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Customer Service Call Center Research

Objective:

The objective of this research was to quantify how customers' attitudes toward companies are influenced by their experiences with the Customer Service Call Centers.

Key Findings:

1. Companies are not offering the quality of Customer Service Call Center support expected by customers.

- a. Almost two-thirds (63%) rated their recent Customer Service Call Center experience as negative or neutral.
- b. When describing their experiences, "frustrating", "exasperating", and "wasted time" were phrases often used.
- c. While companies in almost every segment were named as examples of negative Customer Service Call Center experiences, some segments were more often cited:
 - i. Cellular service / phone equipment / long-distance companies
 - ii. Computer hardware / software companies
 - iii. Online and offline retail companies
 - iv. Financial services companies
 - v. Cable / internet providers.

2. Customer Service Call Center experiences directly impact the customers' relationship with the companies they do business with.

- a. Customers state that bad customer care call center experiences negatively affect their:
 - i. Perception of that company (83%).
 - ii. Likelihood to recommend the company to others (77%).
 - iii. Willingness to buy from that company (72%).



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- b. When customers have poor Customer Service Call Center experiences, they translate that service into the company telling them:
- i. *You can talk to a live person if you want to buy, but not if already bought.*
 - ii. *Don't call us; go look it up on the web yourself.*
 - iii. *It costs too much money to provide you a live person to talk to.*
 - iv. *If we do let you talk to a live person, it's their job to get you off the phone, quickly.*
- c. In many cases, customers describe experiences that cause them to discontinue their relationship with the company:
- i. *". . . I closed my account immediately."*
 - ii. *". . . I cancelled my service."*
 - iii. *"I've filed a complaint with the insurance commissioner. . . "*
 - iv. *"I am leaving and going to [a competitor]"*
 - v. *"I am looking for a new firm after a ten-year relationship. . . "*

Therefore, negative Customer Service Call Center experiences are likely to:

- i. Erode a company's brand image.
 - ii. Halt any positive word of mouth advertising.
 - iii. Stunt repeat purchasing from existing customers.
 - iv. Drive customers straight to the cash registers of your competitors.
- d. **The good news:** Excellent Customer Service Call Center experiences *positively* affect customers':
- i. Perception of that company (92%)
 - ii. Willingness to buy from that company (90%)
 - iii. Likelihood to recommend the company to others (88%).

Offering good Customer Service Call Center service can make a company stand out from its competitors. As pointed out by one customer:

- i. *"Experience with good ones [Customer Service Call Centers] make me really impatient when I reach the bad ones. Good competitors put bad companies out of business."*
- e. One astute customer described the opportunity companies have to build a stronger relationship with their customers by "saving the day."



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- i. *"I find that Customer Care representatives view their job as simply taking nagging phone calls. Really, their job means so much more than that to the caller. The Customer Care rep is there to really provide a solution, or be the 'Saver of the Day' for the problem or question the caller is contacting them about."*

3. Poor Reactions to Outsourcing either overseas or in the U.S.

Another interesting finding is that company image is adversely affected when Call Centers are outsourced, **either in the U.S. or offshore.**

Most callers report a negative to neutral impact when the call center is located offshore (98 percent) or outsourced in the U.S. (93 percent).

In-house Call Centers are either preferred (63 percent) or associated with no influence on company image (35 percent).

4. Customers have clear ideas of what makes for a good call Customer Service Call Center experience.

- a. Seventy percent want:
 - i. An easy menu with minimum clutter to reach an appropriate representative (71%).
 - ii. A rep who understands their needs (70%).
 - iii. A rep that speaks clearly and is easy to understand (69%).
- b. Two-thirds (67%) want their issue handled in a single call.
- c. When asked what additional criteria they use to judge a good Customer Service Call Center experience, four primary areas were identified:
 - i. Timing
 1. Customers do not want long hold times.
 2. Customers want their problems solved quickly.
 - ii. Expectations of a representative
 1. Customers expect reps to be polite, knowledgeable and empowered to take care of their problem.
 - iii. Ability to reach a live person
 1. Many customers want the ability to bypass menus to immediately reach a live person.



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- iv. Electronic information access for all representatives
 - 1. Customers expect that every rep they talk to should have access to customer records, minimizing the need to repeat basic information multiple times.

Are We Training Young People to Expect Poor Customer Service Call Center Experiences?

Thirty percent of the respondents identified themselves as college students in this study. ERDM noticed some interesting differences in how college students responded to several of the questions.

- 1. College students are less likely to be bothered by menu clutter than adults (57% vs. 78%).
 - a. Most students have been “raised” on automated call center menus and haven’t experienced anything else.
 - b. Students are also more likely to have a higher degree of comfort with technology than the average adult.
- 2. Students are less likely to have their opinions of the company swayed by poor Customer Service Call Center experiences
 - a. This leads to the interesting question of whether businesses are training young people to expect poor Customer Service Call experiences.

How Does Your Customer Service Call Center Compare?

These findings provide nine insights and action items for executives involved with Customer Service Call Centers:

- 1. Do not cut back on training, quality, and investment in Customer Service Call Centers.
- 2. Customers’ post-sales experiences have significant impact on repeat purchase likelihood and willingness to recommend the company.



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3. The **damage** from poor Customer Service Call Center experiences is significant. Companies need to consider what that is costing them.
4. Do not view Customer Service Call Centers as *cost* centers. In their rush to cut costs, companies must consider the financial ramifications of losing customers due to poor post-sale experiences.
5. Remember that it's **7 to 10 times** more expensive to acquire a new customer than to sell an existing customer.
6. Keep in mind that, per the research data, positive Customer Service Call Center experiences solidify the relationship between the customer and the company.
7. Companies should focus on the quality of customers' experiences with their Customer Service Call Centers, regardless of where they are located. Plenty of horror stories were reported regarding in-house, U.S. Call Centers as well as outsourced centers. The important takeaway is that customers **expect quality post-sale care**.
8. The fact that 35 percent of callers associated *no influence on company image with in-house* Customer Service Call Centers is alarming. These findings indicate that many companies are not viewing these in-house customer service interactions as an opportunity to strengthen their brand or customer relationships. This is a significant, wasted opportunity.
9. Personally check your Customer Service Call Center to see if it is up to your standards. As one customer articulately stated:
 - i. *"I think CEOs and all senior management of any company that provides services or products should call their call centers. They should note the amount of time it takes to get a live person or just to navigate the phone tree or website. . . [experience] the frustration of talking to someone who is not a native speaker, individuals who are not familiar with the product or service they are selling. . . individuals who can't be asked questions that aren't in their script. . ."*

To express your opinions and your experiences with Customer Care Call Centers, please go to www.erdm.com and click on "Customer Care Call Center Survey."
We welcome your feedback!



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About the Study

The study was conducted with adults and college students. Total sample was 303 respondents.

About Ernán Roman Direct Marketing

Ernan Roman is the pioneer who created the Consensual Marketing Opt-In Process and the Integrated Direct Marketing methodology. He is the co-author of the first book on opt-in marketing: "Opt-In Marketing: Increase Sales Exponentially with Consensual Marketing," published in June, 2004. The first printing sold out in six weeks. He appears regularly on ABC TV to discuss issues facing marketers. In 2004, BtoB Magazine named him to "BtoB's 10 Who's Who."

His previous book was "Integrated Direct Marketing: The Cutting Edge Strategy for Synchronizing Advertising, Direct Mail, Telemarketing and Field Sales."

Clients of his marketing consulting firm include Microsoft, Hewlett-Packard, Reliant Energy, IBM, United States Postal Service, Computer Associates, Golden Rule Insurance, Starwood Hotels and Applied Biosystems.