

Duck and Cover: More Customers are Experiencing Rage

By Barry Levine

Companies have increased their budgets to handle customer complaints and can now offer continual contact through email, text and chat as well as by phone. But that hasn't changed much: customer satisfaction over a company's ability to solve a complaint is no higher today than it was in the 1970s. That's a key takeaway from a new report on "customer rage."

The report, "Will We Ever Learn?: The Sad State of Customer Care in America," was undertaken by Customer Care Measurement & Consulting (CCMC) and Novo 1 Contact Centers in collaboration with Arizona State University and the Center for Services Leadership. (The report will soon be available online, and you can request a copy through CCMC's feedback form.) The report is the sixth in a Customer Rage series of reports since 2003, which are follow-ups to a groundbreaking 1976 study.



The White House Report

That 1976 study was conducted by the White House Office of Consumer Affairs in an effort to find out what could be done to improve the quality of American products and services. Scott Broetzmann, president and CEO of consulting firm CCMC, told CMSWire the White House study was the first one "that showed the relationship between customer care and the bottom line." His co-founder at CCMC, Marc Grainer, was a co-author of the White House study, and CCMC's subsequent Customer Rage studies — which cover the entire spectrum of customer disappointment, not just apoplectic customers — are based on that seminal work.

Not only is there no improvement in the last four decades, but customer dissatisfaction over complaint resolution has increased eight points in the past two years, from 60 percent to 68 percent. The study estimates half of the 112 million US households have experienced at least one customer-related problem in the last 12 months, and about two-thirds of those — 38 million out of 56 million complaining households — ave experienced "rage" in that they've been "extremely" or "very upset."

The bottom line: most customers are dissatisfied with how their issues are resolved. More than half, 56 percent, felt their complaining resulted in nothing, a substantial nine point increase since 2011. And those who felt they got something reported that it was very little or, as the report eloquently puts it, they got "bupkus." More than three quarters wanted an apology, but only about a third got one.

Right, But Wrong

With all the tools these days for customer interaction, and all the emphasis on being customer-centric, why are issue resolution rates heading in the wrong direction? The report acknowledges that companies are trying — adding complaint-handling 800 numbers, compensating with free or reduced products or services, offering more leeway in warranty interpretation and so on.

The problem, the report says, is that “companies ARE DOING ALL THE RIGHT THINGS, THE WRONG WAY.” (Caps are the report’s.) That is, 800 numbers are the right idea, but they come with complicated menu trees, and free offers or better warranties matter for little if customer care agents aren’t authorized to employ them or call centers are so understaffed that complaining customers can’t get through.

Although online self-managed customer service is a big trend, this report points out that most complaints — over fifty percent — still go to a company’s 800 number or to local retail outlets, where a live human can be encountered. Only 8 percent went to a third-party organization like the Better Business Bureau and 4 percent tried a governmental consumer agency.

The Simple Things

Needless to say, it’s in the company’s best interest to resolve complaints as quickly as possible. The report noted the strong correlation between customer complaint satisfaction and increased brand loyalty. In the age of social media, the downside of an unhappy customer can reverberate widely. Word-of-mouth from dissatisfied customers is almost three times that from satisfied ones.

What do customers want, in order to feel satisfied? This highly detailed study found that non-monetary relief plus monetary remedies are by far the best-received combo, compared to either non-monetary or monetary remedies alone.

Broetzmann told CMSWire.com that if he had to boil down the study’s findings to one piece of wisdom for companies, it would be: “Give them the simple things.” He said that sincere apologies, explanations, or assurances that this won’t happen again “can cost so little” but can make a big difference in whether the customer is satisfied, regardless of whether monetary or product compensation is also offered.

Most companies, he said, have over-scripted their call center personnel, and the trick is to “figure out a way that, when there’s a problem, agents can apply their own common sense against the problem,” so that their apology, explanation and/or assurance sounds sincere.



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