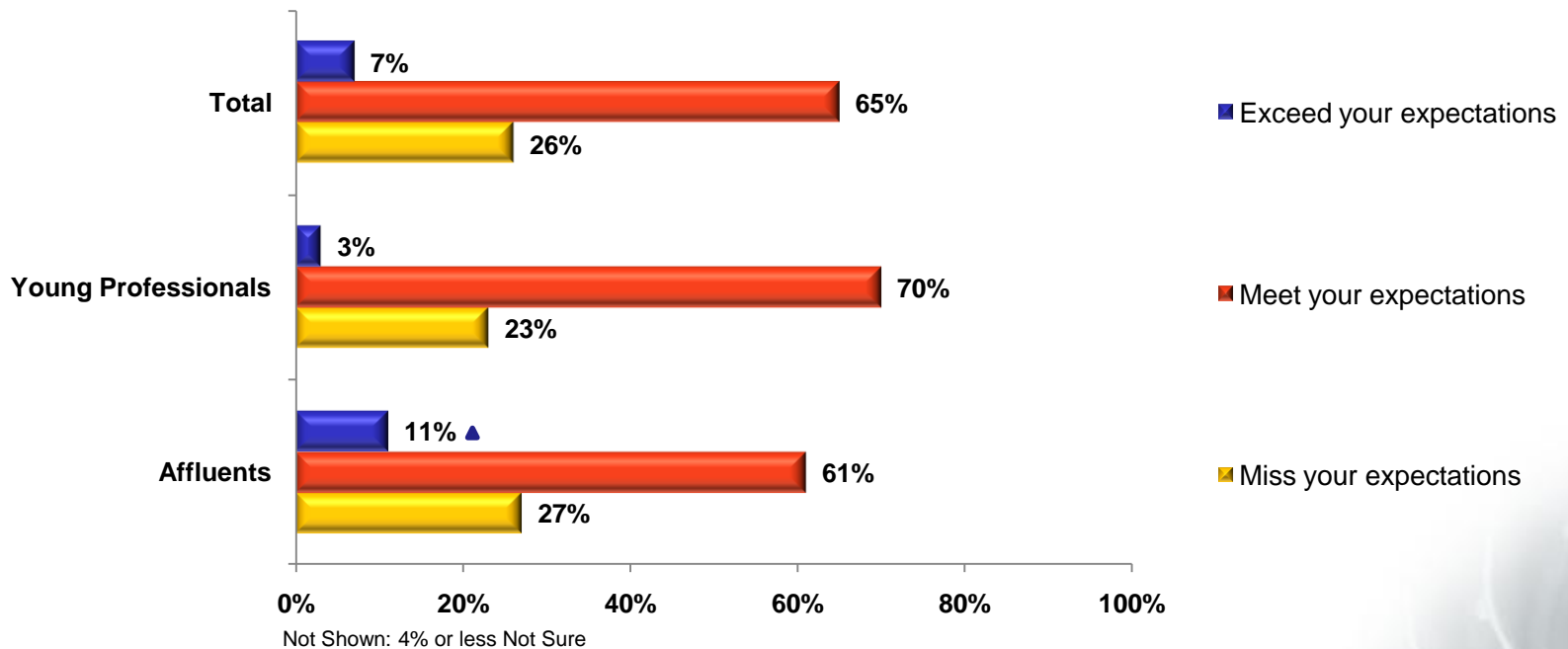


Businesses are meeting, but not exceeding consumers' expectations



While two-thirds (65%) consumers say that the customer service experiences they have with companies usually 'meet their expectations,' fewer than one-tenth (7%) think that businesses 'exceed their expectations.'

Affluents are significantly more likely than Young Professionals to think that businesses 'exceed their expectations' based on their customer service experiences (11% vs. 3%).



Q.4

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

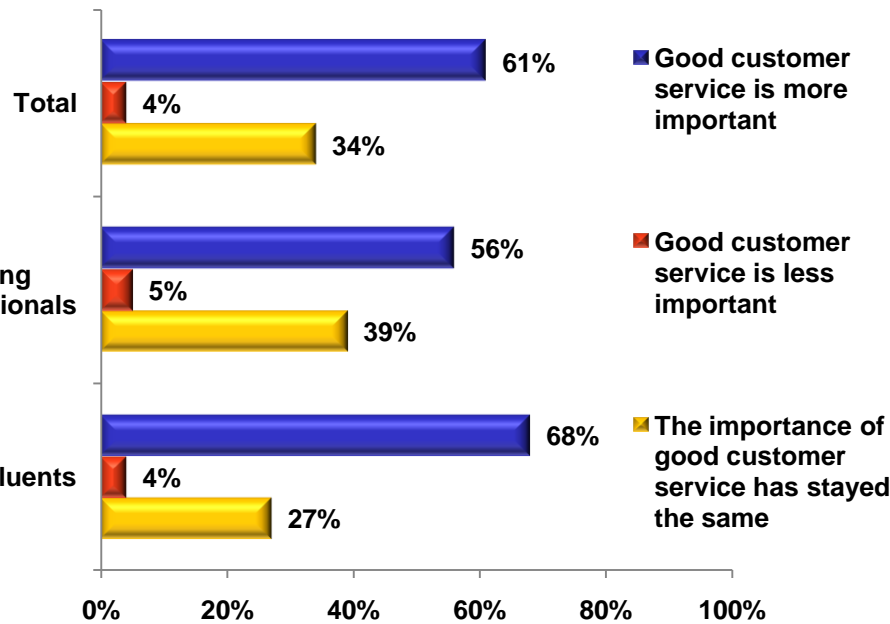
The current economy has made customer service more important, but businesses have room for improvement



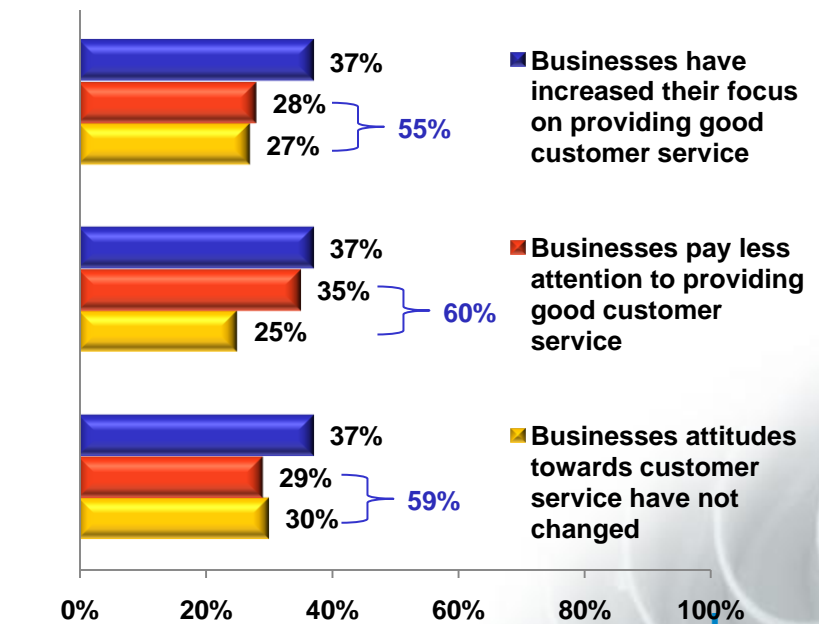
Three in five (61%) consumers say that good customer service has become 'more important' to them in the current economy.

Despite this, more than half (55%) of consumers believe that in the current economy, businesses 'have not changed their attitude towards customer service' (27%) and even 'pay less attention to providing good customer service' (28%).

In this current economy would you say that ...



In this current economy, do you think that ...



Q.5 Not Shown: 2% or less Not Sure

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

Q.6 Not Shown: 8% or less Not Sure

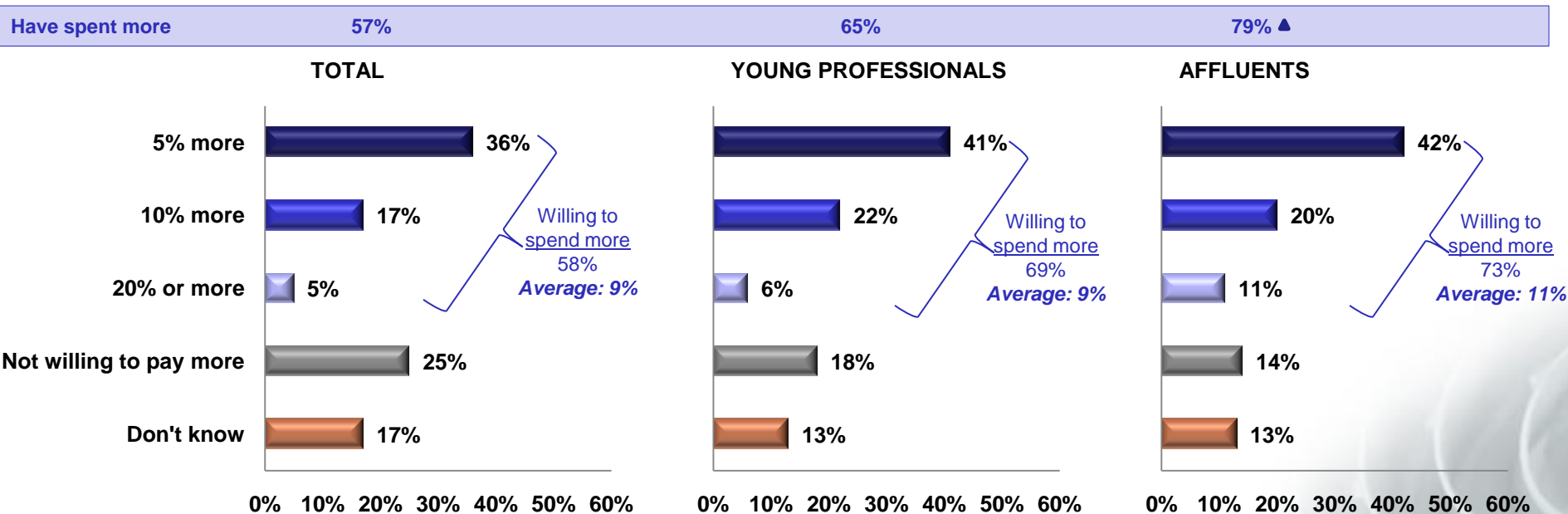


Consumers Will Spend More With Companies That Provide Excellent Service



Nearly six in ten (58%) consumers will spend more with companies they believe provide excellent service. On average, they will spend 9% more.

Similarly, 57% of consumers say they have spent more for a product or service because of a history of good customer service with a company. Affluents are the most likely to have spent more for a product or service because of a history of good customer service – four in five have done so (79%).



Q.7/Q.8

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

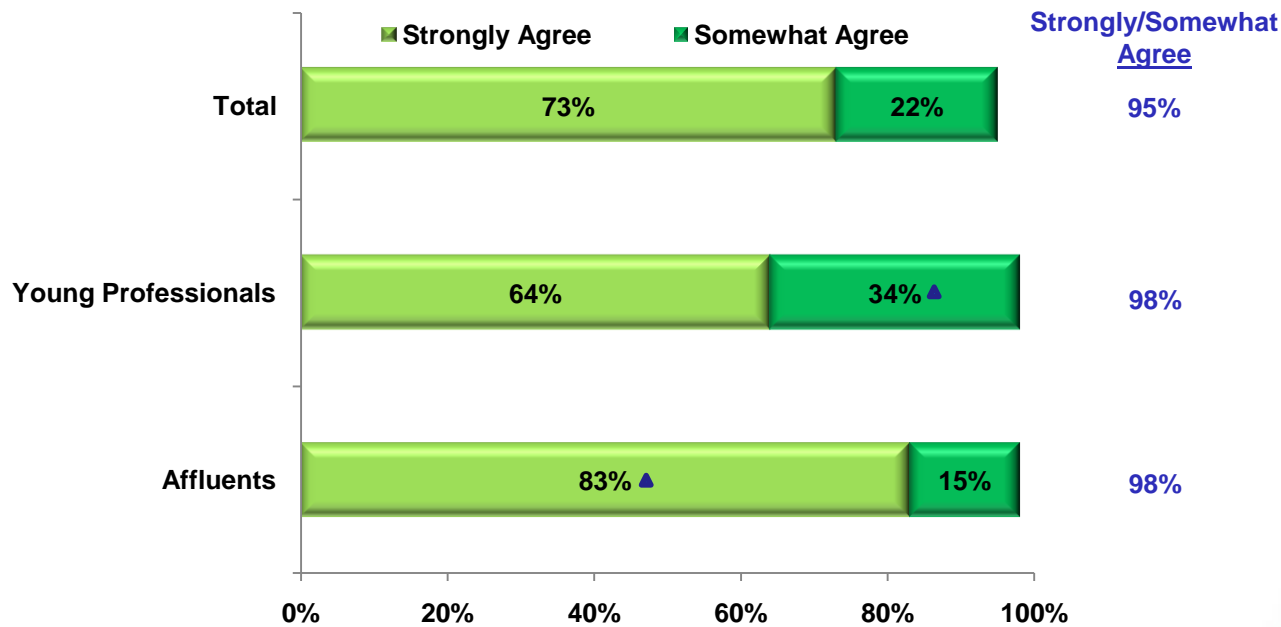


High level of service is expected for premium-priced products and services



When consumers are purchasing a premium priced product or service, excellent customer service is expected. Nearly three-quarters (73%) of consumers expect a higher level of customer service when they are paying for a premium product.

Significantly more Affluents (83%) than Young Professionals (64%) or the General Population strongly agree that excellent customer service is expected when purchasing a premium priced product or service.



Q.10

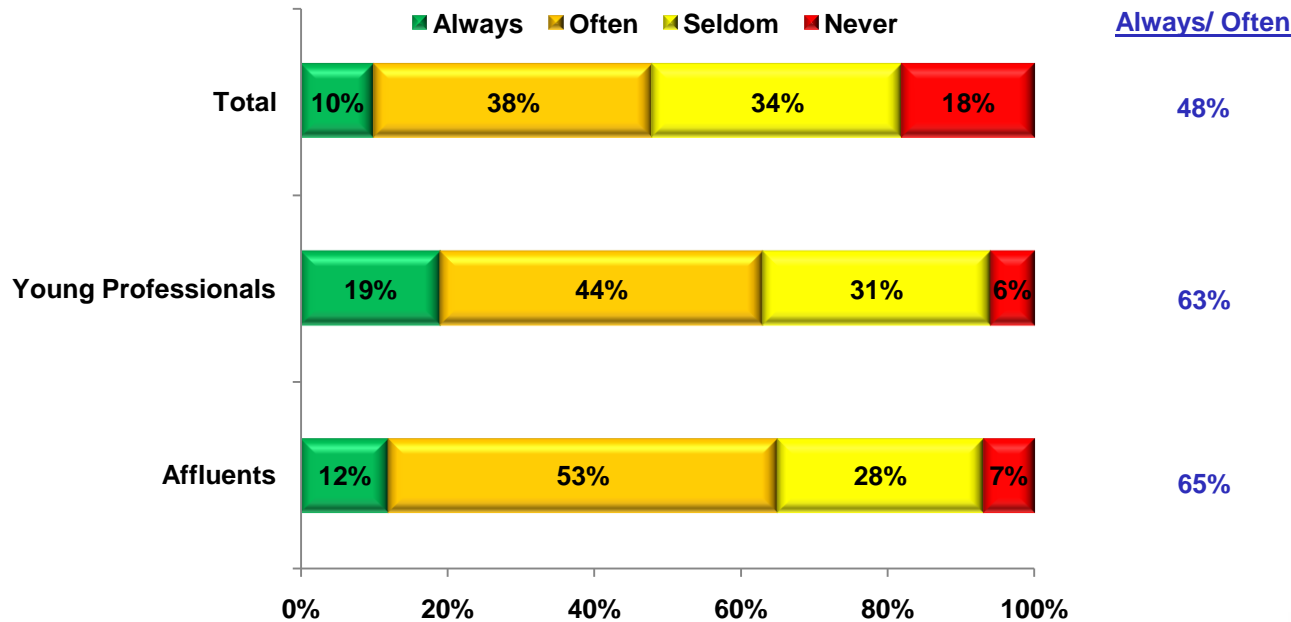
▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

Consumers use online postings as a source for others' opinions about companies' customer service



Nearly half of consumers (48%) report 'always' or 'often' using a consumer review, blog or online posting to get opinions about a company's reputation for customer service.

Significantly more Affluents and Young Professionals 'always' or 'often' source online postings (65% and 63%, respectively).



Q.11

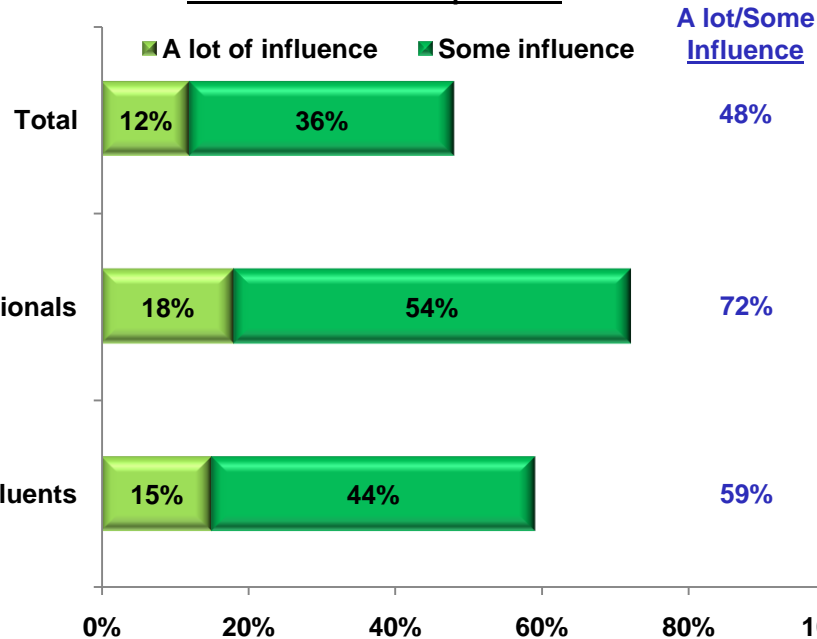
▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

A poor online review about customer service carries more weight than a good review

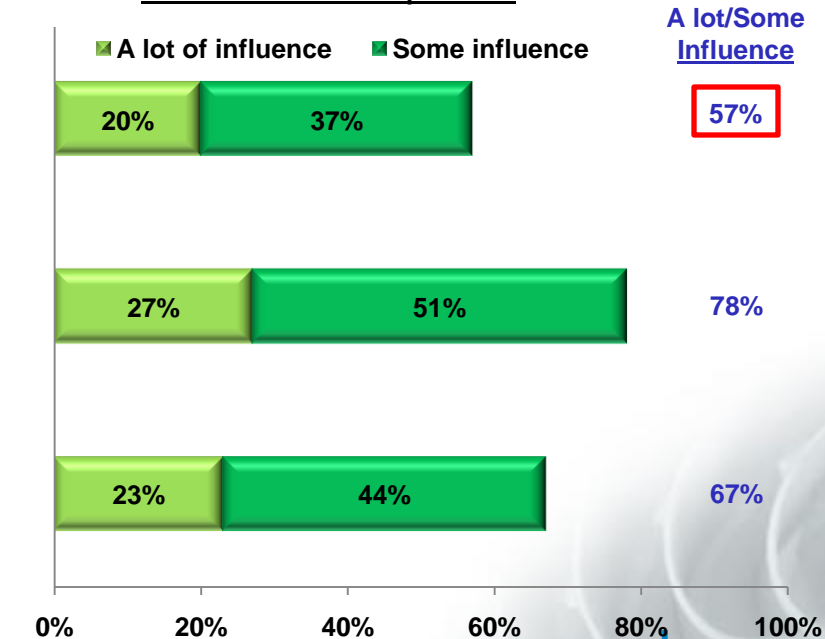


A posting that describes a poor experience is significantly more influential in consumers' decisions to do business with a company than a posting describing a good experience. Fifty seven percent (57%) of consumers indicate a posting about a poor experience influences their decision, while only 48% of consumers find a posting about a good experience to be as influential.

Online Postings About a *Good* Customer Service Experience



Online Postings About a *Poor* Customer Service Experience



Q.12

Q.13

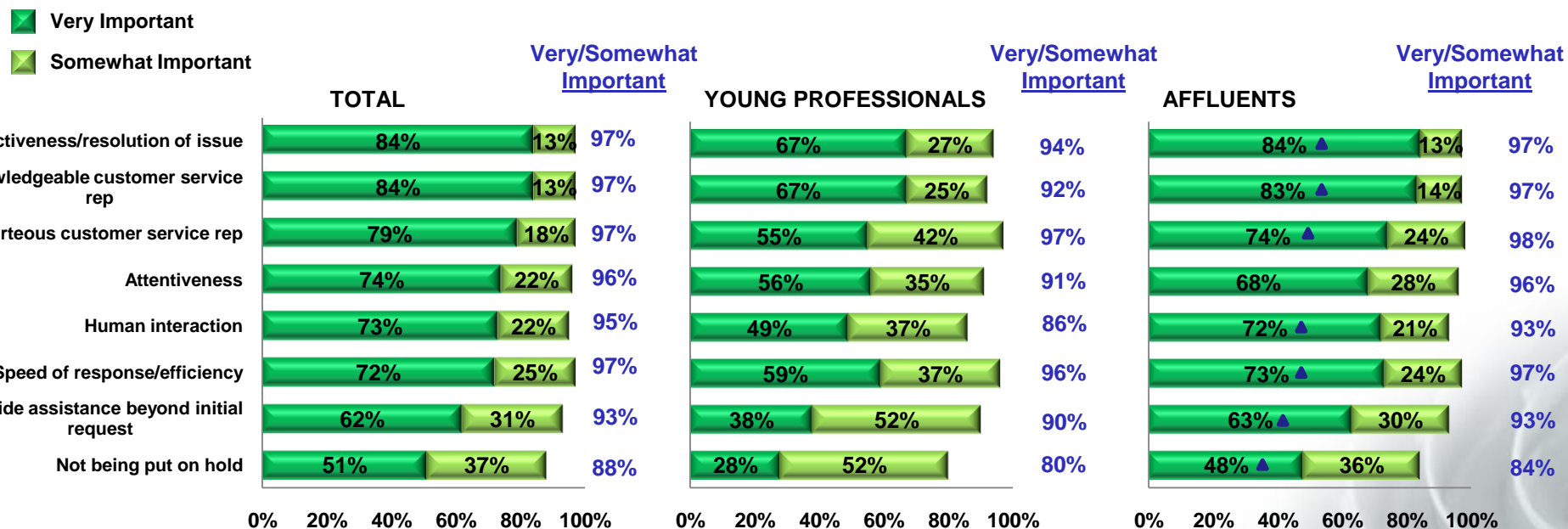
▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

Effective resolution of the issue by a knowledgeable rep is most important to consumers



Over nine in ten (97%) consumers consider 'effectiveness/resolution of the issue,' 'knowledgeable customer service representative' and 'courteous customer service representative' to be the most critical factors of a customer service experience. Eight in ten or more find these factors to be very important.

Affluents are more likely than Young Professionals to find all of these factors, with the exception of 'attentiveness', to be very important.



Q.15

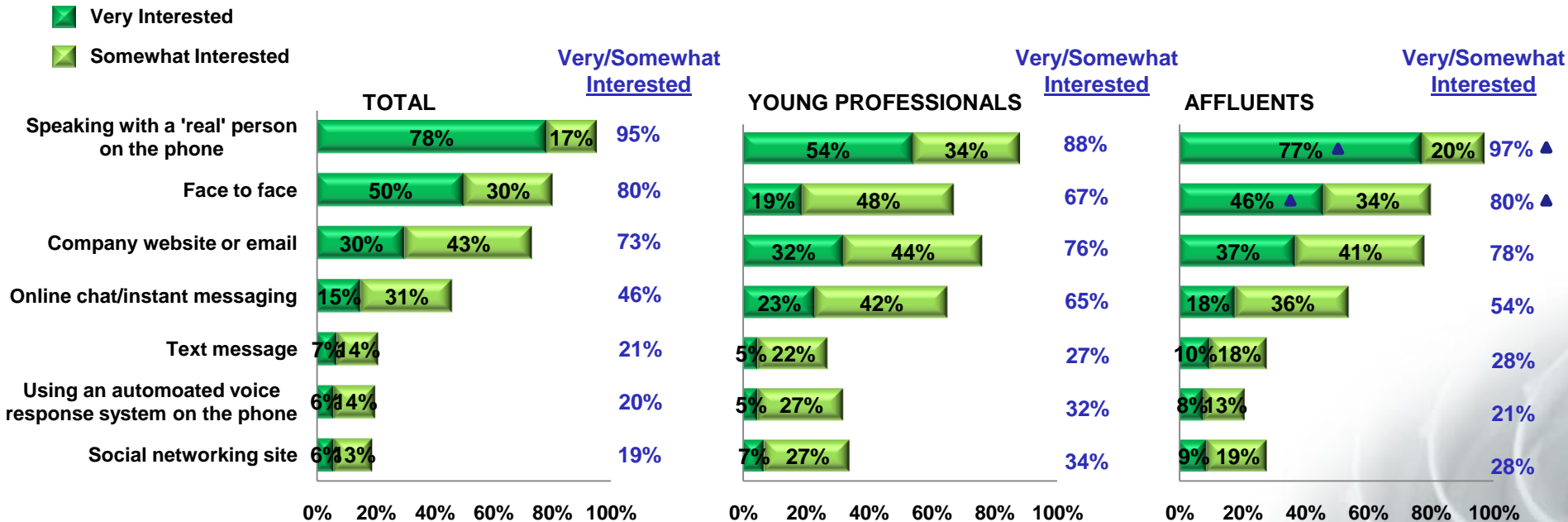
▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

Consumers want to resolve their issues by speaking to a real person on the phone



Consumers are mostly interested in resolving their customer service issues by speaking with a 'real' person on the phone (78% very interested).

Affluents and the General Population are significantly more interested in this method of communication than Young Professionals (77% and 78% very interested, respectively vs. 54%).



Q.14

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

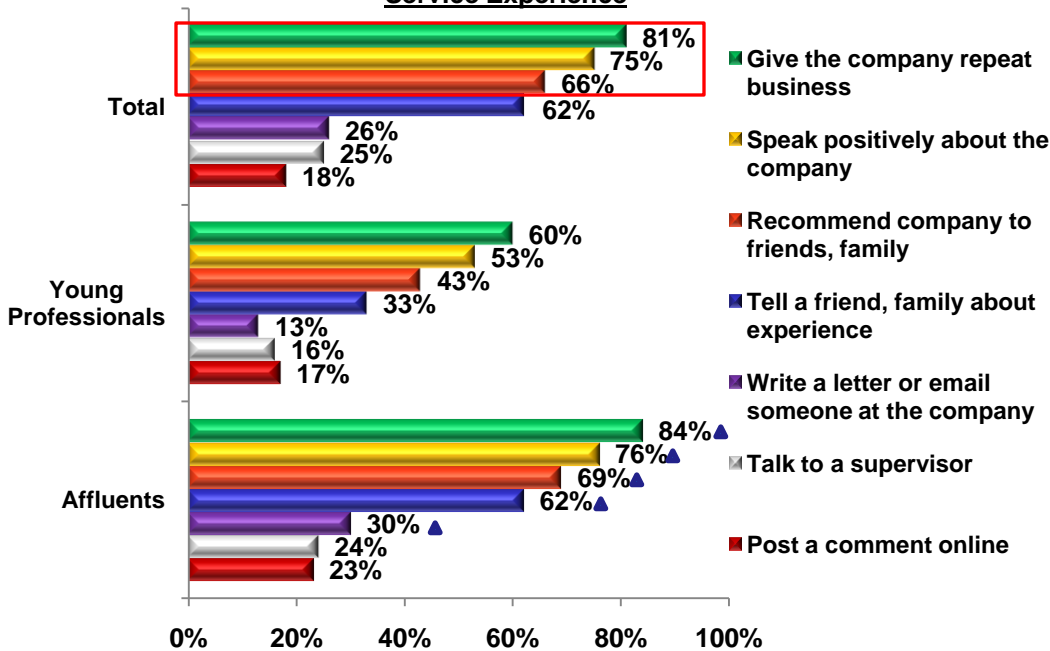
Good customer service keeps consumers loyal



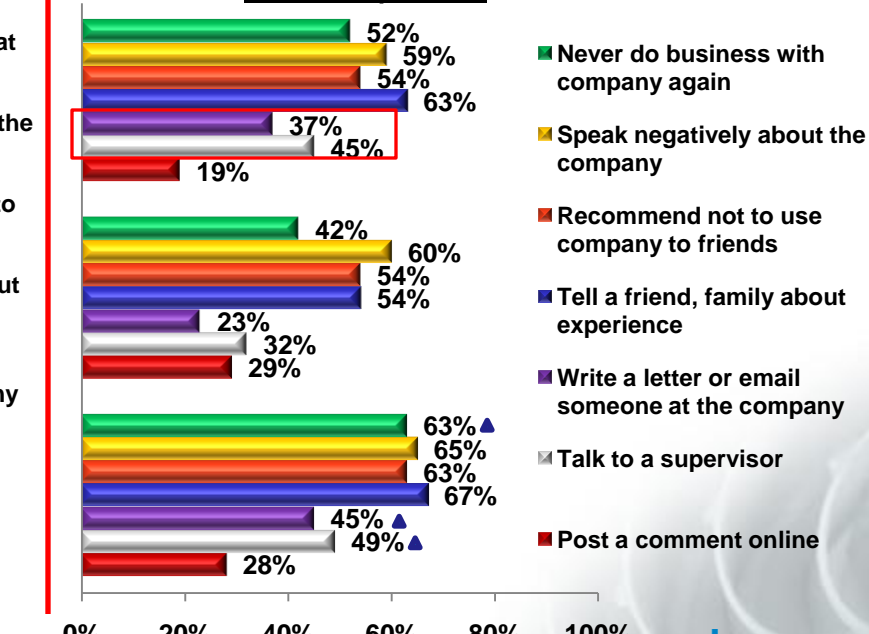
Consumers are significantly more likely to ‘give a company repeat business’ after a good service experience (81%), than they are to ‘never do business with a company again’ after a poor experience (52%). Three-quarters of consumers (75%) are very likely to ‘speak positively about the company if asked’ after a good experience, compared with only three-fifths (59%) who are very likely ‘speak negatively about the company’ after a poor experience.

A poor customer service experience is significantly more likely to prompt consumers to ‘talk to a company supervisor’ (45%) or ‘write a letter to someone at the company’ (37%), than would a good experience (25% and 26%, respectively).

VERY LIKELY to do After a Good Customer Service Experience



VERY LIKELY to do After a Poor Customer Service Experience



▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level



Consumers are willing to give businesses a second chance after one bad experience with customer service

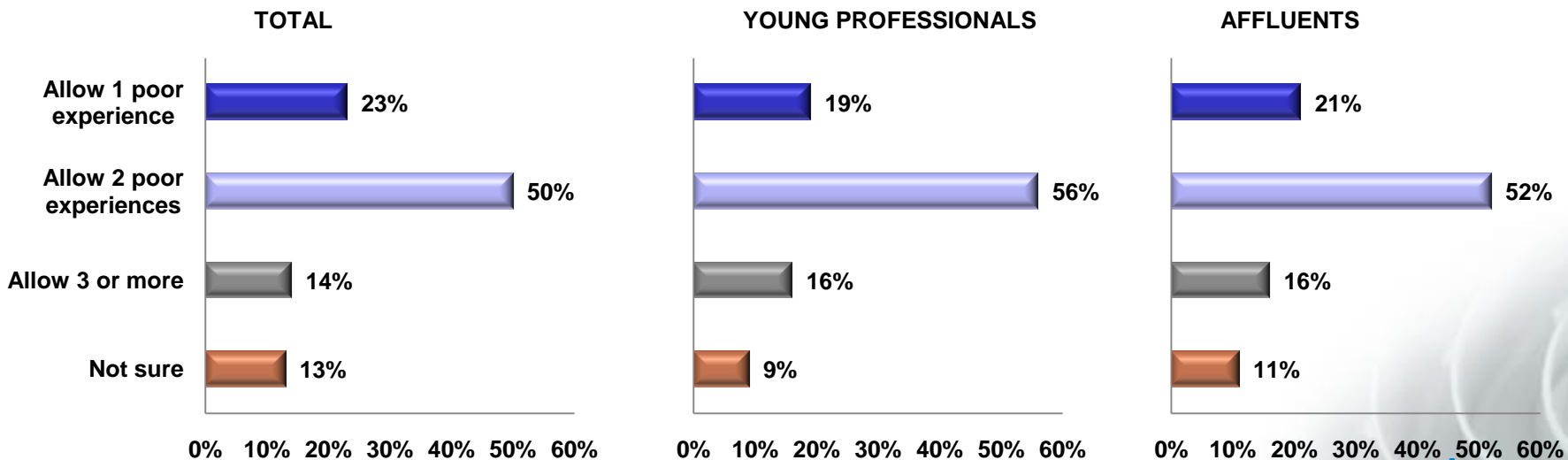


Half of consumers (50%) agree that they allow two poor customer service experiences before they stop doing business with a company, though nearly one quarter (23%) would discontinue their patronage after just one bad experience.

Particularly if they have generally experienced great customer service with a company over time, the vast majority of consumers (86%) are willing to give the company a second chance.

However, consumers will take their business elsewhere, as eighty one percent (81%) of consumers have decided never to do business again with a company as the result of a poor customer service experience.

Have stopped doing business	81%	80%	84%
Allow a second chance if there is a history of good service	86%	87%	91%



Q.18/Q.19/Q. 20

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

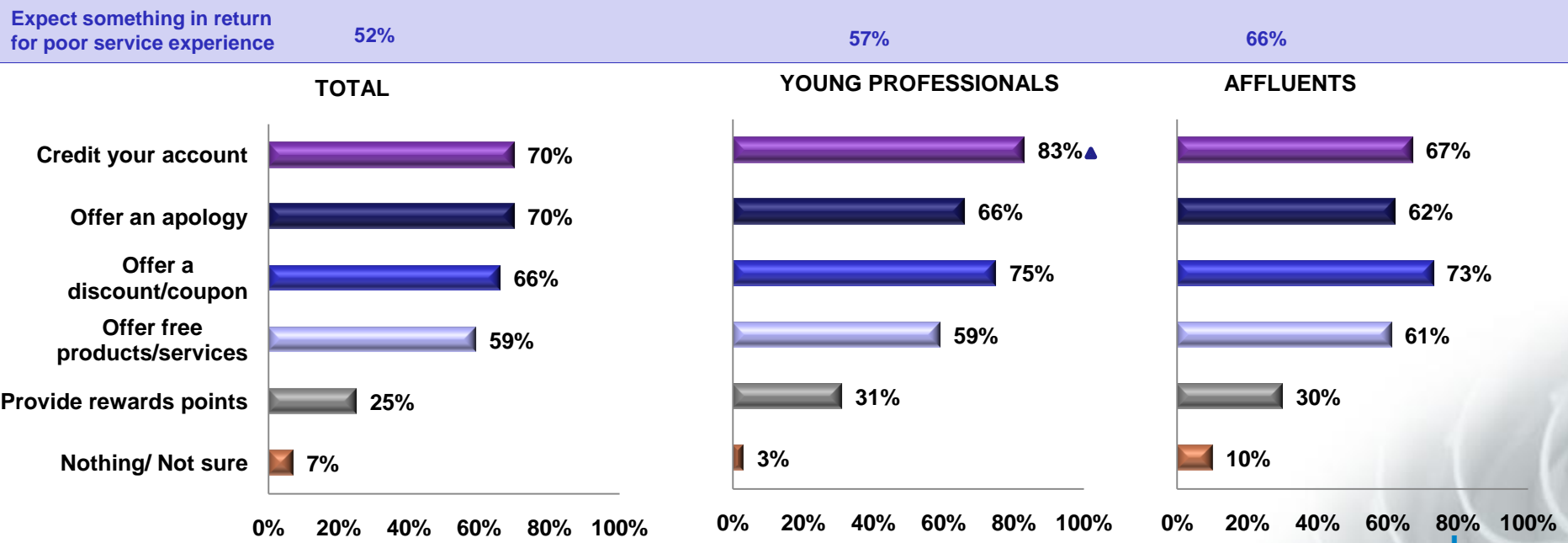


Consumers feel owed something in return for poor service - an apology may help win back their business



Half of consumers (52%) expect something in return after a poor customer service experience. Affluents are significantly more likely than the General Population to expect something (66% vs. 52%).

Most consumers would like an apology or a credit to their account (70% each). Young Professionals are significantly more likely to expect their account to be credited if the company hopes to win back their business (83% vs. 67% Affluents and 70% General Population). Two-thirds of consumers (66%) say that companies can win back their business by offering a discount or coupon.



Q.21/Q.22

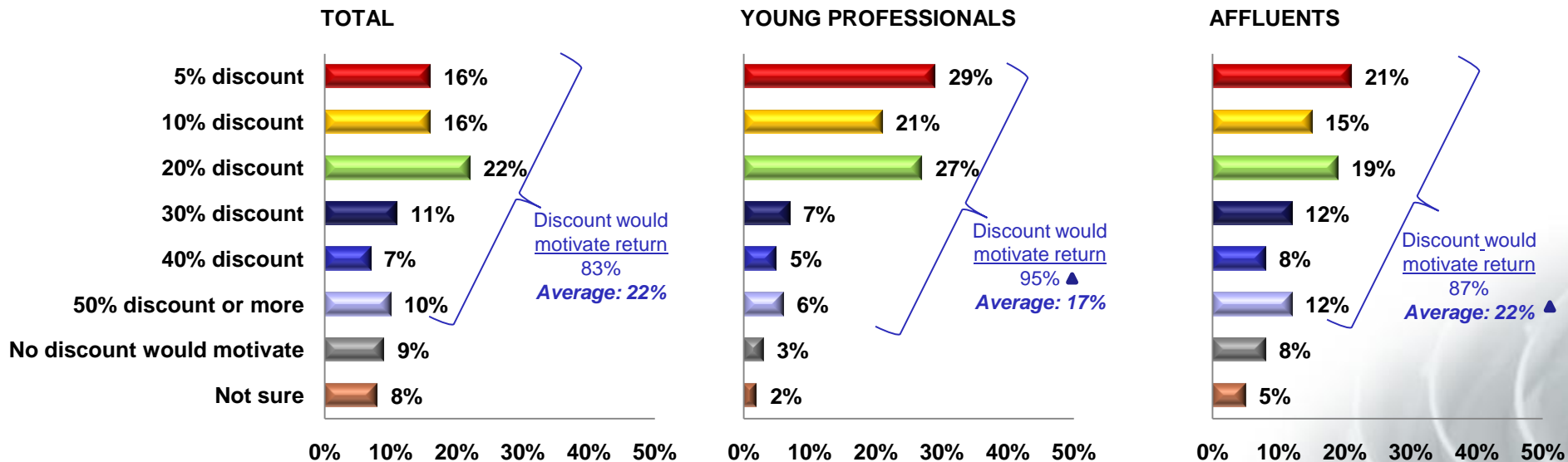
▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level



On average, a 22% discount would motivate a customer to return after a poor service experience



The General Population and Affluents require a higher discount than Young Professionals to win back their business after a poor customer service experience (22% discount vs. 17%).



Q.9

▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level