

# Consumers have had enough, 'rage survey' says

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By: Herb Weisbaum



Americans are not very happy consumers. We're frustrated and angry—and for good reason.

More people than ever are dissatisfied with the products and services they buy, according to a new report from Arizona State University's W.P. Carey School of Business. And when there is a problem, we're less happy with the customer service we receive.

The number of households experiencing "customer rage"—they were very or extremely upset about the company response when they complained—jumped to 68 percent from 60 percent in the last survey, in 2011.

More of us are expressing that rage by yelling and cursing at customer-service representatives than two years ago. Yelling rose to 36 percent from 25 percent of the time, while cursing jumped to 13 percent from 7 percent.

(Read more: [How 'on-call' hours are hurting part-time workers](#))

Other key findings from the [2013 Customer Rage Survey](#):

- The percentage of people with customer service problems rose to 50 percent from 45 percent.
- Most of those who complained (56 percent) said they got absolutely nothing as a result, up 9 percentage points.
- The product most often responsible for enraging us is cable or satellite TV.
- Though many people associate the government with customer-service issues, 98 percent of the most serious problems stemmed from private companies.

"These numbers have just steadily increased, and it's disconcerting to see," said Professor Mary Jo Bitner, executive director of the Center for Services Leadership at Arizona State. "We all know that some companies are doing a good job at this—they provide great products and service—but on average, many are not doing this very well."

One thousand households were questioned for the Customer Rage Survey during the summer. They shared their customer service horror stories. A few examples:

- A 35-year old woman from Maryland was upset because she was not allowed to return a bathing suit that she discovered had been previously worn and returned.
- An 83-year-old man from Utah was told by the repair shop that the manufacturer does not make the products to be fixed, only replaced.
- A 22-year-old woman from North Carolina said that, in the first year of ownership, she had spent \$150 to \$200 for four repairs to an item that cost \$150.

Everyone in business realizes the importance of good customer service. Solve a problem and you create a loyal customer who will tell 10 to 16 others about your company. Fail to make customers happy and you've made enemies who will each tell an average of 28 people about their terrible experience.

(Read more: [Who made Consumer Reports' 'Naughty & Nice' list?](#))

It turns out that bad customer service is worse than no customer service. People who receive poor response become 12 percent less brand loyal than if they didn't bother to complain at all.

"Given the fact that most complainants are not satisfied, corporate America is spending billions of dollars on customer care programs that are actually losing them customers," Bitner said.

## Why is this happening?

How could so much money and effort have been put into customer service, and yet satisfaction levels are no higher than they were in the mid-1970s?

The report blames poor execution. Many companies are "doing all the right things the wrong way," it said. The investment in corporate complaint-handling departments has not kept up with customer expectations.

"It ranges from how they do their training, to the various policies they put in place and bad use of technology," said Scott Broetzmann, president and CEO of Customer Care Measurement and Consulting, which designed the survey and analyzed the results. "It's hard to believe that companies could spend as much as they do and get as little back as they seem to be getting."

To reduce costs, many companies try to drive customers who need solutions to the Internet. A Web chat or email complaint is much cheaper to handle than a phone conversation with a service agent. But it's much harder to give the customers what they're looking for in that online environment.

Unhappy customers want to talk to someone on the phone and get an answer quickly. The survey found they are 11 times as likely (66 versus 6 percent) to make a call as they are to use the Internet to complain.

(Read more: [Who has happiest mobile users? Hint: Think small](#))

What do people want when we contact customer service? We expect the companies we do business with to be there for us when there's a problem after the sale. But all too often, they're not.

It's hard to reach them—those phone trees and hold times seem endless—and it's often impossible to get a straight answer.

"The No. 1 thing people want is to be treated with dignity and courtesy," said Jack Wilkie, chief marketing officer with customer service training company NOVO 1, which conducted the survey. "People also want that representative to be knowledgeable, helpful, friendly and patient."

The goal, of course, is to get the problem solved. But we also want an apology, and a lot of people don't get it. The survey found that when companies added a free remedy, such as an apology, to any monetary relief, customer satisfaction doubled.

And if a problem is not handled to our satisfaction, we are more likely to talk about it on social media. That behavior has nearly doubled, to 35 percent from 19 percent in 2011 .

## **Lessons to be learned**

Most businesses see customer service as an expense. This study shows they need to consider it as way to improve the bottom line.

"There's clearly a benefit to better customer service and a real cost for poor service," Broetzmann said. "Businesses are losing billions of dollars a year because of lousy customer service."



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