



## NEWS RELEASE

Release date – 1<sup>st</sup> March 2005

### ***90% of the UK is not satisfied with how organisations respond to their complaints***

**Overall, only 10% of consumers who complained about the products and services they use were happy with the outcome (see Figure 9)**

The Customer Care Alliance's annual survey of how both the private and public sectors handle customer complaints identified three major themes. Responding to the studies findings:

Adrian Lawes of Consumerdata said: "The UK public are getting so upset about the way their complaints are handled that 64% of households felt **RAGE** - almost two-thirds were extremely or very upset about their most serious problem (see Figure 2). It is almost getting to the point that consumer rage is becoming the new road rage. We estimated that £17 Billion of revenue is at risk each year from poor complaint handling.

"This study confirms that UK consumers are no longer willing to put up with bad products or services and have become just as angry as Americans when it comes to dealing with the problems they experience," said Marc Grainer of Customer Care Measurement and Consulting. "When compared to the Customer Care Alliance's US study, UK households had more problems, were less satisfied with how their complaints were handled, and, even threatened legal action as often as US consumers" (See Figures 4 & 9)

"Only a few organisations get it right but when they do the rewards can be long-term loyalty, willingness to recommend and, more importantly, increased business growth and profitability," said John Kemp of CRL Solutions. "Health care and government were among the worst public sector performers with utilities and mortgage providers the worst in the private sector. Clothing retailers, supermarkets and credit card companies were amongst the better performers" (see Figure 10).

The key findings of the UK Customer Care 2005 study, conducted in association with Manchester Business School, are:

- The majority of UK consumers have experienced at least one problem during the past twelve months (Figure 2)
- Almost two-thirds experienced rage over the incident – they were extremely or very upset (Figure 3)

- Most complained, many shared their experience with others and some threatened legal action (*Figure 4*)

Many complainants only wanted a non-financial solution (an apology, explanation or an assurance that the problem would not be repeated) (*Figure 5*)

- Problem resolution is a slow process (*Figure 6*)
- The longer it takes the lower the satisfaction (*Figure 7*)
- Many consumers got nothing from their complaint (*Figure 8*)
- Only 10% were completely satisfied with the action taken (*Figure 9*)
- Some industries are better than others at handling complaints (*Figure 10*)
- Effective complaint resolution impacts overall satisfaction and willingness to recommend (*Figure 11*)
- Tesco was the highest rated organisation for customer care (*Figure 12*) and NTL the worst (*Figure 13*)
- £17 billion of revenue is at risk from poor products and service (*Figure 14*)

**-ends**

#### **Notes to the editor:**

- The Customer Care 2005 study was conducted in association with Manchester Business School and sponsored by the Customer Care Alliance, a consortium of companies specialising in helping organisations to maximise customer retention and loyalty.
- The member companies are Consumerdata ([www.consumerdata.com](http://www.consumerdata.com)), Customer Care Measurement & Consulting ([www.customercaremc.com](http://www.customercaremc.com)), Surveylab ([www.surveylab.co.uk](http://www.surveylab.co.uk)) and CRL Solutions ([www.crlsolutions.co.uk](http://www.crlsolutions.co.uk)).
- The survey was fielded online in November/December 2004 with 7700 responses.
- Industry specific data is available across 26 industry sectors.
- For a full copy of the report contact Adrian Lawes at Consumerdata on 01372 2788999 or e-mail [alawes@consumerdata.com](mailto:alawes@consumerdata.com)

# UK Customer Care 2005

## Summary of Key Findings by the Customer Care Alliance

# Problem experience

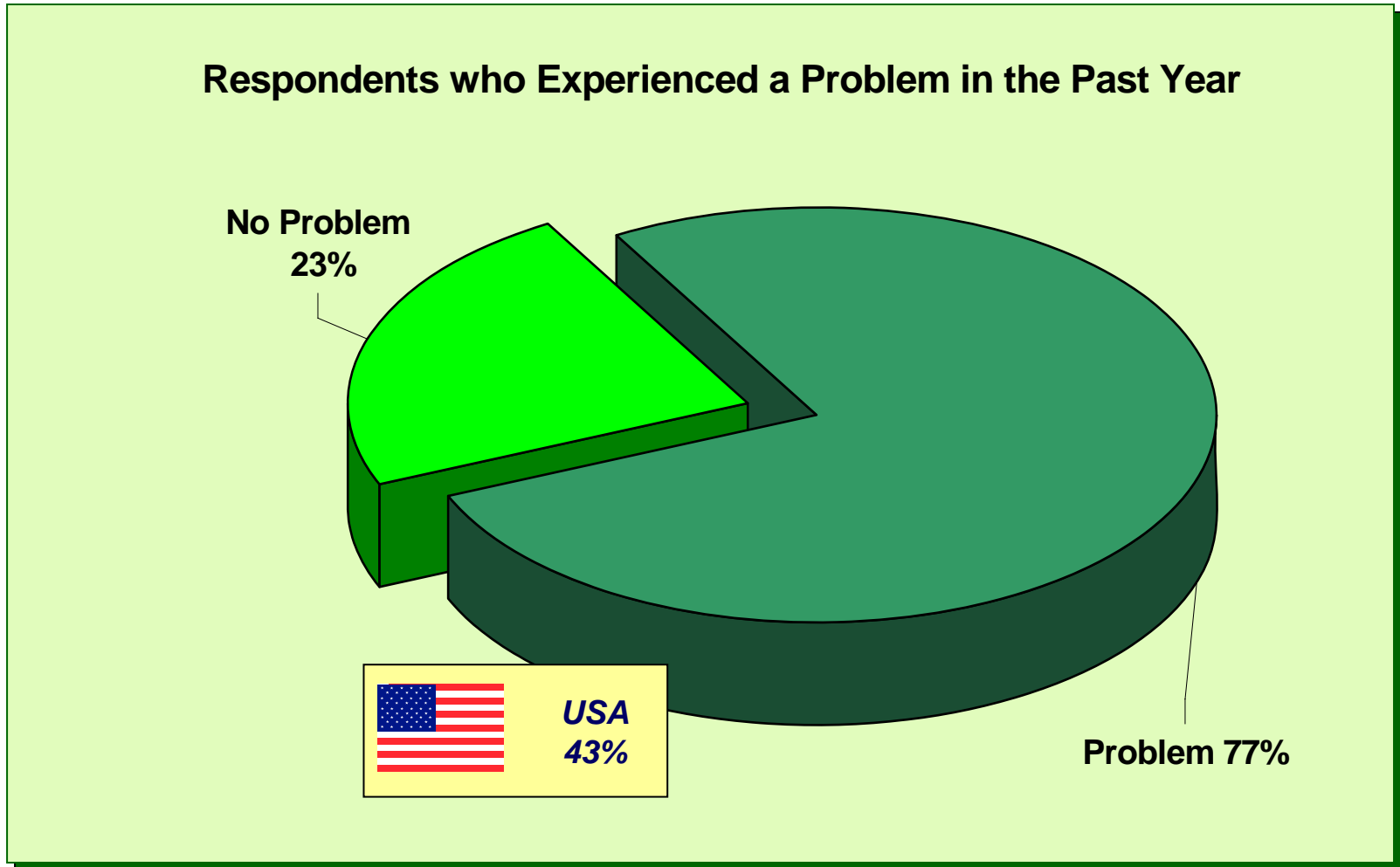


Figure 2

# Degree of upset



How upset were you over the problem?

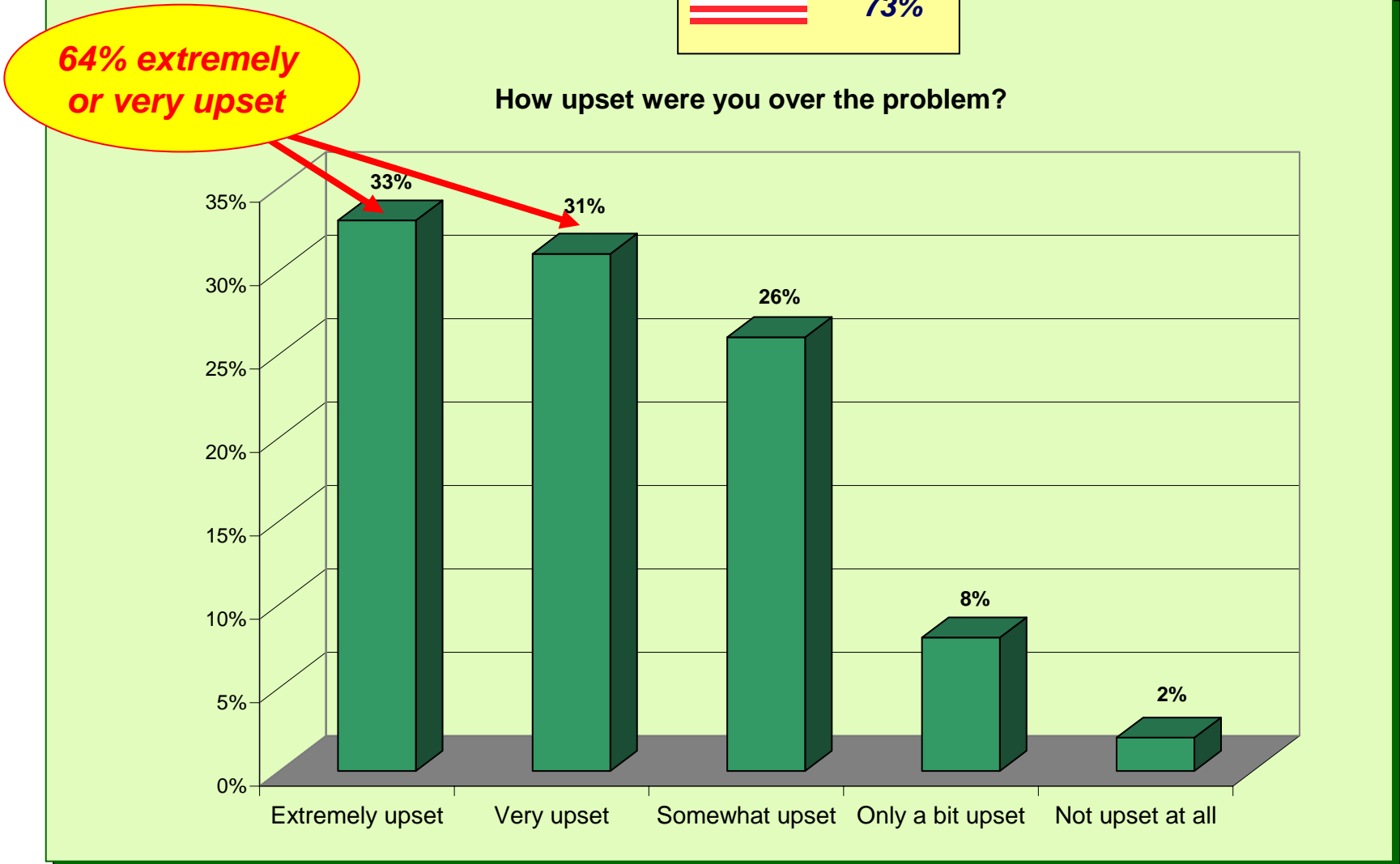
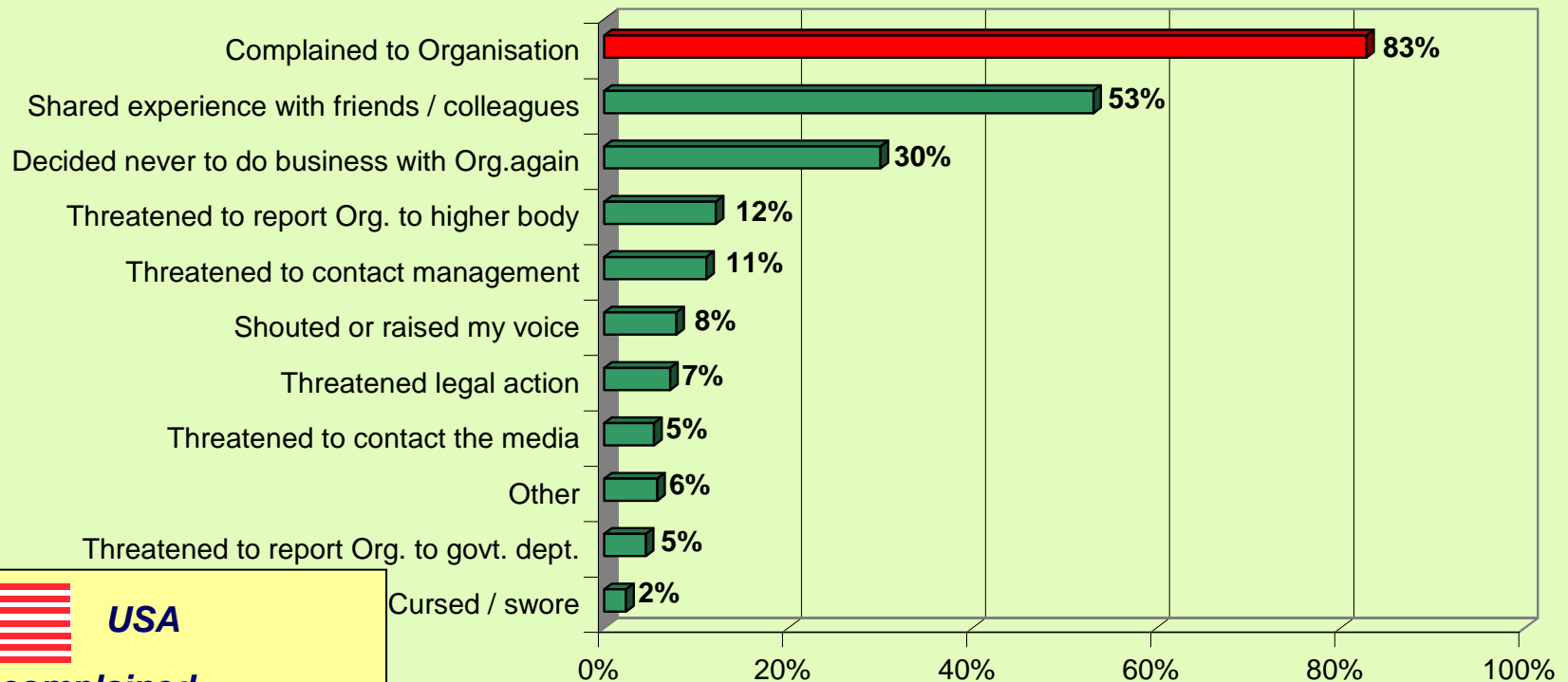


Figure 3

# Expression of displeasure to problem experience

## Expression of Displeasure with Most Serious Problem



**USA**

**84% complained**

**24% shouted / raised voice**

**7% threatened legal action**

**6% cursed / swore**

Figure 4

# What complainants wanted

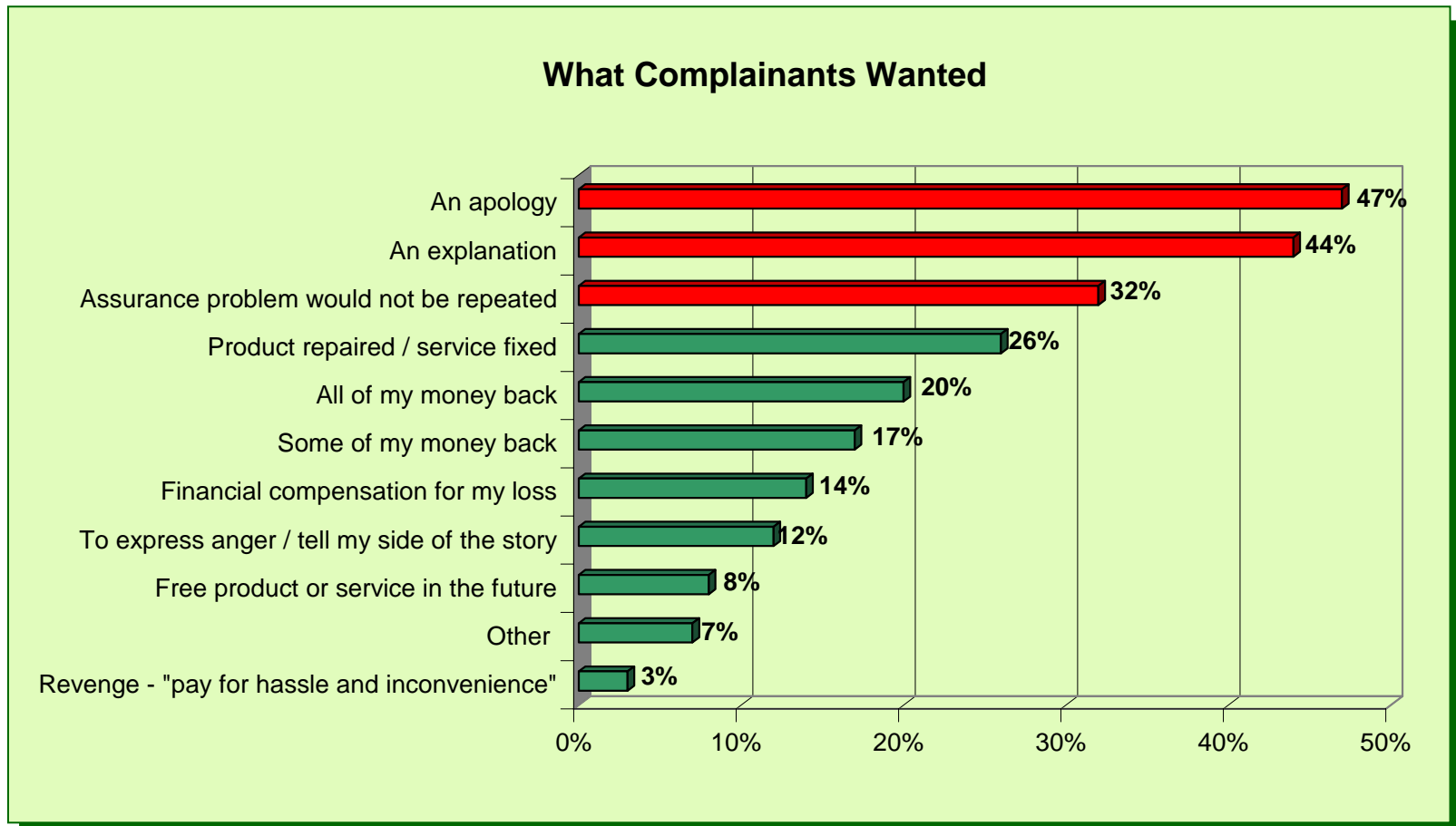


Figure 5

# Time taken to resolve problems

**2/3rds take more than 2 weeks to resolve**

How long did it take to resolve your problem?

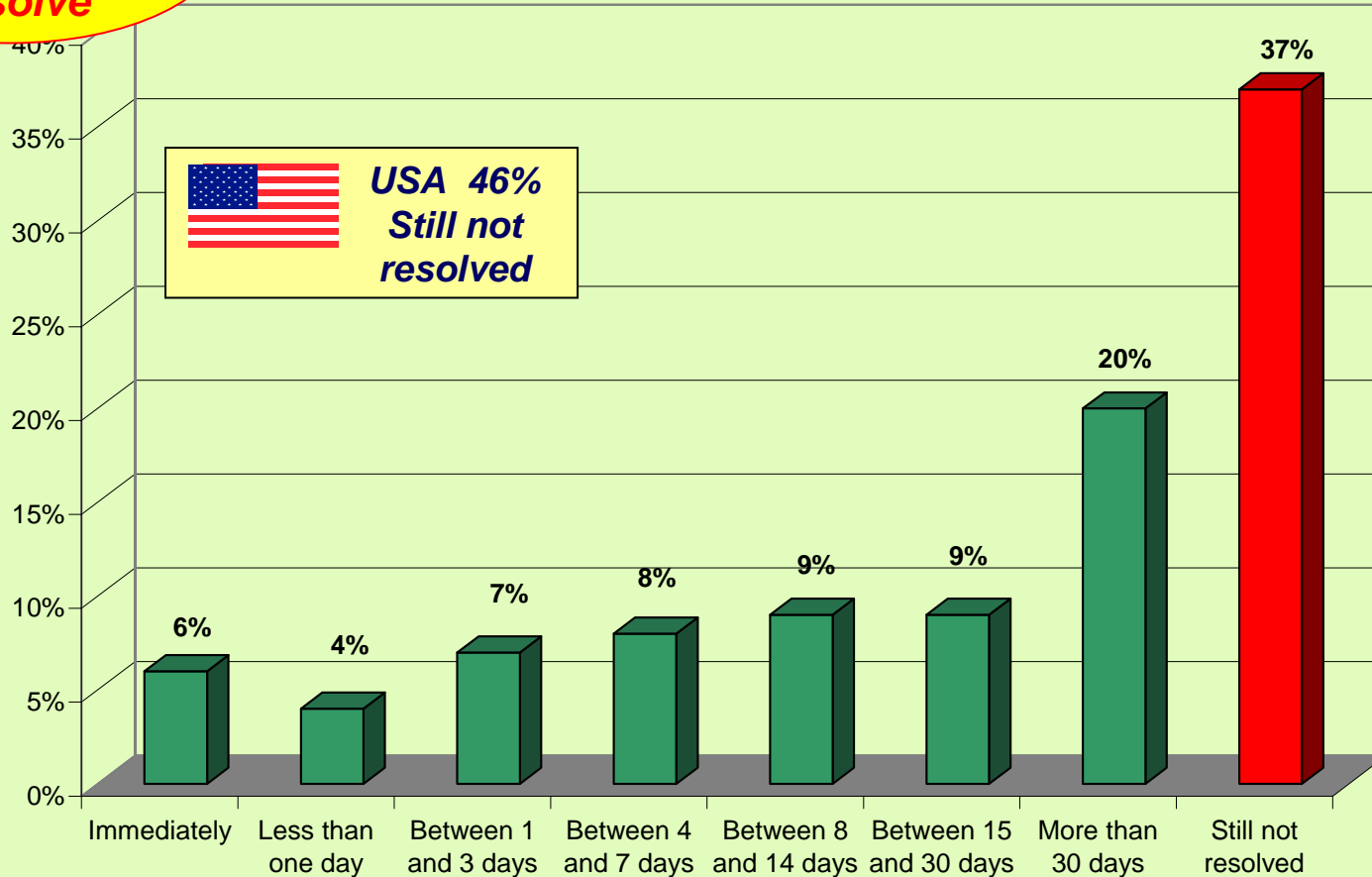


Figure 6

# Impact of resolution time on satisfaction

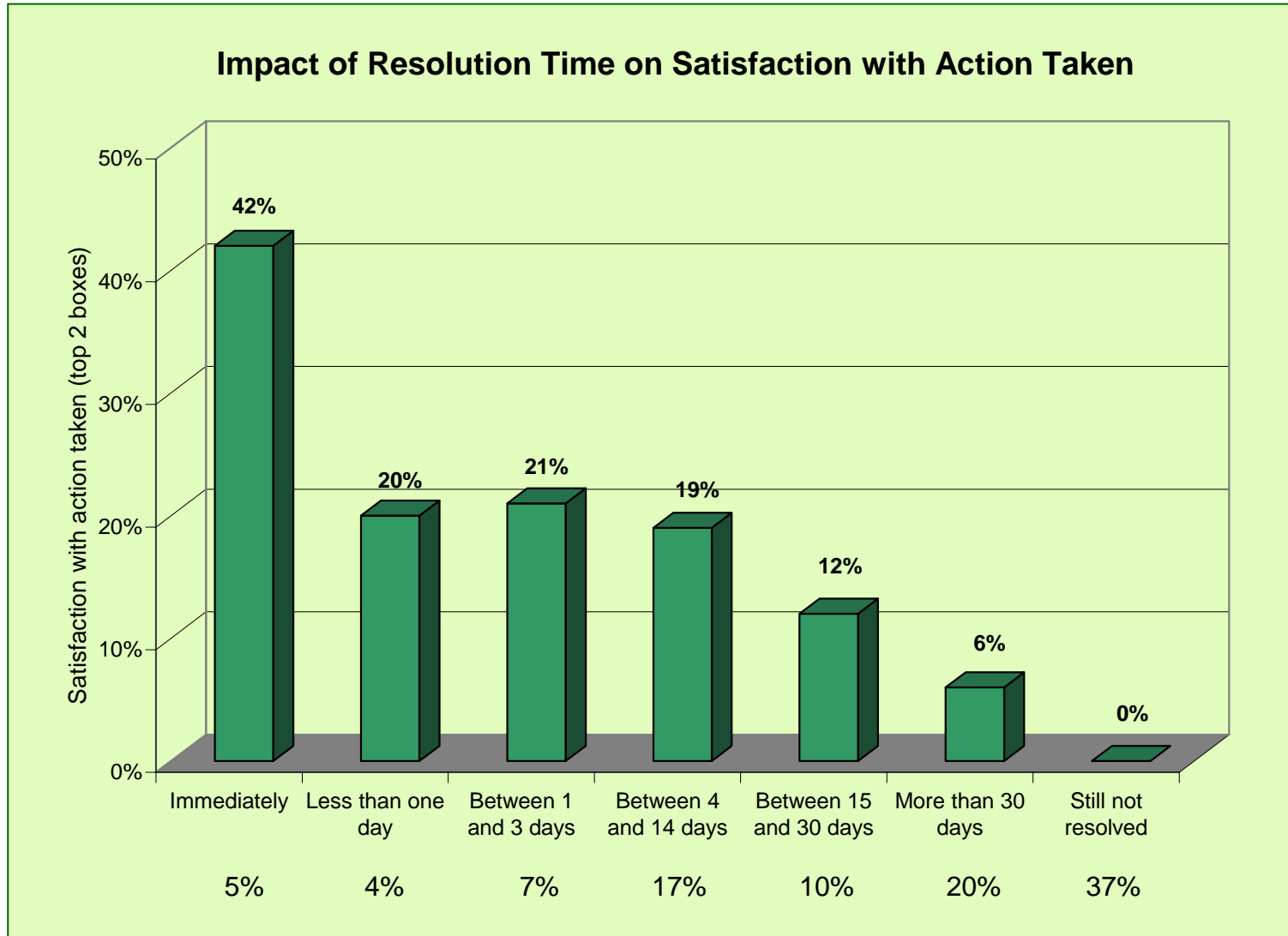


Figure 7

# Outcome of complaint

As a result of your complaint to the organisation at fault  
- what did you get?



**USA 56%  
got nothing**

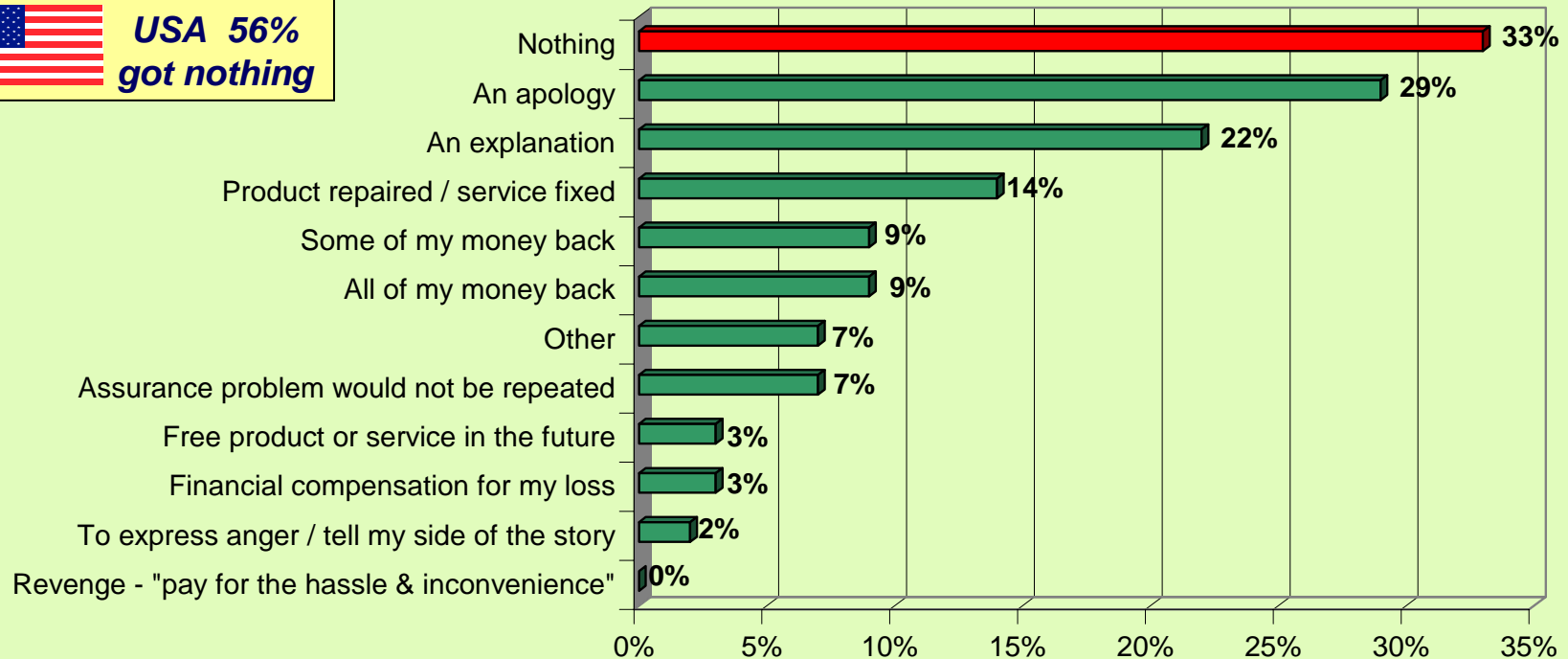


Figure 8

# Satisfaction with action taken

How satisfied were you with the way the organisation at fault handled your problem?

**10% Completely Satisfied with action taken**

 **USA 16% completely satisfied**

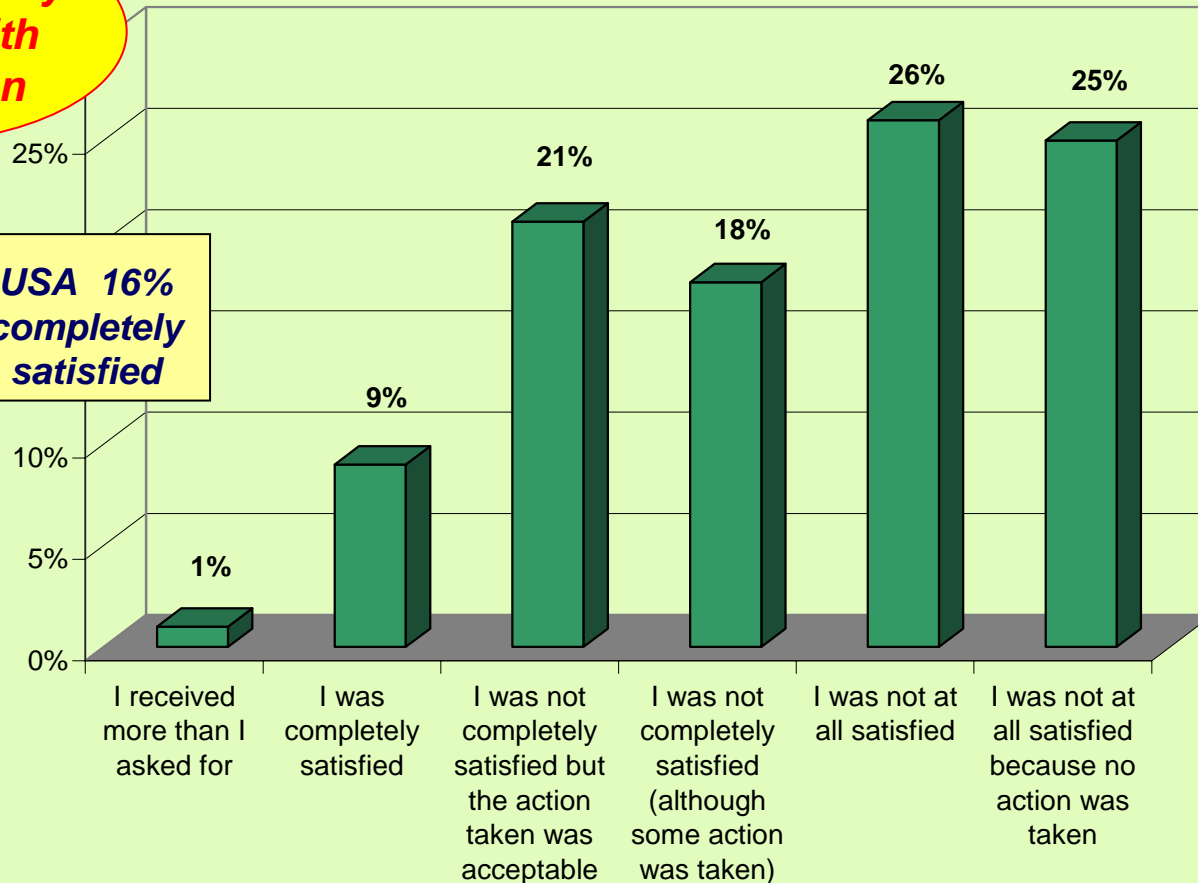


Figure 9

# Satisfaction with action taken

## – *by industry sector*

Satisfaction with Action Taken - By Industry Ranking		
Ranking	Industry Sector	% Top 2 boxes satisfaction
1	Retail - Clothing*	35%
2	Retail - High street stores / supermarkets	17%
3	Credit card	16%
4	Manufacturer of consumer goods*	15%
5	Eating & drinking out / take-away food	15%
6	Cable / satellite TV	14%
7	Electrical goods	13%
8	Rail services	13%
9	Retail - Mail order / online shopping	12%
10	Banking / loans / savings & investments	12%
11	Air travel	11%
12	Internet Service Provider	10%
13	Post / Royal Mail / courier services	10%
14	Home Improvements maintenance services	10%
15	Hotels	10%
16	Holidays	9%
17	Car (purchase / maintenance / breakdown)	9%
18	Public transport (excluding rail or underground)	6%
19	Computer equipment (hardware/software)	9%
20	Telephone / mobile phone	5%
21	Insurance	5%
22	Coach travel*	5%
23	Government services (Local & central)	5%
24	Utility company	4%
25	Mortgage provider	3%
26	Hospitals & health care (NHS && private)	1%

(\* Sample size less than 50)

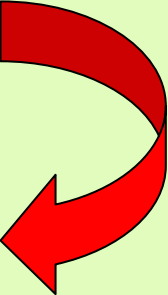
Figure 10

# Impact of complainant satisfaction

## Impact of Complainant Satisfaction

Satisfaction with action taken (% complainants)	% satisfied with company (top 2 boxes) <sup>1</sup>	% recommend company (top 2 boxes) <sup>2</sup>	Average number told about problem
<b>(TOP 2 BOXES) Satisfied (10%)</b>	= 83%	63%	5.5
<b>(SECOND 2 BOXES) Mollified (38%)</b>	= 19%	15%	8.7
<b>(BOTTOM 2 BOXES) Dissatisfied (51%)</b>	= 3%	3%	10.8
<b>All complainants</b>	<b>17%</b>	<b>13%</b>	<b>9.2</b>

**64% drop**



<sup>1</sup> Based on "very satisfied" & "somewhat satisfied" with organisation at fault

<sup>2</sup> Based on "definitely would recommend" & "probably would recommend the organisation at fault to a friend or colleague"

# Best Customer Care Experience

## - Top Ten Organisations

In your personal experience, which organisation has provided you with the BEST customer care experience you have ever received?

<i>Position</i>	<i>Organisation</i>	<i>Number of Positive Votes</i>	<i>% of Total Votes</i>
1	Tesco	174	3.29%
2	Marks & Spencer	133	2.52%
3	Asda	131	2.48%
4	John Lewis	111	2.10%
5	First Direct	104	1.97%
6	Virgin (all brands)	91	1.72%
7	Lloyds TSB	79	1.50%
8	NHS	72	1.36%
9	British Gas	68	1.29%
10	BT	65	1.23%

*(Total votes cast: 5282)*

*Note: Excludes holiday companies – Virgin data cannot be separated by company/industry*

# Worst Customer Care Experience

## - Top Ten Organisations

In your personal experience, which organisation has provided you with the WORST customer care experience you have ever received?

<i>Position</i>	<i>Organisation</i>	<i>Number of Negative Votes</i>	<i>% of Total Votes</i>
1	NTL	197	3.83%
2	BT	158	3.07%
3	Currys / Dixons / PC World	137	2.66%
4	Royal Mail/Post Office	136	2.64%
5	British Gas	124	2.41%
6	Comet	83	1.61%
7	O2	77	1.50%
8	BSkyB	70	1.36%
9	HBOS / Halifax	95	1.85%
10	Virgin (all brands)	62	1.20%

*(Total votes cast: 5148)*

*Note: Excludes holiday companies – Virgin data cannot be separated by company/industry*

# Estimated revenue at risk from poor products and services

	Total problem population <sup>1</sup>
Number of households experiencing at least one problem during past 12 months	18,095,000
Number of problem households experiencing rage <sup>2</sup>	11,580,800
Cost of products/services subject of problems <sup>3</sup>	£18,797,238,135
Revenue at risk <sup>4</sup>	£17,161,878,417
Negative word of mouth created (number of people told) <sup>5</sup>	115,772,353

*1. Assuming 23,500,000 total UK households*  
*2. Based on "extremely" and "very upset" problem respondents*  
*3. Based on average reported cost of problem products/services*  
*4. Based on "mollified" and "dissatisfied" complainants and noncomplainants*  
*5. Based on word of mouth by "dissatisfied complainants and noncomplainants"*

Figure 14