

## What's behind customer rage?

More often than not it's poor customer service

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By Mark Huffman

At ConsumerAffairs, we see it on a daily basis. Consumers post reviews complaining – often bitterly – about a product or service.

Often the complaint revolves around customer service issues. The consumer is told something by a customer service rep that turns out not to be true. Or the consumer is unable to get satisfaction. Satellite TV, mobile phone providers, banks and online florists appear to spark the most customer rage.

In response to ConsumerAffairs and other Internet sites where consumers can post reviews about a company's products and service, major corporations have stepped up their efforts – and spending – to improve customer service. Mary Jo Bitner, executive director of the Center for Services Leadership at the W. P. Carey School of Business at Arizona State University, says it doesn't appear to be working.



### Growing rage

She and a team of researchers have just completed a study showing 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. What's more, the rate of customer rage appears to be rapidly growing. She says many companies are throwing money at the problem without fixing it.

“The moral of the story: Don’t invest in improving your customer service unless you’re going to do it right,” Bitner said. “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.”

It turns out there is quite a bit of research available about customer dissatisfaction. In 1976 the White House retained Customer Care Measurement and Consulting (CCMC) to work with the Carey School to design and conducted and analyze the first customer rage survey.

## Downward spiral

There have been five other surveys since then, all showing a downward spiral in customer satisfaction and a rise in customer rage.

“We found satisfaction is no higher than reported in 1976,” said Scott Broetzmann of CCMC. “People are frustrated that there are too many automated response menus, there aren’t enough customer-care agents, they waste a lot of time dealing with the problem, and they have to contact the company an average of four times to get resolution.”

Indeed, that’s a familiar refrain for many of the consumers posting reviews at ConsumerAffairs. Having to spend an inordinate amount of time on the phone and still not resolving the issue sends many a consumer around the bend.

The rise in customer rage is remarkable. The 1976 survey put it at 32%. By 2011 it had grown to 45%. Two years later it had jumped to 50%.

## Yelling and cursing

The survey also found a rise in yelling and cursing when dealing with the worst problems. Yelling is up from 25% in previous studies to 36% this year – cursing has rising from seven to 13%.

What triggers a bout of customer rage? The number one source of rage, according to the survey, are satellite and cable TV companies.

Finally, the cost of a company not resolving a case of customer rage is significant. The survey shows that a satisfied or pacified customer 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.

Many times they told more, using the Internet. The survey found customer complaint-posting has nearly doubled from 19 to 35% since 2011.

Another report, by contact center provider Five9, also turns up a huge increase in angry consumers. According to its survey, 85% of consumers said they would retaliate against a firm with lousy customer service. As you might expect, 18-34 year olds are three times as likely as their older peers to vent their frustrations online.

The surveys don’t speculate about the reasons for the increase in customer rage but plenty of business experts have offered opinions. Especially since the Great Recession businesses have cut expenses as much as possible to improve the bottom line. Fewer, and poorly-trained customer service reps might seem like a good idea in the executive suite but these kinds of moves could turn out to be a bad decision in the long run.



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