

**Media Contact**  
Cathy Chlarson  
480-965-9271  
cathy.chlarson@asu.edu

**EMBARGOED UNTIL DECEMBER 13, 2015**

## **\$202 billion in revenue at risk with poor customer service**

*Complaints are up, customer satisfaction is down and brand loyalty is on the line*

**TEMPE, Ariz. (DECEMBER 13, 2015)** — Companies may be losing more customers than keeping them because of ineffective customer service efforts, according to the latest customer rage survey. The study shows 54 percent of American households experienced at least one problem with products and services they purchased during the past 12 months, an increase of four percent since 2013. Customers also are less satisfied with the service received when they complain. In fact, 63 percent of complainants reported they received “nothing” in return. About \$202 billion in revenue is at stake for the businesses involved.

The independent 2015 Customer Rage Survey, the seventh study wave since the original conducted by the White House in 1976, offers a clear comparison of customer satisfaction over the years.

In the 1970s, the study found that dissatisfied complainants were more brand loyal than non-complainants, and as a result, American companies invested heavily in soliciting customer complaints. But the 2015 Customer Rage study shows that today’s dissatisfied complainants are 6 to 11 percentage points less brand loyal than non-complainants. Brand loyalty lifts only if complaints are satisfactorily resolved. Given that 60 percent of complainants are not satisfied, corporate America is engaging in customer care programs that might actually lose them customers.

“The value of complaining is increasingly eroding, not only for consumers but for the purchase base of companies as well,” says Scott M. Broetzmann from Customer Care Measurement and Consulting who was the principal survey designer and analyzed the results. “More customers are experiencing problems and are increasingly unsatisfied in how they’re being resolved. At risk is the repeat purchase of the product and service to the tune of \$202 billion.”

What can businesses do?

“Businesses need to start listening to and delivering on what customers expect,” says Professor Mary Jo Bitner, co-executive director of the Center for Services Leadership at the W. P. Carey School of Business at Arizona State University, who helped design the survey and served as academic partner for this research. “Customer service is critical. Its success depends on truly understanding what customers expect, and then, even more importantly, delivering on those expectations. The companies that are doing it well regularly take the pulse of their markets and also have metrics to assess whether they are succeeding.”

Closing the gap between the customer's expectations and corporate delivery is one place to start. The study shows a 60 percent or higher discrepancy between what complainants wanted to get and what they received from companies on five expectations: assurance that the problem wouldn't happen again, repair or resolution of the product or service problem, an explanation of why the problem occurred, empathy and to be treated with dignity.

Four out of the five of these expectations involve the communications or "soft" skills demonstrated by service representatives. In fact, when non-monetary remedies (e.g. an apology) were added to monetary relief, satisfaction almost doubled from 37 to 73 percent.

Businesses should also eliminate customer services catchphrases which customers find annoying. The top offender? "Your call is important to us, please hold." More than 80 percent of respondents found the phrase annoying and 17 percent say it should be banned. Requests to participate in after-call surveys also ranked high on the annoyance scale. Even more egregious: coaching survey answers such as "Please give me top scores on all the questions in the after-call survey."

"Bottom line, customer service can be a tool that develops lifelong relationships when it is done correctly" says Mary Murcott, president of the Customer Experience Institute for Dialog Direct which conducted the interviews for the study. "Like any business process, it needs to be continually evaluated and improved to deliver value to the customer."

Other key findings from the study include

- Two-thirds of all respondents experienced customer rage.
- 35 percent of complainants have yelled and 15 percent cursed when speaking to customer service about their most serious problem.
- Among complainants who reported getting something, many felt that they got very little (e.g., 75 percent of complainants wanted an apology but only 28 percent got one).
- Posting information on the web about customer problems has greatly increased since 2011, with an increase of posting to social networking sites to 30 percent from only 19 percent two years prior.
- Although posting on the web about consumer problems has increased substantially, complainants still consider the telephone their primary channel for complaining by a margin of more than six to one over the internet (72 to 11 percent). In-person complaint frequency has gone down since 2013.
- The most frequently cited damage resulting from customer problems in 2015 was lost time (60 percent).
- Word-of-mouth about product or service problems from dissatisfied complainants is more than double than the word-of-mouth communicated by those who were satisfied.
- Cable/satellite TV is still at the top of the list of most serious offenders in 2015, with a six percent increase over 2013. Other product/service types that complete the top five are telephone, automobile, computer services and retail.

The 2015 study results were discussed earlier this month at the annual Compete through Service Symposium hosted by the Center for Services Leadership in Scottsdale. More information about the center and the benefits of membership can be found at [wpcarey.asu.edu/csl](http://wpcarey.asu.edu/csl).

**W. P. CAREY SCHOOL OF BUSINESS**

*The W. P. Carey School of Business at Arizona State University is one of the top-ranked business schools in the United States. The school is internationally regarded for its research productivity and its distinguished faculty members, including a Nobel Prize winner. Students come from more than 100 countries and include over 50 National Merit Scholars. For more information, please visit [wpcarey.asu.edu](http://wpcarey.asu.edu) and <http://knowwpcarey.com>.*

**CUSTOMER CARE MEASUREMENT & CONSULTING**

*CCMC's customer satisfaction and loyalty surveys and analytics are used by leading Fortune 500 companies from every industry to get a better ROI for their investments in the customer experience. Learn more about CCMC by visiting [customercaremc.com](http://customercaremc.com).*

**DIALOG DIRECT**

*Dialog Direct is a marketing and call center provider focused on helping brands connect and engage with their customers to generate leads, increase sales and provide remarkable experiences at every point of the customer journey. Learn more about Dialog Direct by visiting [Dialog-Direct.com](http://Dialog-Direct.com)*