

# Bad Service Puts Billions of Dollars At Stake: ‘Customer Rage Study’

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By Adriana Dunn, Mon, Dec 16, 2013

There are tons of customer studies when it comes to documenting customer service — but when’s the last time you heard of a “customer-rage” study?

Bad Service Puts Billions of Dollars At Stake: ‘Customer Rage Study’ image Bad Computer 1024x685 600x401Bad Service Puts Billions of Dollars At Stake: ‘Customer Rage Study’ Recently I wrote about this independent study, based on one originally conducted by the White House in 1976. It



shows that more American consumers than ever are dissatisfied with the products and services we buy. The 2013 version is the sixth study wave and consisted of phone interviews with 1,000 households, offering a clear comparison of customer satisfaction over the years. The principal survey designer was Customer Care Measurement and Consulting (CCMC), which analyzed the results with the Center for Services Leadership at the Arizona State University’s W. P. Carey School of Business.

Based on the results of the customer-rage study, we know that 56 million American households experienced at least one problem during the past 12 months, and about \$76 billion in revenue was at stake for the businesses involved.

Here are some of the more interesting highlights pulled from the study:

- The amount of people reporting customer problems increased from 32 percent in the 1976 study to 45 percent in 2011, and then 50 percent in 2013.
- The number of households experiencing customer rage went up from 60 percent just two years ago to 68 percent this year.
- In general, Americans have increased their yelling and cursing at customer-service representatives. Yelling is up from 25 percent in previous rage studies to 36 percent now, and cursing up from 7 to 13 percent.
- The type of product most often responsible for enraging us? Cable/satellite TV.
- Though many people associate the government with customer-service issues, 98 percent of the most serious problems stemmed from private companies.
- Despite the rise of the Internet, people are still 11 times more likely to complain via phone than Web.

- Customer-complaint posting on social-networking sites, such as Facebook, has nearly doubled from 19 to 35 percent since 2011.
- Most of those who reported a complaint – 56 percent – say they got absolutely nothing as a result, up 9 percentage points since 2011.
- When companies added free remedies, such as an apology, to any other monetary relief they gave customers, satisfaction doubled from 37 to 74 percent.
- If the customer was satisfied or at least pacified, he or she only told an average of 10 to 16 people about the problem, but if customers were left dissatisfied, they told an average of about 28 people.

“The moral of the story: Don’t invest in improving your customer service unless you’re going to do it right,” says Professor Mary Jo Bitner, executive director of the Center for Services Leadership at the W. P. Carey School of Business at Arizona State University. “If a company handles your complaint well, then you typically become a more loyal customer. However, if they don’t, then you become 12 percentage points less brand loyal than if you never complained at all.”



Customer Care Measurement & Consulting helps Fortune 500 companies from every industry get a better ROI for their investments in the customer experience.

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