

Poor service from call centres threatens UK business

Submitted by: Wildfire

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- 69% of UK consumers would be less likely to purchase after a negative call centre experience, rising to 75% amongst 16-44 year olds
- Seven out of ten customers say they might or would definitely tell someone about a negative call centre experience
- Almost half of 25-44 year olds have changed suppliers because of a negative call centre experience compared to 35% across whole population
- Call Centre Focus Magazine launches independent initiative to find the UK's Top 50 Call Centres for Customer Service

London, UK, 17th July 2008: UK businesses that operate a call centre could be sitting on a demographic time bomb that threatens their future. New research released today shows that nearly half of 25-44 year old consumers have changed suppliers because of a negative call centre experience, significantly higher than the national average of 35%. And what makes things worse is that seven out of ten UK consumers say they would probably or definitely tell someone about a poor call centre experience.

The new research, carried out by leading market researcher GfK NOP Consumer, coincides with the launch of the UK's biggest ever industry-wide mystery shopping study to find the country's Top 50 Call Centres for Customer Service. This independent initiative, led by Call Centre Focus magazine, aims to recognise good practice and raise customer service standards across the industry.

Claudia Hathway, Editor of Call Centre Focus comments:

"The message of this research is clear. Call centres need to provide a great experience for their customers, or risk losing their business. And that means developing a customer-centric service strategy that takes into account the changing needs of today's consumers. To help find out what customers really want and highlight good industry practice, we will be carrying out 20,000 mystery shopping calls over the summer to find the UK's Top 50 Call Centres for Customer Service."

The growing importance of word of mouth recommendations was highlighted by the research, particularly amongst younger consumers, with 51% of 16-24 year olds saying they would definitely tell someone about a negative call centre experience, compared to 38% of 45-54 year olds.

Dr. Max Blumberg, Customer Management Strategist and Visiting Researcher at the University of London, who specialises in motivating workforces, leadership teams and sales forces said:

"This is very important news for bigger brands, who could be sitting on a demographic time bomb. They need to understand that the service provided by call centres is a key component of brand value in driving customer acquisition and repeat purchasing; it is no longer enough to focus on product and price alone. Consumers take a more holistic view of value when making purchasing decisions and the UK's most

affluent demographic groups are most likely to wield their buying power by changing suppliers.

“Yet even though the importance of customer service is well established many companies invest more in innovative product development and pricing strategies than they do in customer-oriented call-centre strategies. These companies usually end up with fantastic, well-priced products, but with markets that will not buy them because of personal or word-of-mouth negative call-centre experiences.

“Younger consumers are also much more likely than their parents to share their negative experiences with large audiences via internet chat, blogs and mobile communications. Brands who ignore these demographic trends are taking a big risk and are also likely to take a big hit on sales.”

The research also revealed that good customer service can produce powerful brand advocates with 49% saying they would be more loyal to a company after a positive call centre experience and 23% saying they would definitely recommend an organisation to other people. This figure rose to 29% amongst 16-24 year olds.

When asked to select the three most important aspects of customer service, friendly agents were seen as key by 53% of consumers, alongside speed of call answering (57%) and knowledgeable agents (49%). These qualities were seen as much more important than having their problems resolved in a single call (41%), being told their position in the queue while on hold (21%) and agents having access to their account history (20%).

The three most frustrating aspects of poor customer service when calling a call centre were complicated automated systems cited by 53% of consumers, together with long phone queues or long periods on hold (52%) and having to repeat your enquiry (42%).

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Notes to editors:

About Call Centre Focus

Call Centre Focus is the UK's leading monthly magazine covering all aspects of the call centre industry and customer service in general. Articles give practical advice and tips on how to ensure successful and effective customer contact and the regularly updated website (www.callcentre.co.uk) ensures that readers are kept abreast of the very latest market news. In short, it is a one-stop-shop for call centre professionals everywhere.

About Top 50 Call Centres

The Top 50 Call Centre initiative is a benchmarking exercise, in partnership with GfK NOP, an independent market research organisation, that aims to help call centres find out how the general public thinks they are performing through over 20,000 mystery shopping calls, half of these from current customers of each independent call centre.

Calls will be rated for customer service criteria identified by the customers themselves including timeliness, ease of use, reliability, staff knowledge and personalisation. The calls will reflect different enquiry types from simple requests to more complex enquiries, truly reflecting the range of calls the call centre receives. They will take place at different times of day, during peak and non peak periods, including weekends.

Research Methodology

GfK NOP Consumer carried out a survey of adults aged 16 years. The sample was designed to be representative of all adults in telephone owning households in the UK. Interviewing was carried out using fully trained and supervised market research interviewers. Interviews were carried out by telephone, using Computer Assisted Telephone Interviewing (CATI). Respondents were selected using random digit dialing. Quotas were set in terms of region, sex within age and class. 10% of interviews are monitored. The sample has been weighted to bring it into line with national population profiles and throughout this report both the weighted and unweighted bases have been shown.

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