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Customer Disservice

These Days, Consumers May as Well Keep Their Complaint To Themselves

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 Sunday, March 28, 2004; Page F01

When Mary Culnan's three-year-old Kenmore washing machine broke in February, it took three appointments before a Sears repairman showed up. Before he even examined the machine, he blamed the problem on Culnan, telling her that she had not only used the wrong detergent but also the wrong cycle. The permanent press setting, he said, could have burned out the machine's contacts. "I have no idea what that means," said Culnan, a Boston area professor. The repairman finally traced the problem to a defective circuit board, which fixed things -- for a while.

When Scott Rozett bought a family cell phone plan last June, the salesman assured him he could make and receive calls in San Francisco at no extra charge. But in November, one month after the Idaho resident visited the Bay area, he received a \$160 bill for roaming charges. When he called AT&T Wireless to protest, a customer service representative told him the company was not responsible for promises made by a salesman.

When an error in Manon Matchett's Sprint PCS bill caused her service to be disconnected in December, she spent three days trying to get it restored. She called at least twice a day, she says, and each time was transferred from one department to another as she tried to get credit for payments that had never been posted to her account. She talked to at least nine people, but "no one could make a definitive decision," said Matchett, an office manager in the District. Nor could she ever reach a manager, even in the middle of the day. "I was told no managers were available. It was pure hell," Matchett said.

Forget voice-mail hell. As Culnan, Rozett and Matchett have discovered, customer service has deteriorated into a new kind of purgatory, one in which companies pass the buck, frequently from one corporate division to another. Or customer service representatives pin the blame on other companies. Or even, worse, they fault their customers.

"Customer service is getting worse; it's not getting better," said John Tschohl, a Minneapolis customer service consultant. Certain industries are more unsatisfactory than others, he added, singling out cell phone companies as bottom-of-the-barrel bad. But, he added, customer service has gone south in all kinds of industries.

There is no historical measurement to show if and how customer service may have declined over the past few years, but consultants and academics say there is abundant anecdotal evidence.

A current snapshot of consumer satisfaction by the University of Michigan Business School reveals a large group of unhappy campers. In its most recent American Customer Satisfaction Index, the average score for the specific issue of complaint handling is 57 (out of 100) for the 40 industries tracked by the

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index. "No one does a particularly good job in handling complaints," said David VanAmburg, managing director of the index, which measures consumer satisfaction with goods and services. There is one exception, though: supermarkets, which had a customer satisfaction score of 76 for the way they take care of complaints. The lowest score was recorded by local telephone firms (the index didn't measure wireless phone service).

Even more disturbing, VanAmburg said, is that a closer look at 17 industries with enough data to measure satisfaction in great detail showed that 14 -- or 82 percent -- field complaints in such a way that they are driving customers away.

But wait a minute. Wasn't it only a few years ago that Americans were seeing in practically every ad, every TV commercial that the customer was number one, that "service is our middle name?" Didn't Nordstrom, the upscale department store with a mythic service reputation, have every retailer quaking in his Ferragamos?

That was then, and this is now, say those whose job it is to pay attention to the passing parade. Service was a fine buzzword when the economy was soaring; came the downturn and customer service came close to getting squeezed out of the corporate budget. "It's a frustration," said customer service consultant Tschohl, "because corporate America is not spending any money to train its staff."

Some industries, of course, have long been notorious for frustrating complaint handling. Almost anyone who has had problems with a computer has a story about endless runarounds, with the computer company blaming the software while the software firm faults the hardware.

But that finger-pointing seems to have spread to other fields. Consider Katie Kannler's struggle to get a new stacked washer/dryer delivered to her Arlington townhouse in February. It arrived on the scheduled delivery date but was defective -- the dryer handle was missing. The delivery man promised to call her within three days to set up a new delivery date. On the fourth day, after no call, Kannler called Home Depot where she had bought the appliance. Home Depot said it had nothing to do with delivery; she needed to call GE, which delivers all the appliances Home Depot sells. GE, however, said it wasn't responsible because Kannler ordered a Maytag. But Maytag referred her back to GE.

"I spent all afternoon on the phone, and no one would tell me what was going on," said Kannler, who finally went back to Home Depot to talk to the store manager. She could only talk to a salesman, who gave her another number to call -- the local delivery firm -- before her problem was resolved.

The entire process was more disgusting than the dirty laundry that piled up during the wait, she said. "Someone needed to take responsibility and just say, 'Sorry.' That would have made me feel a lot better, but everyone kept saying, 'It's not my fault,'" Kannler said.

Home Depot spokesman Jerry Shields said that it sounded as though the company "dropped the ball, and we don't want that to happen."

A new machine was finally delivered, but it was so noisy that Kannler called in a Maytag repairman. His conclusion: It was improperly installed. But, he said, it was up to the deliveryman to reinstall it. A GE repairman showed up last weekend and fixed "something that had not been tightened down properly" during installation, GE spokeswoman Kim Freeman wrote in an e-mail. "While we feel badly that these consumers had a difficult experience -- it is the exception, not the rule," she wrote.

On Friday, Kannler reported the machine was still not working properly. A Maytag repairman has

scheduled yet another visit.

Why has customer service gone downhill?

Claes Fornell, director of the University of Michigan's National Quality Research Center, which computes the customer satisfaction index, blames the "productivity trap." With companies looking to do more with less labor, or lower labor costs, customer service is one of the areas that suffer. Firms trim employees and/or training. Or they hire outside firms, often with foreign call centers, to handle consumer complaints. "It may be cheaper but [it's] not necessarily better," Fornell said.

A now-retired customer service relations manager at a multinational consumer-product company said the cost pressures on his operations were constant. "I had to do gymnastics to prove why" customer service was in the company's best interest, said the manager, who did not want to be identified because he didn't want to blemish his former employer. Unlike the way things work with other departments, the cost savings or projected sales figures for customer service were hard to prove, "so we were constantly being challenged. I had to arm-wrestle with anyone I could to get extra funds."

At some firms, the economy has required sharp cutbacks, in all departments. At Levi Strauss & Co., which lost \$349 million in 2003, all departments have been asked to trim their budgets. For the customer service department, which has had a Colorado telemarketing firm answer its calls for the past six years, that has meant cutting in half its call center hours, and answering calls a little less quickly; instead of 7 seconds, it may take 20 seconds before a caller reaches an operator. The company is also trying to use the Internet to provide more answers to frequently asked questions, or offer the answers as recorded messages, in hopes of reducing its call volume by 20 percent.

Michael J. Budde, president of Advanced Data-Comm Inc., with six call centers, all in the United States, hears constantly about cost issues from his clients, particularly as they consider taking their business offshore, where costs can be cut by another 20 to 30 percent. To meet the competition, Budde's firm often agrees to try to end a call as quickly as possible. "If the average call is three and a half minutes, and you can cut it back to 3 and a quarter minutes, you can shave 10 cents off the call, which would quickly add up in a busy call center," Budde said.

But several consultants say it's not just the companies that are at fault for the decline in customer service. Like many customer service representatives, these experts blame the consumers.

"We've allowed it because we've become tolerant of mediocrity," said Ron Rosenberg, head of Quality Talk, a North Carolina training and consulting firm that sponsors driveyounuts.com, a Web site where consumers can post complaints and compliments as well as seek advice. "If you have a car that's supposed to be ready at 2 p.m. and it's not, then you need to do something to make it right," Rosenberg said. But most people don't, he said. They will sit around, usually patiently, until it's ready. "People will accept bad service and inconvenience."

If the experience is bad enough, consumers may take their business elsewhere, but most never tell a company's executives why they left. Some are venting on Internet sites such as complaints.com, planetfeedback.com and thesqueakywheel.com. But for the most part, "very few companies hear anything from consumers, so they just think they're hot stuff," Tschohl said.

Ronald C. Goodstein, a professor at Georgetown University's McDonough School of Business, said that research has shown that 40 percent of customers leave firms because of poor service. "That's the number one reason, far and away, why people switch brands -- and most never even tell a company," he said.

Goodstein faults the call centers, where employees are more often rewarded for the number of calls they handle than for whether they satisfied a customer. What's more, the employees have no stake in the company they are representing. A sure sign of problems, Goodstein said, is when a customer service agent refers to the company as "they," not "we." That recently happened to Goodstein when he called Verizon about an error on his telephone bill. Twice agents referred to Verizon as "they." He hung up and called again until he reached a representative who apologized and said, "We shouldn't have done that," Goodstein recalled.

Scott M. Broetzmann, president of the Alexandria firm Care Measurement & Consulting, has found in his customer surveys that more than half of the consumers who have complaints have to call more than three times before a problem is resolved. Broetzmann calls this "ping-ponging" -- and says the more calls a consumer has to make, the more dissatisfied he or she becomes.

Broetzmann and other customer service consultants like to use the word "empowerment" a lot. That's what they say is missing at the call centers as companies demand tighter adherence to the company-supplied script, giving employees little flexibility to solve a problem, particularly an unusual one. "These agents are handling 100 calls a day; to some degree they are desensitized to the standard complaints, and when someone deviates they are not very good at recovery," Broetzmann said.

That's what one District resident discovered when she tried to get Pepco's attention regarding her January bill for \$5,909 for her one-bedroom apartment in Dupont Circle. The resident, who agreed to speak on the condition she not be named, said her bill usually runs around \$60, so she figured Pepco would quickly realize there was a mistake in the bill or the meter reading. But the first Pepco agent contacted instead asked at what temperature the apartment's thermostat was set. There was also a discussion about insulation. Even when the agent acknowledged there might have been a meter-reading error, the resident was asked to make a partial payment on the bill.

Pepco spokesman Robert Dobkin said initial questions about thermostat settings and insulation are standard for complaints about high bills. Agents are supposed to use good judgment and are not required to follow a script. However, he said, "sometimes mistakes are made."

Ron Zemke, head of Performance Research Associates Inc., a Minneapolis customer service consulting firm, said that as customer service operations run on increasingly tight budgets, many agents are told, "Don't buy complaints." Translation: Don't spend money to fix problems.

And increasingly, many systems are making it difficult, if not impossible, for consumers to talk to supervisors -- a step many advocates urge consumers to take if they can't get their issues resolved.

"Agents are under tremendous pressure not to give you access to the second level," said John Goodman, head of the Arlington customer satisfaction consulting firm TARP.

"There may not be a real supervisor there; there may just be a team leader who's only slightly more equal," Goodman said. Or, firms may not want to tie up the supervisors, using them only for "people going ballistic, threatening to sue or go to the public service commission. So agents just tell customers there isn't a supervisor; in many cases it's a lie," Goodman said.

Steve Newman of Arlington tried to talk to a supervisor when he was not satisfied with the way AT&T Wireless agents dealt with his complaint that the company failed to credit his December payment, even though he had the canceled check in hand. He ended up talking to "Mary," Newman recalled. "When I asked Mary to transfer me to a supervisor, she told me that supervisors do not speak to customers."

"What do supervisors do?" Newman responded.

"Supervisors supervise," said Mary.

When Newman pressed her again, he said Mary told him: "I'm not going to tell you again -- you're not going to talk to a supervisor."

Newman asked for Mary's last name or employee number, at which point Mary hung up, Newman said.

AT&T Wireless spokesman Mark Siegel said Mary misspoke. "You always have recourse to talk to a supervisor."

As for Rozett, Siegel said the customer service agent misspoke when he said the company was not responsible for the salesman's promises. "That representative was in error," said Siegel. Rozett is now considering a class-action lawsuit against AT&T.

Meanwhile, Sprint PCS spokeswoman Jennifer Walsh said Matchett's treatment is not what the company strives for. Its goal, she said, is "one and done" -- to get problems resolved in a single call.

Culnan, the woman with the Kenmore washer, heard from Sears two weeks ago, after The Washington Post called the company to ask about her experience. "The man agreed they need to do better on many fronts," Culnan said.

That phone call took place before her machine broke again. The repairman came on Thursday and told her "the real problem is the timer." Culnan says she feels as though she's in the movie "Groundhog Day," in which Bill Murray's character wakes up to the same terrible day over and over again. For, once again, she's waiting for the repairman, this time to install another new part.

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