

Help, the customer is drowning!

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Dutch consumers contact the companies from whom they buy their products and services on a regular basis, yet they are not always getting the help they require, according to new consumer research undertaken by Jacada. This failure by customer service facilities to meet consumers' expectations is endangering companies' bottom lines.

Suppliers of consumer products and services invest heavily in product development and marketing communications to build a customer base. Yet all this expenditure and effort can be negated by a poor customer service experience – bursting the bubble on the dream of loyal customers who make repeat purchases. Given many organisations' cost of acquisition, the competitiveness of the markets within which they operate, and how easy it is for a company's image to be damaged in the new socially connected world, this is a serious issue that needs to be dealt with.

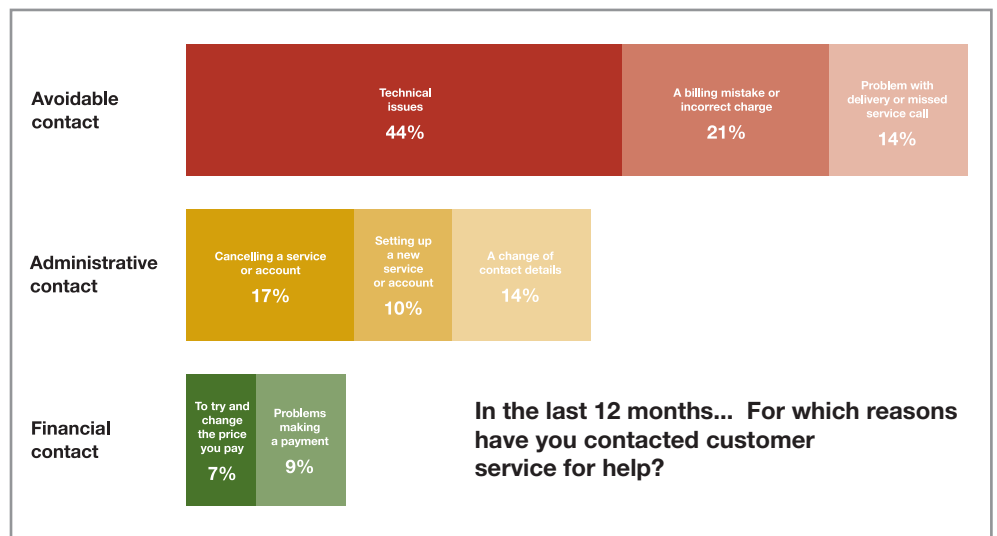
Having said that, the Dutch are slightly more laid back in their response to poor service than are German, British or American consumers (according to similar research Jacada conducted in those countries).

The findings show that the Dutch are almost as likely to feel frustrated (24%) after telephone or online customer service contact as some of the other nationalities and lose their temper (19%), but they are much less likely to change their suppliers as a result. However, as more than half of Dutch respondents said they were now less willing to put up with poor customer service, even those servicing the laid back Dutch should not become complacent.

Customer service is critical

Almost half of Dutch respondents (46%) contact an organisation's customer service (by telephone or online), at least once a month. In more than half of the cases (62%) these calls are for urgent or serious matters. This level of urgency makes the provision of good customer service even more important as finding a full and satisfactory solution to problems is perceived to be critical by consumers.

The situation is exacerbated by the fact that nearly four out of five respondents (79%) had a need for customer service for what they could perceive to be preventable reasons – they had technical problems, incorrect bills or issues with delivery.



These apparently avoidable contacts are most likely to engender the greatest levels of frustration and dissatisfaction with an organisation.

The majority of contacts between consumer and company take place via the call centre. It is here that problems need to be solved and the brand values reinforced.

Indeed, it is now widely held that a customer with a problem that is solved is likely to be more loyal than if there had been no problem at all. On the flip side, if the problem isn't dealt with to the satisfaction of the customer, the originally slightly unhappy or irritated customer becomes **very** unhappy. Unfortunately these people are much more likely to look for another supplier, as well as tell many more people about their experience. And with the rise of social media, there are many more opportunities to spread the word than ever before.

The findings from this research show that currently Dutch companies' online and phone-based customer service facilities are not meeting consumers' expectations. Perhaps not surprising when customer service agents are often coping with dozens of applications on their desktop in order to deal with queries, forcing them to concentrate on the technology rather than the customer. The majority (51%) of Dutch customers suspect that this may be the case, believing that agents are trying hard to help, but that they are restricted by company policy or technology.

is higher than for other roles. Recruitment, training and ramp-up costs, lower staff morale and higher absenteeism all translate to higher costs. Not to mention the opportunity costs of lost sales as a result of subsequent customer dissatisfaction.

Customer or cost?

Poor customer service usually reflects underlying problems. Entire industries have been built up around a specific expertise such as technology (eg IT vendors) or management of financial risk (eg insurers), rather than around serving customers. And for many organisations customer service facilities are still simply a bolt on to their core business, rather than part of an integrated customer-orientated organisation.

Many industries are becoming so competitive, and the margins so narrow, that the focus is on cost reduction wherever possible. And the call centre is a key target for these savings, with efficiency metrics (such as average handle time) driving the interaction rather than the needs of the customer (who just wants his issue dealt with fully, almost regardless of the amount of time it takes).



Not surprising, then, that just 18% of consumers felt valued as a customer after contact with a company's call centre.

The more forward-thinking organisations have realised that the contact centre, as the primary customer touch point, is a strategic customer retention tool and, in many

cases, generates more business from those customers. As such they have made the changes necessary to improve their agents' ability to deal with customer queries, differentiating themselves from the competition.

As the majority of agents have chosen to pursue a job in customer service because of their affinity with people and a desire to help, not being able to provide the quality of service they would like to is also unsatisfactory for employees. One of the reasons the staff turnover in many contact centres

Some of the changes made include:

- Changing how the call centre is measured, giving agents the time to build the necessary rapport with a customer, rather than focusing on the amount of time they've been on the phone
- Giving access to necessary knowledge and information – at the time they need it during the call
- Fixing the processes in the call centre that frustrate agents and customers
- Providing a structure that ensures regulatory and corporate compliance, without impacting agents' ability to answer customers' queries
- Empowering the agents to make decisions

That's not to say that web self-service isn't required. The survey found that nearly half of Dutch consumers like to solve non-urgent issues via this channel. For urgent or serious issues, however, only one in ten of Dutch consumers want to use the web site; almost three quarters preferred a more personal and direct customer service contact.

The importance of phone-based customer service is largely dependent on the industry. For banks, insurance companies and internet providers around a half of consumers wanted to deal with a real person for customer service. Understandable, perhaps, given that the subject matter is much more likely to be important to the individual (eg about money and security) and/or much more complex.

Challenges in the web economy

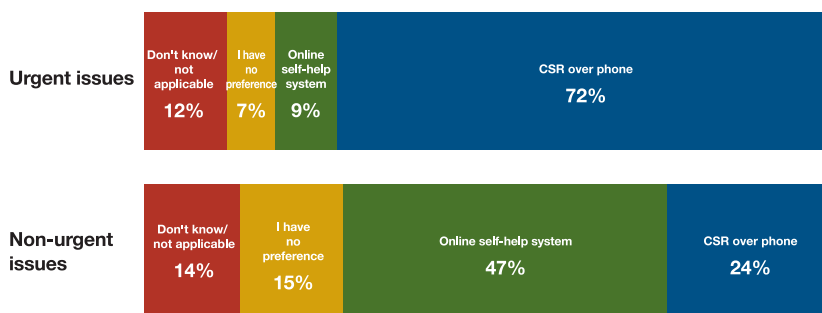
There is no denying that quality customer service provision is more challenging in the modern 24/7 web-enabled economy. It's now no longer just the young who expect to be able to contact the organisations they do business with at any time and by whatever channel they choose.

The Jacada survey found that online customer service provision is letting Dutch consumers down. Indeed, more than half (56%) say they have given up on the web site without having their problems solved. And 1 in 5 had to call the organisation anyway to get their issues resolved.

For which types of companies is it important to have access to a real person instead of using online customer support when you need to resolve an urgent or serious issue?

| | |
|---|-----|
| Banks | 57% |
| Insurance company | 47% |
| Internet provider | 42% |
| Utility provider (i.e. gas electricity or water etc.) | 41% |
| Local government services/governmental department | 41% |
| Cable or satellite TV company | 34% |
| Mobile phone company | 27% |
| Credit card company | 26% |
| Home phone company | 24% |
| Retailer | 18% |

How would you prefer to resolve your problems



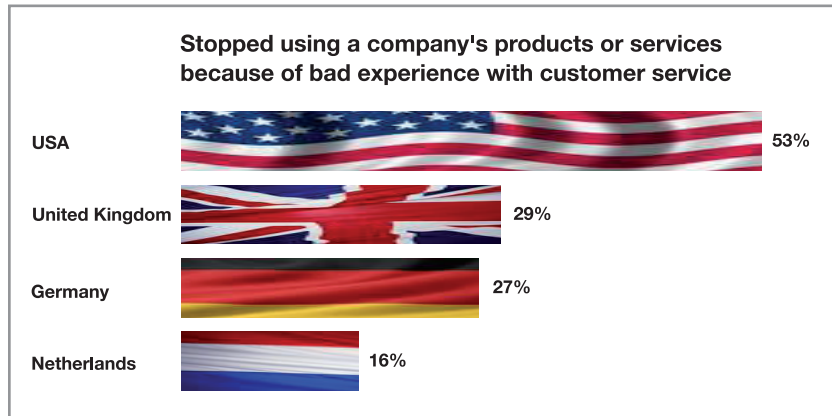
That's not to say phone-based customer service is perfect. Far from it. A quarter of people are hanging up the phone without getting their problems solved. But the Dutch seem to give their providers another chance, as the same amount called again to completely resolve their issues.

Consumers are becoming less tolerant

Whilst the survey found that Dutch consumers have become less accepting of poor customer service (51%), unlike the nationalities in other

service provision certainly does not create the conditions necessary for maximising additional or repeat business. And sooner or

later the customer will look for new suppliers, especially as only a quarter are actually satisfied with their customer service interactions.



Communications providers are especially at risk, internet, mobile telephony and cable being the top three industries cited as those consumers would most likely leave due to poor customer service.

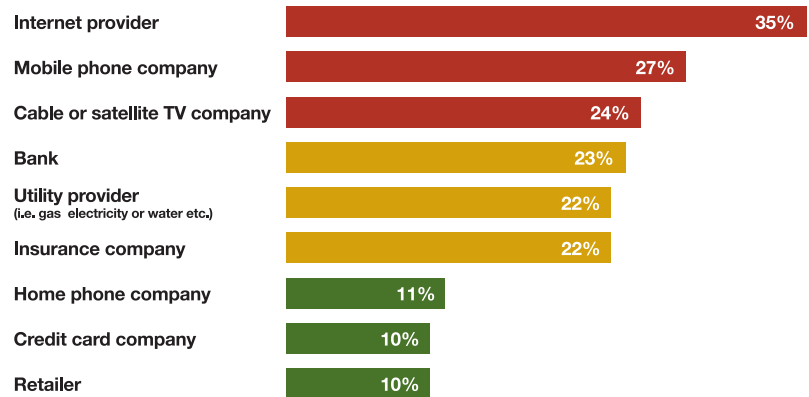
Jacada studies, the Dutch appear not to vote with their wallets. Yet.

Why do the Dutch remain loyal customers, even if customer service fails? As the survey didn't ask that question specifically, we can only guess, but possible factors are:

- The Dutch market offers a limited number of alternative suppliers, and changing is more complex than for some other countries
- The Dutch are pragmatic and have an attitude of: "It's fixed now. And I'll only have similar problems with the new supplier".
- Dutch agents appreciate the human side of the customer. Even if the measurable performance is moderate, the agent was polite, friendly and maybe even fun.

The relationship Dutch consumers have with their service providers may be a little bit more forgiving, but this much is certain – bad customer

Which if any (up to 3) of the following organisations' products/ services would you be most likely to stop using if you receive bad customer service?



Summary

Organisations' customer service provision is letting Dutch consumers down. And, although the needs and demands of consumers are changing in terms of customer service quality, companies are not adapting to match.

The underlying problems are the same as when the first call centres were established:

companies aren't as customer focused as customers want. In most instances the agent is measured and managed around the needs of the company rather than the customer. Even if that were changed they often don't have the tools and systems in place to enable them to build a fruitful interaction with the customer and deal with queries effectively.

Poor customer experience costs companies dearly: operational costs are higher than they need to be; expensive and hard-won image can be irreparably damaged; customer retention is impacted, and thus the life-time value of each customer is greatly reduced; opportunities are missed to cross and upsell products and services. Ultimately impacting shareholder value.

The leaders of those companies who want to make changes would do well to start by calling their own contact centres as a customer, and experience the realities rather than just what they would like to believe is true. Then ask themselves whether the frustrations that they experience are as a result of issues in the call centre alone, or whether they are a reflection of the company's attitude towards customers. There is much to gain for whomever identifies where the true blame lies and deals with the underlying causes.



+31 878 756 883 (Benelux)
+44 20 3178 4803 (UK)
+49 89 5908 2140 (Germany)
+46 8 522 278 80 (Nordic)
+1 770 352 1300 (US)

www.jacada.com

In August 2009 Jacada initiated surveys into phone and internet-based customer services in the Netherlands, Germany and Great Britain. In the Netherlands this was undertaken by Tangram Advice and Research through a representative sample of 528 Dutch adults (over 18) via a web panel. This provided remarkable insights into the attitudes of Dutch consumers towards the customer service expectations, experience and perceptions of the customer they have received. The availability of German and British results provided an interesting comparison. The replies of the respondents were distinguished by sex, age and region.

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