

# Customer Satisfaction in the Changing Global Economy

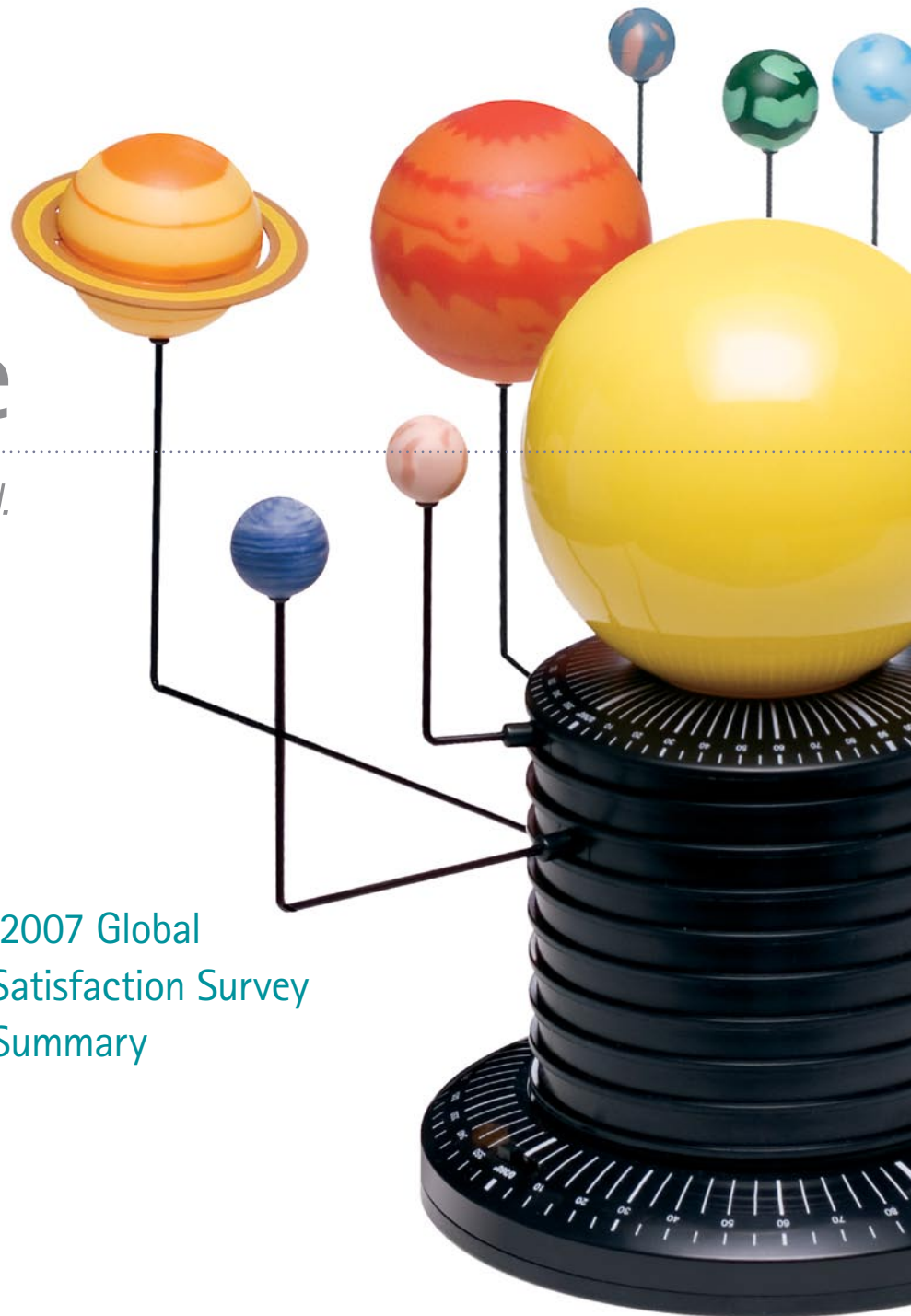
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Accenture 2007 Global  
Customer Satisfaction Survey  
Executive Summary

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# Customer Satisfaction in the Changing Global Economy

## Accenture 2007 Global Customer Satisfaction Survey

### Executive Summary

#### Summary

The findings from Accenture's third annual Global Customer Satisfaction Survey offer compelling evidence of the vital role played by the customer service experience when it comes to growth strategies. In a world where feature and price advantages can be quickly matched if not bettered by competitors from virtually anywhere in the world, a company's best source of sustainable competitive advantage may be the customer experience it delivers.

Our survey of more than 3,500 consumers in the United States, United Kingdom, Australia, Brazil, Canada, China and France finds that, although customer service has more influence on customer behavior than ever, few companies are distinguishing themselves for service quality. In emerging markets—such as Brazil and China, which place even greater importance on service quality—this finding has profound implications for companies planning to expand into these geographies.

#### High Performance and the Customer Experience

In a world where feature and price advantages can be quickly matched if not bettered, a company's one remaining source of sustainable competitive advantage may be the quality of the customer experience it delivers. Accenture's ongoing research on High Performance Business<sup>1</sup> has shown, in fact, that a consistent, differentiated customer experience has a greater impact on customer loyalty—and, by extension, on growth, profitability and shareholder value—than any other factor related to managing customer relationships.

1. "High Performance Marketing and Customer Management," Accenture, 2005.

Now, Accenture's third annual Customer Satisfaction Survey further illuminates the relationship between the customer experience and business performance. Our research finds that, around the world, consumers expect better service quality. It confirms that consumers are more likely to leave a provider because of poor service than for any other reason. It also reveals that service quality is the most powerful factor—more influential than price—in choosing providers or choosing to do more business with them.

#### Accenture helps organizations find their most intelligent, efficient path to customer centricity.

Our survey—which sampled more than 3,500 consumers in the United States, United Kingdom, Australia, Brazil, Canada, China and France—also found that while consumers everywhere value customer service—and in some countries, such as Brazil and China, they value it very highly—the factors that determine whether they find a service experience satisfying or frustrating vary significantly by country—a finding with profound implications for companies seeking to drive growth by expanding into new geographies.

#### Behind the Research: How the World Is Changing

Buyers are exposed to more of the world than ever before—through cable and satellite television, the Internet and increased travel—and as a result,

their tastes and interests have broadened dramatically. Moreover, the long economic dominance of the United States, Europe and Japan is giving way, and economic power is increasingly shared with developing economies.

This new "multi-polar" environment—comprising multiple centers of economic power and activity—is rewriting the rules of competition. Competition can now come anywhere in the world and more competition means more product options and, often, lower prices for customers, undermining traditional growth strategies based on innovation and pricing.

The multi-polar world presents opportunities, however, as well as challenges. Unprecedented growth opportunities await companies in emerging economies such as India and China. Consumers in these markets, however, can be vastly different from those in more developed markets—and their needs, values and behaviors as customers can vary dramatically from region to region.

To capitalize on these opportunities, companies will need deep insight into what's relevant to local consumers—and the ability to operationalize these insights through their marketing, sales, distribution and product development efforts. Companies must also find new ways to attract and retain customers that cannot be easily duplicated or offered at a lower price by more efficient competitors. In short: organizations will not succeed in today's economy if they do not react to the changing marketplace around them.

## Key Survey Findings

### Service quality is the leading reason why consumers leave a provider or choose a new one

For the third straight year, service quality is the leading reason why consumers decide to leave a provider—not only in developed economies such as the United States and United Kingdom but globally. Overall, service outweighs price by 20 percent as a reason for switching. In some countries—Australia, Brazil, China, for example—it has even more influence. In addition, more than three-quarters (77 percent) say they are much more inclined to continue doing business with a company that delivers a positive service experience.

Consumers also expect more when it comes to service. One-third (33 percent) of the consumers in our global sample have higher expectations for customer service today compared to one year ago. Slightly more than one-half (52 percent) say their expectations are higher today than they were five years ago. Many respondents also believe the amount of business they do with a company should determine the quality of the service they receive. In fact, 45 percent say they expect much better service when they purchase more from the company; about one-fourth say they expect somewhat better service. For most, "better" means a representative taking more time to answer their questions and a faster response to their inquiries, followed closely by live access to a service representative.

Bottom line: any company not working to tailor the customer experience to customer preferences—or any company that still serves customers the same way it did five years ago—is extremely vulnerable to competition.

### Service expectations are rising, but service quality is not

Our findings also show a gap between customers' expectations and what they actually experience. Generally, companies are failing to differentiate

themselves based on service—or to satisfy the rising expectations of consumers. Few respondents consider themselves "very satisfied" or rate their experiences as "excellent"—and excellence is what's called for in this time of heightened global competition. In fact, 41 percent of our global respondents describe service quality as fair, poor or terrible and only 5 percent describe it as excellent. In Brazil, for example, more than half (54 percent) describe customer service as fair, poor or terrible—in China, 56 percent feel the same.

What's more, although customer expectations have risen over the last few years, the percentage of "very satisfied" customers has remained flat for every service channel over the three years we have conducted this survey.

### Undifferentiated service means lost business

The shortfall in service quality is more than a mere annoyance—it has genuine business impact: lost customers as well as missed opportunities to gain new business. Most respondents (59 percent) report having switched at least one provider in the past year due to poor service. Switching occurs across industries, with geographic variations. In Brazil, for example, wireless/cell phone companies suffered the greatest frequency of switching (41 percent); in France that distinction belongs to Internet service providers.

In countries we have surveyed previously—the United States and the United Kingdom—the percentage of consumers leaving due to poor service has increased over time. The United Kingdom, for instance, has risen 8 points from 50 percent to 58 percent during the last three years.

Poor service may also be preventing companies from attracting new customers: nearly 60 percent of our respondents say customer service is the key differentiating factor when choosing a new provider—even ahead of price (55 percent), product (34

percent) and convenience (34 percent). This finding offers the clearest evidence yet that companies known for delivering a substandard service experience have a steep challenge ahead when it comes to growth.

### Our Perspective

We believe that, in our increasingly multi-polar world, the ability to deliver a satisfying service experience is the most powerful source of sustainable competitive edge—nothing else compares. To deliver the kind of differentiated experience that drives high performance, successful organizations must become truly customer-centric, incorporating the customer's perspective, value and actions into their business and operations strategy, capability development and execution. For many organizations, this may prove to be a hard transition to make.

Accenture helps organizations find their most intelligent, efficient path to customer centricity. Our knowledge of customer centricity—gained through extensive market research—and our deep experience—accumulated through years of client work—combine to create a powerful resource for transformation. As a result, we are able to help our clients quickly develop new growth strategies in response to changing consumer demands and new market opportunities. We help them operationalize new approaches to customer segmentation, producing more relevant offerings and better differentiated service experiences. And we help them execute these models, quickly and flawlessly, across the supply chain.

### Contact Us

To discuss how we can help your organization, call us toll-free at 1 (877) 889-9009. Outside the United States please dial 1 (312) 737-8842.



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Accenture's Customer Relationship Management service line helps organizations achieve high performance by transforming their marketing, sales and customer service functions to support accelerated growth, increased profitability and greater operating efficiency. Our research, insight and innovation, global reach and delivery experience have made us a worldwide leader, serving thousands of clients every year, including most Fortune 100 companies, across virtually all industries.