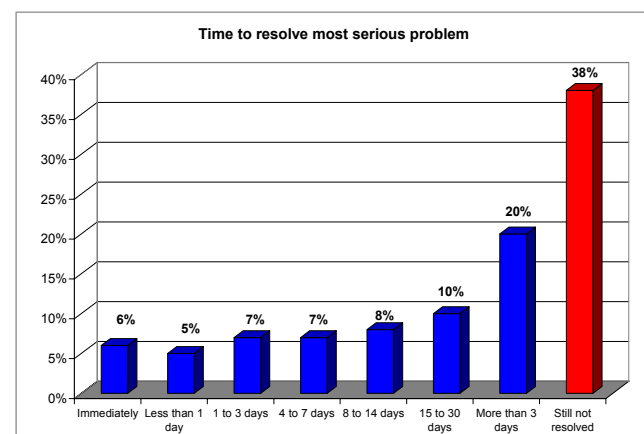
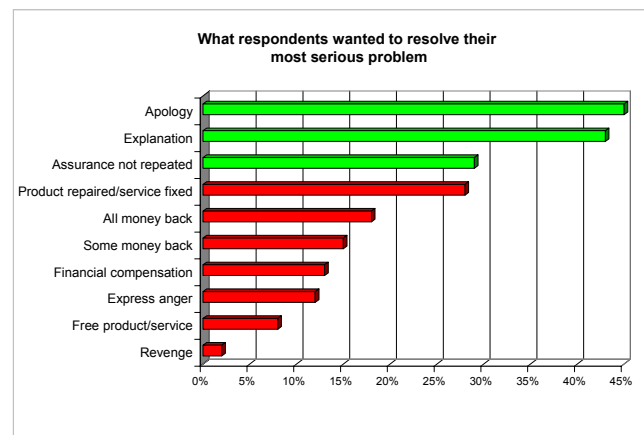
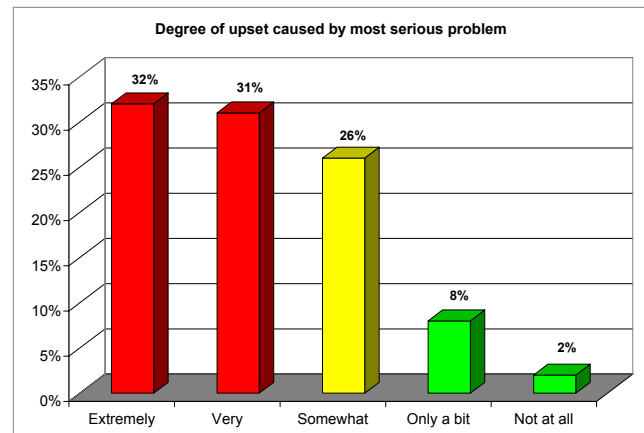


Customer Care 2004

An overview of the Customer Care Alliance's Study into British Customer Care

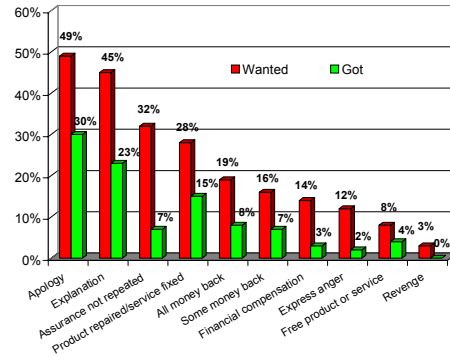
In November 2003, The Customer Care Alliance conducted an on-line survey to investigate current trends and performance levels in delivering customer care in Great Britain. Following an e-mail invitation, 10,957 British consumers took part in the study that examined the problems they experienced with products and services they used, what they did to address such problems and, if they contacted the organisation responsible, the effectiveness of the response they received. This summary document provides an overview of the key findings. More information can be obtained from the CCA or one of its member organisations (contact details are provided at the end of this document).

- ◆ 81% of consumers experienced at least one problem in the past year with the products and services they consumed.
- ◆ The top ten industry sectors responsible for problem experience were banking, eating & drinking out, holidays, car purchase & servicing, cable & satellite TV, air travel, rail/bus/coach travel, large electrical goods and home improvements & maintenance.
- ◆ The five most frequent problem issues were *product or service did not meet expectations* (41%), *poor product or service quality* (34%), *unsatisfactory service - unrelated to repair* (29%), *misleading information / advertising* (19%) and *delivery delay / non delivery* (17%).
- ◆ 63% were *extremely* or *very upset* over their most serious problem.
- ◆ 49% felt they were financially out of pocket and 46% lost time over the incident.
- ◆ A large number only wanted a non-monetary remedy to their problem.
- ◆ 85% complained to the organisation responsible, 54% shared their experience with friends / colleagues and 34% decided never to do business with the organisation again.
- ◆ Of those who did not complain, 31% felt that nothing *would* be done and 17% that nothing *could* be done to resolve their problem.
- ◆ Of those who complained, 70% contacted by telephone, 37% by letter, 35% face to face to front-line staff, 17% by e-mail, 16% face-to-face to management, 9% by complaint form or comment card, 4% by internet and 3% by fax.
- ◆ It took an average of 3.8 contacts to resolve a problem.
- ◆ Satisfaction dropped from 31% for one contact to 5% if three or more were required.
- ◆ Only 11% of problems were resolved within one day - 20% took more than 30 days and 38% of respondents felt that their problem had still not been resolved.

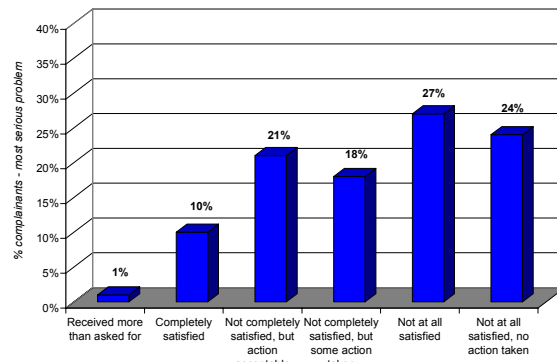


- ◆ Satisfaction dropped from 45% for immediate resolution to 10% or less when it took more than 14 days.
- ◆ 37% of complainants felt they had received nothing as a result of their contact.
- ◆ 49% wanted an apology but only 30% got one.
- ◆ 45% wanted an explanation but only 23% got one.
- ◆ 32% wanted an assurance that their problem would not be repeated but only 7% got one.
- ◆ Overall, only 11% were completely satisfied with the action taken to resolve their most serious problem.
- ◆ By industry sector, the highest level of satisfaction was in the clothing industry (40%) and the lowest in central government (1%).
- ◆ Using the cost of products & services advised by respondents, it was estimated that revenue of £11.9 billion was at risk from problem experience.
- ◆ Satisfaction with action taken had a direct correlation with overall satisfaction, loyalty and word of mouth.

Comparison between what complainants wanted and what they got in response to their most serious problem



Satisfaction with the action taken to resolve most serious problem



Conclusions

- ▶ Consumers are very likely to complain when they experience bad products or service but are unlikely to receive an effective and acceptable response from the organisation responsible.
- ▶ Many only want non-monetary remedies that cost little to provide but do not get them.
- ▶ Delay, in terms of time and multiple contacts, undermines customer satisfaction but also increases organisational costs.
- ▶ Many organisations may be more interested in short-term cost reductions and productivity improvements than in providing effective customer care.
- ▶ Whilst standards appear low throughout Great Britain there is a major opportunity for those that take customer satisfaction and retention seriously to gain a significant competitive edge.

Impact of Complainant Satisfaction

Satisfaction with action taken (% complainants)	% satisfied with company (top 2.5 boxes) ¹	% recommend company (top 2.5 boxes) ²	Average number told about problem
(TOP 2 BOXES) Satisfied (11%)	76%	60%	6.5
(SECOND 2 BOXES) Mollified (39%)	22%	17%	9.3
(BOTTOM 2 BOXES) Dissatisfied (51%)	4%	4%	13.4
All complainants	19%	15%	10.8

Note: A red arrow indicates a 54% drop in recommendation from the 'Satisfied' group to the 'Dissatisfied' group.

¹ Based on "very satisfied", "somewhat satisfied", and half of "neither satisfied nor dissatisfied" with organisation at fault
² Based on "definitely would recommend", "probably would recommend", and half of "might or might not recommend" offending company to a friend or colleague

The Customer Care 2004 study was conducted by the European branch of the Customer Care Alliance — a consortium established by a number of companies specialising in providing support services in all aspects of customer care including customer satisfaction and loyalty research, training and consulting services.



<http://europe.customercarealliance.org>

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