

UK Customer Care 2005

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

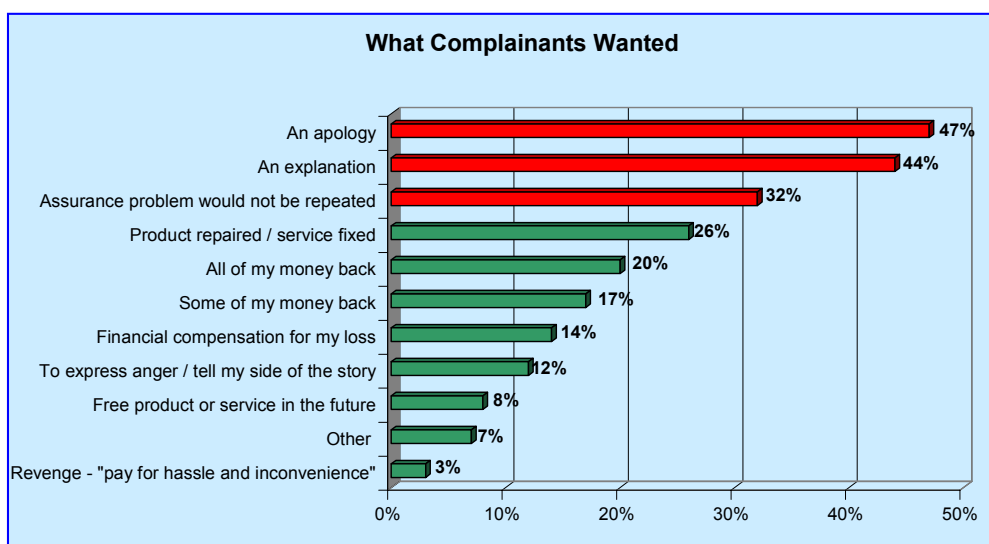


In association with
The University of Manchester
Manchester Business School

This is the second national study conducted by The Customer Care Alliance to investigate current trends and performance in delivering customer care to consumers in the UK. Over 7,000 individuals responded to an online survey fielded in November/December 2004. The study particularly examined consumer problem experience, the action taken to resolve their problems and the effectiveness of the response they received from the organisation responsible.

This summary provides an overview of the key findings. More information can be obtained from the CCA or one of its member organisations (contact details overleaf).

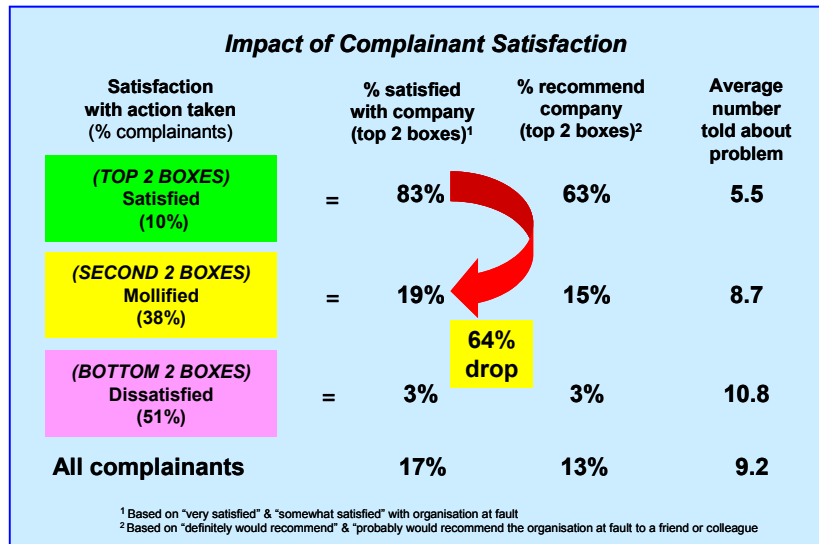
- ◆ 77% of consumers experienced at least one problem in the past year with the products and services they consumed.
- ◆ The top five industry sectors responsible for problem experience were *eating & drinking out, postal services, banking, telephone and rail travel*.
- ◆ The five most frequent problem issues were *product or service did not meet expectations (43%), poor product or service quality (36%), unsatisfactory service - unrelated to repair (31%), delivery delay or non delivery (21%) and misleading information / advertising (18%)*.
- ◆ 64% were *extremely or very upset* over their most serious problem.
- ◆ Of those who complained, 70% contacted by telephone at some time but the primary means of contact were— telephone (52%), face to face (24%), letter (13%) and e-mail (7%).
- ◆ The main reason for not complaining (35%) was *I did not believe anything would be done about my problem*.
- ◆ It took an average of 4.5 contacts to resolve a problem.
- ◆ Satisfaction dropped from 31% for one contact to 6% if three or more were required.
- ◆ Only 10% of problems were resolved within one day, 20% took more than 30 days and 37% of respondents felt that their problem had still not been resolved.



- ◆ 53% felt they had lost time over the incident and 44% were financially out of pocket over the incident
- ◆ 83% complained to the organisation responsible, 53% shared their experience with friends / colleagues and 30% decided never to do business with the organisation again.
- ◆ Satisfaction dropped from 42% for immediate resolution to 12% or less when it took more than 14 days.
- ◆ Many only wanted a non-monetary remedy to their problem but 33% of complainants felt they had received nothing as a result of their contact

- ◆ 47% wanted an apology but only 29% got one.
- ◆ 44% wanted an explanation but only 22% got one.
- ◆ 32% wanted an assurance that their problem would not be repeated but only 7% got one.
- ◆ Overall, only 10% were completely satisfied with the action taken to resolve their most serious problem.
- ◆ Satisfaction with action taken had a direct correlation with overall satisfaction, loyalty

- ◆ The leading five industry sectors for satisfaction with problem resolution were *retail—clothing, retail—high street stores & supermarkets, credit cards, consumer goods and eating and drinking out.*
- ◆ The five sectors with the lowest levels of customer satisfaction were *hospitals, mortgage providers, utility companies, government and coach travel.*



OBSERVATIONS & CONCLUSIONS

- ▶ This year's findings support earlier studies in confirming that problem experiences and organisations' effectiveness at resolving them definitely undermines consumers' future loyalty.
- ▶ Problem experience with *rail travel* and *postal services* have featured highly this year reflecting the problems customers of these industries have been experiencing.
- ▶ Retailers are responding to their customers' needs more effectively than household service providers with the *utility* and *telephone* sectors performing particularly poorly.
- ▶ Many consumers only want non-financial remedies that should be easy to provide – but are still not getting them.
- ▶ Delays in resolving problems and multiple contacts continue to be major reasons for dissatisfaction as well as undermining the cost effectiveness of customer care.
- ▶ The increased usage of technology and outsourced, overseas call centres without the necessary product, customer and local knowledge may also be contributing to poor performance.
- ▶ Service consistency is a particular issue with some sectors performing well on some occasions but very poorly on others.
- ▶ Despite this, a few organisations were identified as providing excellent customer care. John Lewis and First Direct scored particularly favourably in providing the best customer care experience.

This study was conducted by the European branch of the Customer Care Alliance—a consortium established by a number of companies specialising in helping both private and public sector organisations to maximise customer retention and loyalty. The purpose of this study is to raise the profile of customer care as a management discipline and justify the investment in customer care strategies in maximising customer retention and loyalty.

For further information call John Kemp on +44 (0)20 8786 3441 or contact a member of the CCA:



<http://europe.customercaalliance.org>



www.consumerdata.com
tel: +44(0)1372 278 999



www.customercaemc.com
tel: +1(703) 519 6982



www.surveylab.co.uk
tel: +44(0)20 8778 4527



www.crlsolutions.co.uk
tel: +44(0)20 8786 3441