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Accenture 2010 Global Consumer Research executive summary

• Consulting • Technology • Outsourcing

Introduction

Accenture annually surveys consumers across geographies and industries about their experiences and behaviors. The 2010 Accenture Global Consumer Research assessed consumer attitudes toward marketing, sales and customer service practices in 10 industries among more than 5,800 people in 17 countries. This year's survey highlights several important dimensions—and shifts—in consumer and provider relationships. Companies striving to achieve or sustain high performance should seek to understand how these consumer perceptions are impacting their own customer bases as well as the implications for future profitable growth.

Key Findings

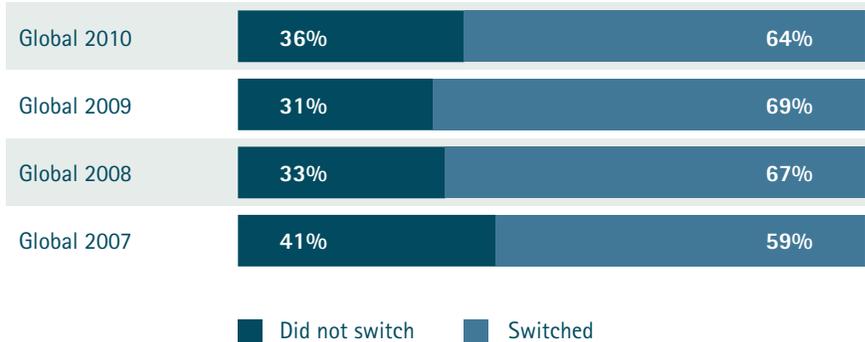
2010 findings showed the first decline in switching providers due to poor customer service in years

For the first time in six years, the number of consumers who switched service providers as a result of poor customer service declined in 2010. [Figure 1] The 2010 Accenture Global Consumer Survey found that 64 percent of consumers switched from at least one service provider—a bank, utility or wireless carrier, for example—due to poor customer service in 2010. This reverses a multi-year trend in which the number of consumers making a switch had steadily risen to a high of 69 percent in 2009.

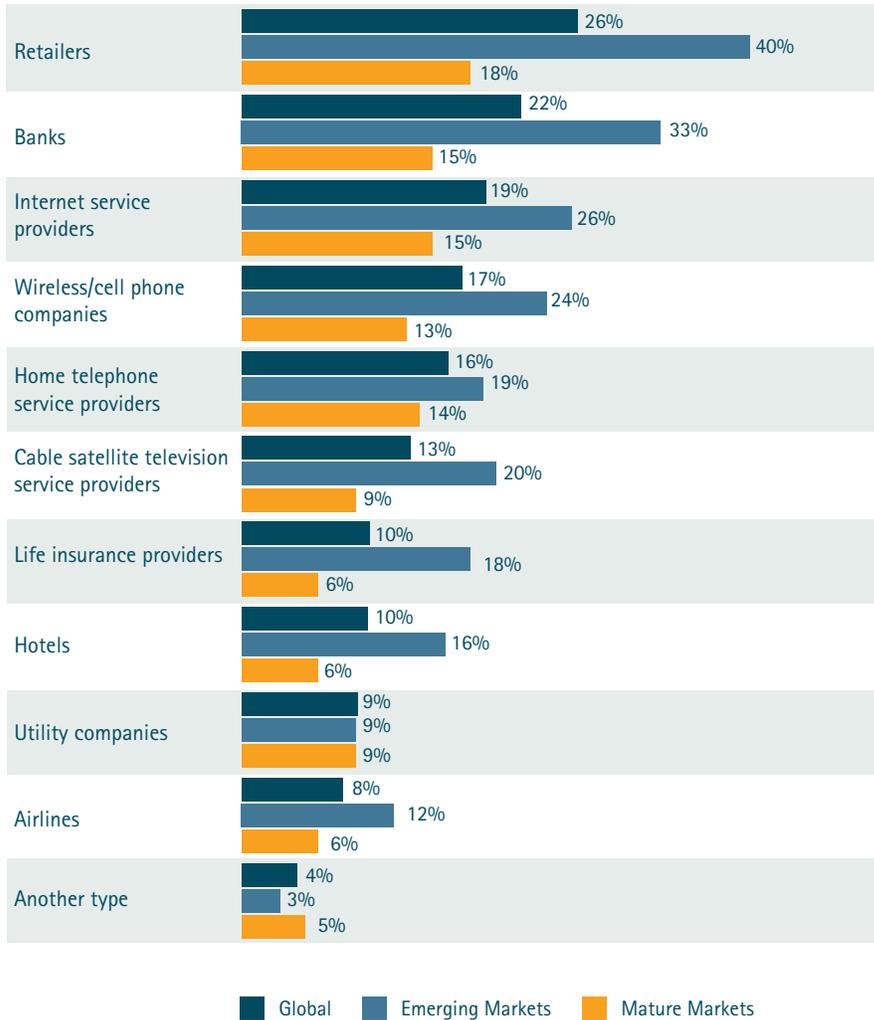
Still, two in three consumers have switched companies in the past year due to poor customer service. Consumers in emerging markets are more inclined to switch providers due to poor service across all industries, especially within the retail and banking industries.

Figure 1

Switching in at least one industry due to poor customer service – Global Sample



Switching due to poor customer service by industry – Emerging vs. Mature Markets



This current decline in switching does not imply that consumers are getting what they want.

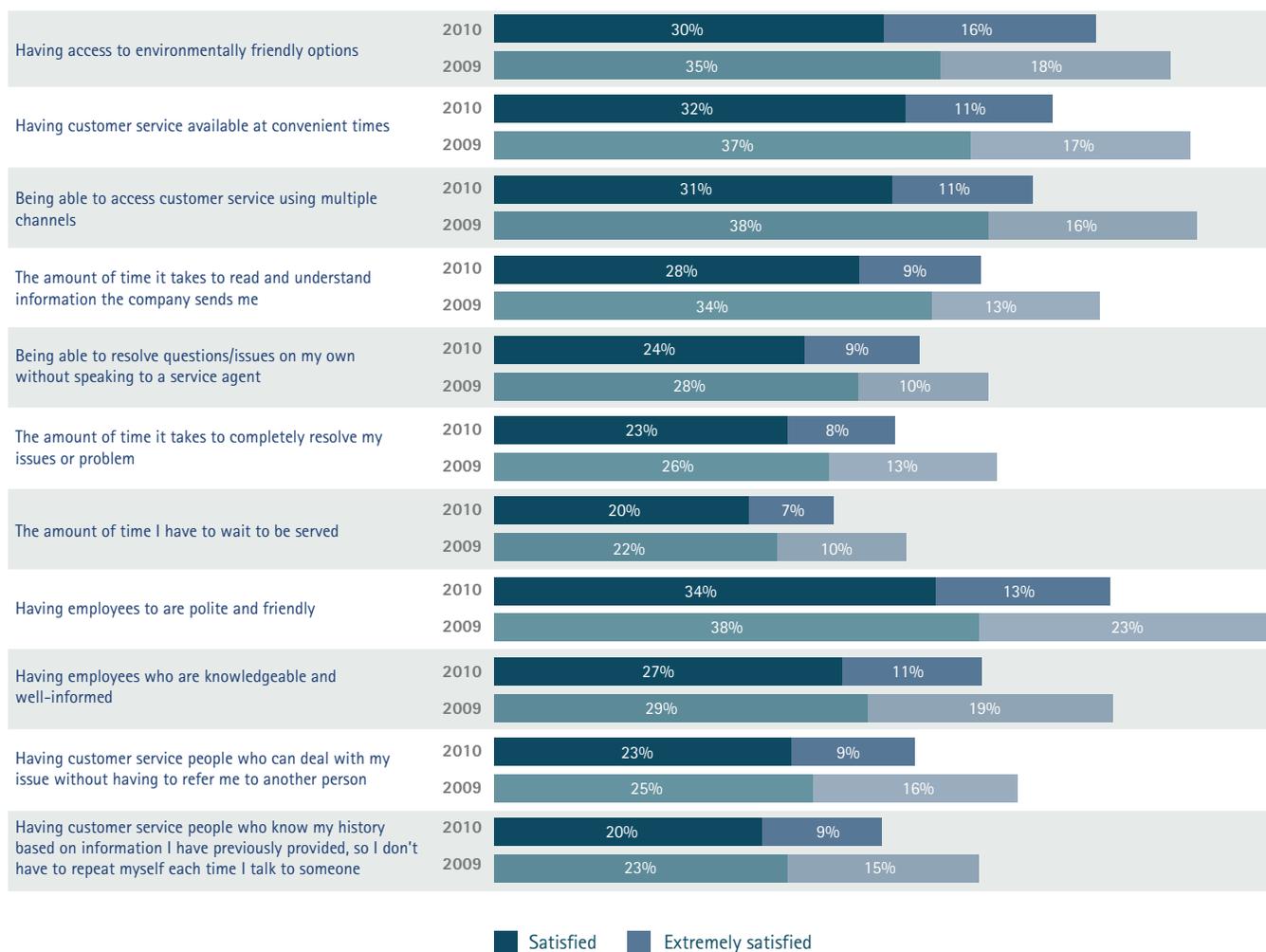
On the contrary, satisfaction with customer service has decreased since 2009 in each of 11 characteristics measured—from having customer

service available at convenient times to accessing service through multiple channels. [Figure 2] Additionally, consumers continue to have higher expectations for customer service. A large percentage of consumers in emerging markets report that their customer service expectations are now higher than they were five years

ago (ranging from 55% to 89% in individual countries) and even report increases in expectations compared to just one year ago. Mature market respondents also indicated greater expectations than in previous years (compared to both one and five years ago) but with smaller increases than those in emerging geographies.

Figure 2

Customer Service Characteristic Satisfaction – Global Sample



Consumers are not willing to trade off customer service, product options, or product quality in exchange for lower prices

The 2010 Accenture Consumer Survey also found that more than half of global consumers (54 percent) are not willing to compromise on levels of customer service, product options, product quality and frequency of communications with companies in exchange for lower prices. [Figure 3] Additionally, the percentage of consumers who identified price as the reason for selecting a new provider declined from 75 percent in 2009 to 57 percent in 2010. [Figure 4]

Figure 3
Price trade-off- Global Sample by industry

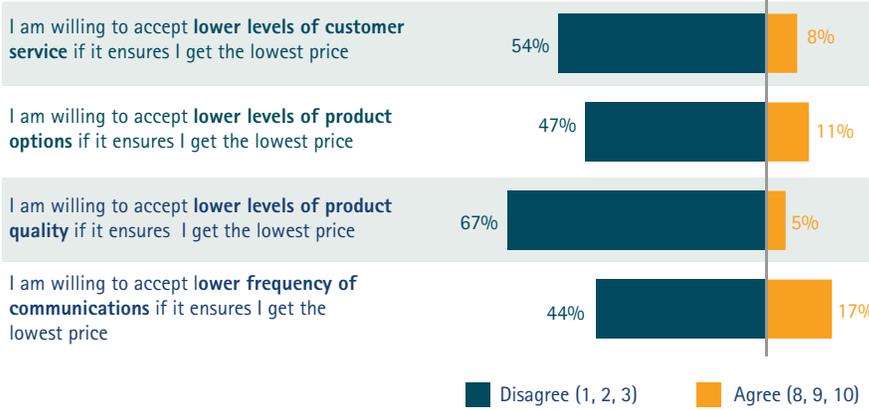
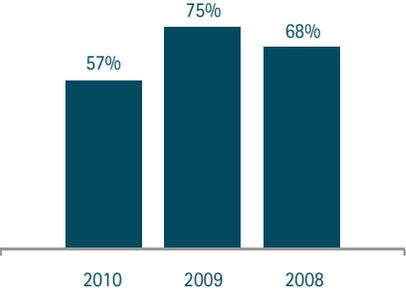


Figure 4
Price as reason to select a new provider - Global Sample by industry



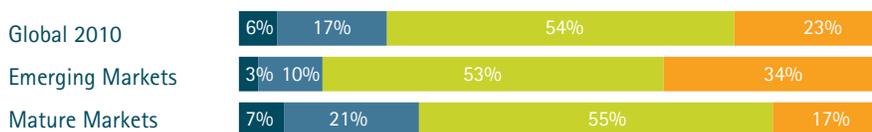
Technology has helped improve the overall customer experience

Consumers report that the increased use of technology has improved their awareness of products and services as well as their experience in handling customer service issues. More than three-quarters (77 percent) of global consumers reported that the use of technology in the pre-sales phase—such as e-mail advertisements, online banners, product comparison tools and online ordering—has improved their experience when deciding to purchase a service provider's offerings. More than two thirds (66 percent) say their growing use of technology for customer service through such channels as automated phone attendant, live Internet chats and self-service options on a website has improved the level of service over the past several years. Consumers in emerging market countries rate the importance of technology even higher—both for Marketing and Sales as well as for Customer Service—than their counterparts in mature markets. [Figure 5]

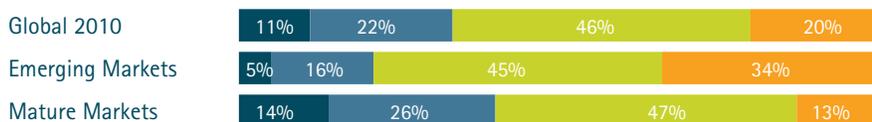
Figure 5

Experience Impact of technology – Global Sample

Technology Use in Marketing and Sales Practices



Technology Use in Customer Services Practices



Strongly disagree
 Somewhat disagree
 Somewhat agree
 Strongly agree

Word of mouth is still the basis for consumers' decisions

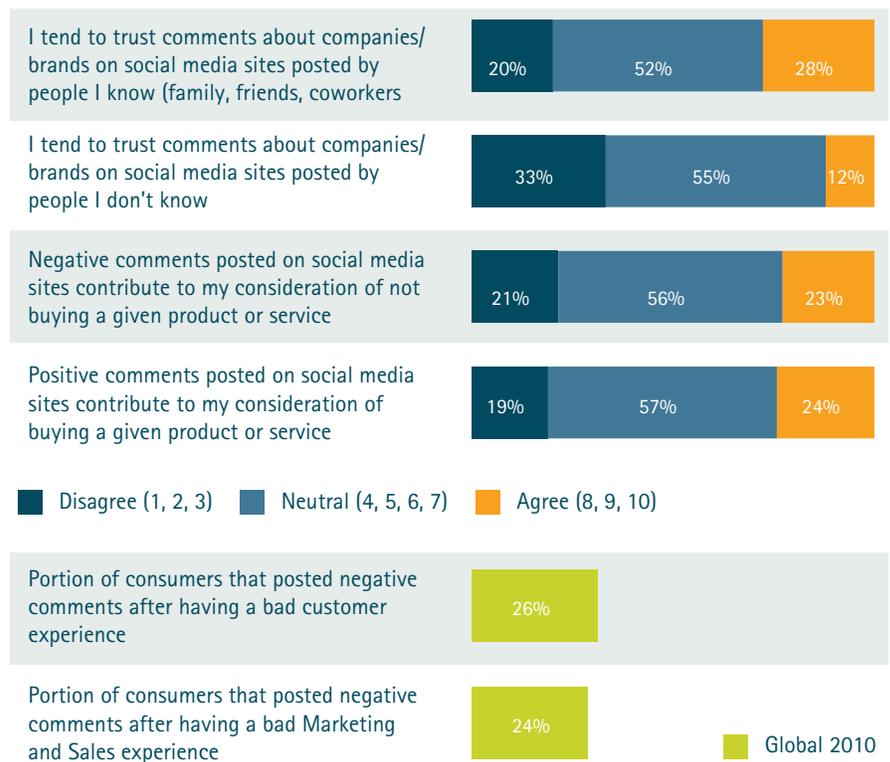
Word of mouth remains, however, the source of information respondents use most (76 percent) and consider most important (56 percent) when deciding whether to do business with a service provider. Word of mouth extends to postings on social media sites, where one in four respondents say they trust the comments about companies and brands posted online by people they know. [Figure 6]

Figure 6

Information sources/channel - Global Sample



Trust, Influence and Use of Social Media - Global Sample



Trust is an increasingly important influencer of customer behaviour

The survey also identified trust between customers and a company as a strong influencer of customer behaviour. When it comes to making the decision to switch, loss of trust has increased or stayed the same in eight out of the 10 industries—increasing significantly in consumer electronics manufacturers, consumer goods retailers and travel and tourism providers. Fewer respondents cited trust as a reason for switching banks and financial services companies (23 percent in 2009 vs. 18 percent in 2010) and life insurance providers (19 percent in 2009 vs. 13 percent in 2010) [Figure 7]. Still, only one in four respondents say they trust the companies with which they do business.

Figure 7

Trust mentioned as reason for complete switching (multiple factors possible) – By Industry

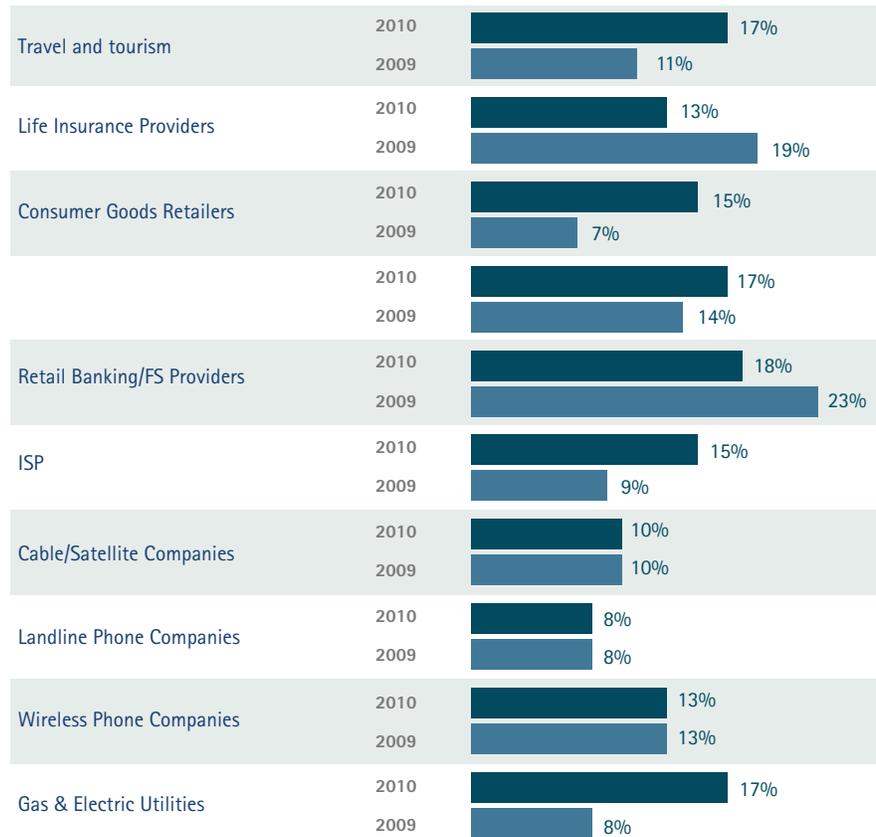
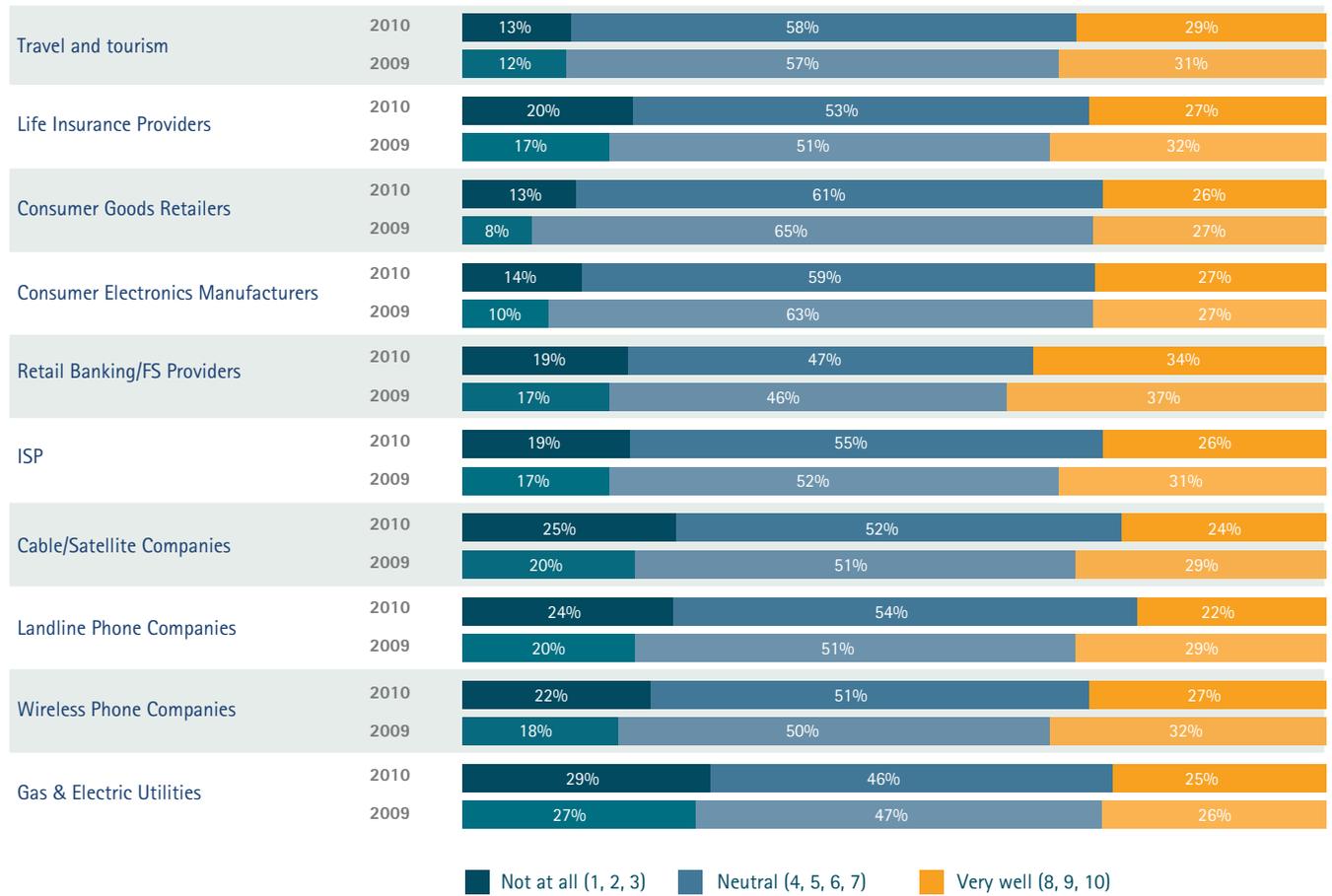


Figure 8

Trust - Global Sample by Industry



Over the past year, loss of trust has increased as a reason selected by respondents for deciding to switch from consumer electronics manufacturers, consumer goods retailers and travel and tourism providers.

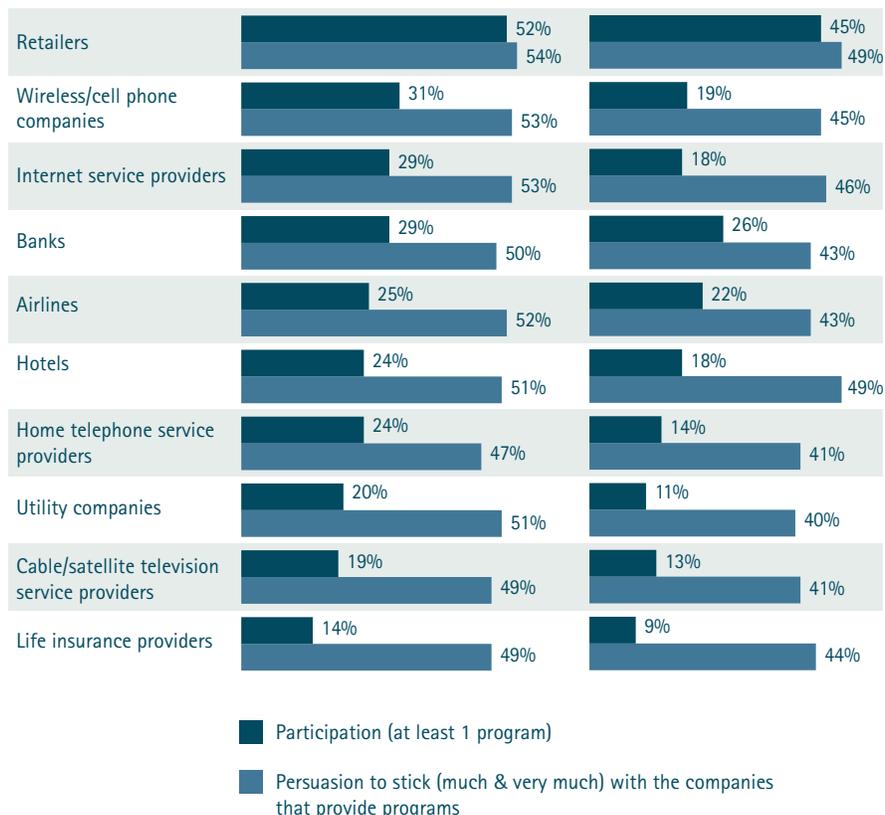
Loyalty programs can help manage expectations and deliver relevant experiences

Participation in loyalty programs continues to be relatively low, but across the 10 industries assessed in the study, the percentage of consumers who participated in at least one loyalty program increased in 2010 as compared with 2009. For example, participation in retail loyalty programs grew from 45 percent of consumers in 2009 to 52 percent of consumers in 2010. Participation in hotel loyalty programs grew from 18 percent to 24 percent, and for wireless service providers, consumer participation grew from 19 percent to 31 percent. [Figure 9]

Similarly, the percentage of consumers who were persuaded to remain with their service providers as a result of loyalty programs increased in 2010 as compared with 2009: from 49 percent to 54 percent among retail consumers; 45 percent to 53 percent among wireless service provider consumers and 49 percent to 51 percent among hotel consumers.

Figure 9

Loyalty program adoption and effectiveness



About Accenture Customer Relationship Management Solutions

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.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 211,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is www.accenture.com.

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