Start Making Sense

Defining Customer Experiences that Enable High Performance

Accenture 2009 Global Consumer Satisfaction Report

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Many experts believe that, while the global economy may have turned a corner, recovery will be prolonged and sluggish. Changing consumer attitudes and behavior will play a key role in setting the pace of recovery and generating new opportunities for organic growth. This paper is one of a series of reports on consumer behavior during the downturn and beyond, based on recent in-depth Accenture research. In this paper, we highlight key findings from our most recent consumer satisfaction survey—an annual program—and offer recommendations for shaping customer service experiences that help capture and retain valuable relationships.

Customer Satisfaction

Introduction

Each year, Accenture surveys several thousand consumers on their customer service experiences. The key findings from this year's survey highlight several interesting dimensions of current consumer/provider relationships. Companies eager to achieve or sustain high performance—in the current economic phase and in the upturn to come—should strive to understand how these issues are playing out in their own customer base, and make sense of the implications for future growth and the impact on profitability.

For example, our research indicates that consumers are more demanding than ever and that many companies are not keeping pace, resulting in the highest level of switching due to poor customer experiences ever detected by this annual survey (most notably for banks and retailers). Moreover, across industries, consumers perceived little change in how hard providers worked to keep their business.

No set of industry providers managed to deliver a very satisfying experience to more than half of their customers–hotels and retailers came closest. Yet retailers also experienced the highest level of switching, pointing out yet again that customer satisfaction scores are weak indicators of loyalty and future business.

At the same time, consumers also appear less apt simply to exit a relationship immediately when they experience poor service. Responses to this year's survey indicate they are more willing to take other actions—asking to speak to a supervisor, for example, or calling back to reach a different representative. However, a very large majority tells others about their bad experiences and a significant number make negative comments online, demonstrating the damage unhappy customers can do even when they stay.

Similarly, when evaluating alternative providers to switch their business to, consumers rely most on information obtained through word of mouth and are more influenced by online information obtained from other sources than by the provider's own print and online advertising or direct mail. These findings underscore how consumers increasingly "control the conversation" in this time of digital transformation, and the new challenges faced by marketers attempting to manage corporate reputations and shape brand perceptions in the marketplace.

Given recent economic conditions, it is not surprising that in our global sample consumers who switch identified price as the most important factor when choosing their replacement provider. It is surprising, however, how much influence a reputation for high-quality customer service has in this decision. In fact, consumers in the emerging markets we surveyed identified customer service as the most important factor when choosing a new provider.

The survey found other interesting geographic variations. Consumers in emerging markets—an important growth opportunity for many companies—are generally less satisfied than those in mature markets with service quality. Their service expectations are increasing more rapidly and consumers are more likely to have recently switched providers because of poor service. Generational differences also emerged. Younger consumers have higher expectations than those of older generations, and are more likely to switch providers when their expectations are not met.

Accenture believes that these findings, which are described in more detail in the body of this report, show how imperative it is that enterprises finally leave behind the "one-size-fits-all" approach to customers, and fully embrace a service model that provides differentiated service experiences based on the expectations and requirements of individual—and closely understood—customer segments and the current and potential value of those segments.

Some of the most successful practices we have seen used by high-performance businesses include:

- Enabling the most valuable customers to configure service experiences to their own specifications and preferences.
- Facilitating repeat interactions between customers and the same service agents, to build lasting and deeper relationships.
- Providing highly satisfying "do-it-yourself" service options for all customers.
- Fostering tighter collaboration between customers and agents and between agents and other front-line and back-office employees, to direct the full force of the enterprise workforce toward delivering a satisfying customer service experience.
- Enabling these practices through seamless integration of all service-channel customers, and with robust business intelligence and analytics tools that accurately predict customer preferences and behavior.

By continually raising the bar for customer service, customers across industries and countries are also intensifying performance challenges for companies everywhere. However, Accenture believes organizations that recognize they need not be all things to all people and, consequently, deliver differentiated service experiences when and where it matters most will be best positioned to outperform their competitors and achieve high performance in the upturn.

Key Findings

Accenture surveys consumers around the world annually about specific aspects of the customer service experience, including:

- Their impressions of service quality
- Their service expectations and how well providers are meeting them
- The aspects of service they value most
- How they react to poor service

In 2009, we surveyed 5,050 consumers in 12 countries. In this report, we highlight our key findings and the implications of changing consumer attitudes and behaviors for business performance.

Consumer Expectations Are Higher than Ever

Are Companies Keeping Pace?

On the whole, consumers around the world perceive the quality of customer service to be good, although this perception varies significantly by country. However, a closer look suggests that companies are failing to build close ties to their customers. In fact, most consumers do not feel companies are satisfying their expectations for customer service—particularly in emerging markets—and those expectations are increasing (see Figure 1).

Current Perceptions of Service Quality

Globally, the majority of consumers we surveyed described the quality of the customer service they experienced as good. In fact, although perceived service quality among respondents in China continues to decline (44 percent in 2007 to just 35 percent of survey respondents this year), in most other countries this perception has turned upward over time.

In fact, five of the 12 countries sampled rated the quality of service they received from most companies above the global average: 3.62 on a 1 to 5 scale, an increase from 3.57 in 2008. Consumers in the United States were the most satisfied with the quality of service received, with an average of 3.74 for 2008 and 3.83 for 2009. In contrast, South African consumers were the least satisfied (3.22) this year (they were not part of the sample in 2008), and German consumers, who were the least satisfied in 2008, were the second lowest for 2009 (3.36).

Consumers in mature markets rated service quality significantly higher than those in emerging markets (3.66 vs. 3.47). In fact, three of the four emerging-market countries (Brazil, China and South Africa) were below the global average. The exception was India, which joined the United States, Canada, Australia and the United Kingdom in rating service delivery above the global average.

France, in particular, has experienced an increase in customer satisfaction, with the proportion of respondents providing positive ratings steadily increasing from just 39 percent in 2007, to 54 percent in 2008, to 60 percent in 2009. Brazil improved as well, going from 44 percent in 2007 to 53 percent in 2009.

Evolution of Consumer Expectations

While respondents perceive service quality to be improving, their expectations seem to be rising faster. Generally, consumers have much higher expectations today than they did five years ago. In fact, their expectations have increased significantly during just the past 12 months—particularly in emerging markets.

More specifically, 75 percent of consumers from the emerging markets of South Africa, India, China and Brazil reported their customer service expectations are now higher or much higher than they were five years ago. Moreover, 59 percent of consumers in these countries maintain their expectations are higher than they were just 12 months ago.

Expectation vs. Experience: The Performance Gap

As customer expectations increase, companies seem to be falling short, despite the improved perception of service quality. In fact, just two in five global consumers said companies meet their expectations frequently or always. Furthermore, the percentage of consumers whose expectations were frequently or always met has declined from 53 percent in 2007, to 45 percent in 2008, to just 40 percent in 2009. Against the backdrop of ever-growing service expectations, companies must be concerned about this widening gap (see Figure 2).

Underscoring this point, only five of the 12 countries surveyed rated the frequency with which companies met their service expectations above the global average. Consumers from India, Canada and the United States were among these, with more than 50 percent indicating their expectations were frequently or always met. In contrast, consumers in the emerging countries of South Africa, Brazil and China were much less likely to say companies always or frequently met their expectations (26 percent to 28 percent).

Figure 1: How have your customer service expectations changed over time?

Expectations are increasing, particularly in emerging markets

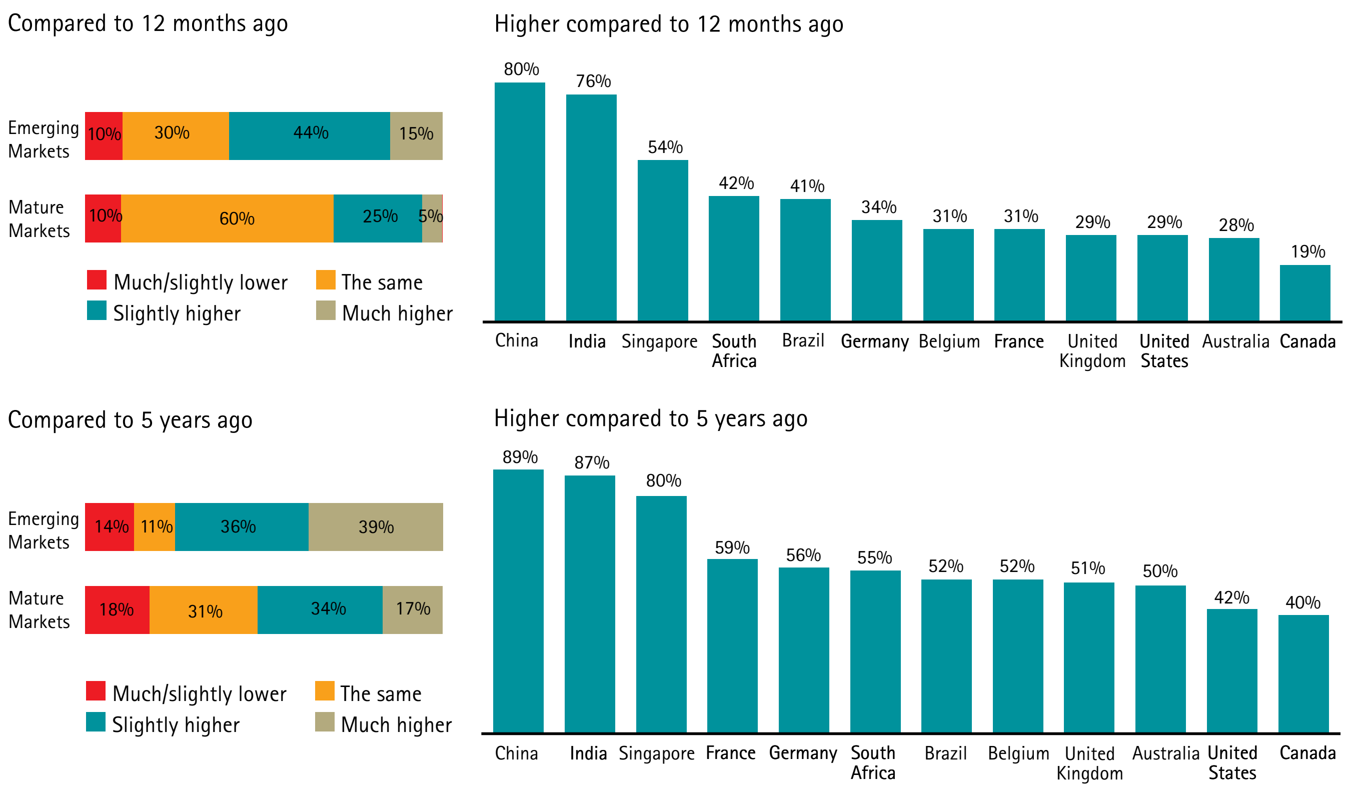
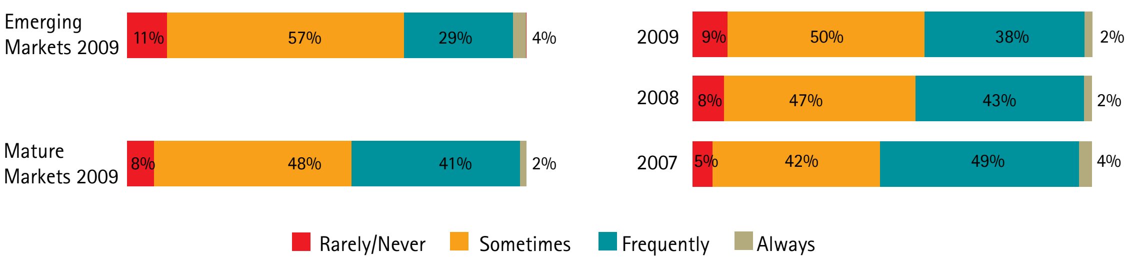


Figure 2: How often do companies meet your customer-service expectations?

Consumers' in emerging markets are far less likely to feel their expectations are being met than consumers in other regions.

Globally, consumers' believe that their expectations are being met has declined over time.



Note:
All figures in this report showing year-on-year trends reflect the following sample compositions.
Countries sampled in 2009: Australia, Belgium, Brazil, Canada, China, France, Germany, India, Singapore, South Africa, the United Kingdom and the United States (N= 5050).
Countries sampled in 2008: Australia, Brazil, Canada, China, France, Germany, India, the United Kingdom and the United States (N= 4189).
Countries sampled in 2007: Australia, Brazil, Canada, China, France, the United Kingdom and the United States (N= 2311).

What Do Consumers Care About Most?

And Are They Getting What They Want?

While consumers have many expectations for customer service, they care most about how well-informed and personable their customer service representative is, how fast and efficient customer service is, how often they are referred to another service agent and how long it takes a company to resolve their issue. Similarly, while consumers demand more from many aspects of customer service, they are most likely to expect service to be more convenient and speedy, and to expect their customer service agents to be more knowledgeable.

While companies are performing well in some areas—in fact, satisfaction has improved slightly between 2008 and 2009—they still have ample room for improvement in all areas, including those areas consumers perceive to be most important.

General Expectations for Customer Service

Overall, the perceived importance of all dimensions of service remained substantially the same between 2008 and 2009. In both years, when asked which general aspects of customer service were most important to get right, respondents overall tended to identify issues associated with time: how fast customer service is, how long it takes a company to resolve their issue and convenient availability of service. Each of these was cited by between 56 percent and 60 percent of respondents as "extremely important." In comparison, access to environmentally friendly options was the least important customer service criteria, but still relevant to a sizeable number of survey participants.

The single least satisfying aspect of service is the amount of time consumers have to wait before they are attended to (32 percent satisfied vs. 33 percent dissatisfied, for an average rating of 2.97). In contrast, consumers are most satisfied with their ability to access customer service using multiple channels and to obtain service at convenient times.

Expectations for Service Representatives

Regarding the people who provide customer service, the most important factors to customers are being served by workers who are polite and friendly, knowledgeable and well-informed, and who already know the customer's history (why he or she is calling, for example). Yet approximately one-third of consumers said they are dissatisfied with agents' knowledge of their history with the company, which compromises the service experience.

How Expectations Have Changed over Time

Consumers who expect more from their customer service experience are looking for four specific things: more convenient customer service (74 percent), more knowledgeable or better-trained representatives (67 percent), faster customer service (66 percent) and more channel options for getting service (64 percent). In comparison, consumers are least likely to expect that the customer representative who serves them will know more about them. Despite the economic downturn, being offered more options for handling their personal finances is also less important, relative to other factors, for consumers in most countries—except South Africa, where 51 percent expect more of such options.

Also on the topic of regional differences, expectations are increasing more among consumers in emerging markets across nearly all aspects of the customer experience. (see Figure 3).

Top Causes of Consumer Frustration

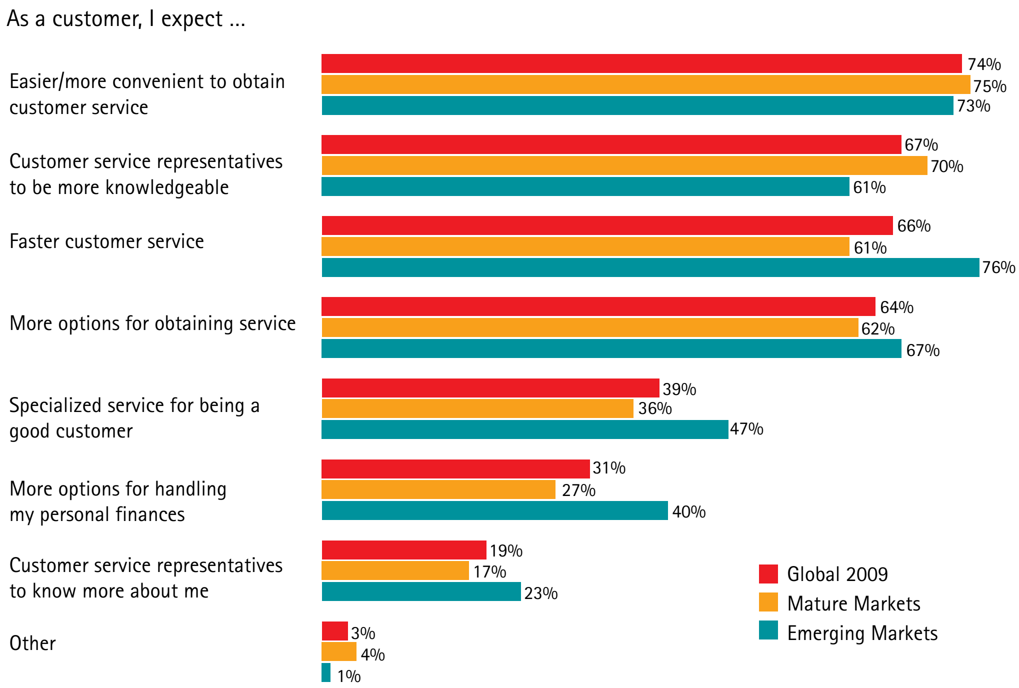
In addition to having high expectations for many aspects of customer service, consumers are frustrated by a range of service hassles. Lengthy hold times, dealing with multiple agents on the same issue, having to repeat information, representatives without answers and rudeness are foremost on the list of issues consumers find most frustrating—and also tend to encounter with some frequency.

Globally, consumers are most frustrated with being kept on hold for a long time when contacting customer service and by having to contact customer service multiple times for the same reason. Each of these experiences was cited by more than 60 percent of consumers as "extremely frustrating" (see Figure 4). Furthermore, nearly half said they encounter such a situation "a lot."

Indeed, we found that consumers generally are impatient when it comes to spending time getting service issues resolved. In fact, 60 percent or more of the global sample are unwilling to spend more than 30 minutes to have their concerns addressed. Consumers in Brazil, Belgium and France are the most impatient, with more than 55 percent only prepared to spend up to 15 minutes. Conversely, consumers in Canada, the United Kingdom, South Africa and the United States are the most patient, with more than 30 percent of consumers willing to take as long as necessary to get their customer service issues resolved.

Beyond wait time, multiple customer handoffs are a major frustration, with most consumers willing to speak to just two people to resolve their issue. Only one in four are willing to speak to as many people as necessary. This level of tolerance is more pronounced in mature markets. In particular, Canada, the United States, the United Kingdom, South Africa and Australia are the only countries where about one in three consumers will speak to as many people as required. Less than one in six in the remaining countries is willing to do the same. For instance, 71 percent of consumers in France are unwilling to speak to more than one person.

Figure 3: How have your customer expectations increased (multiple mentions)?



Base: Respondents who have raised their expectations for customer service.

Figure 4: How frustrating do you find the following aspects of customer service?

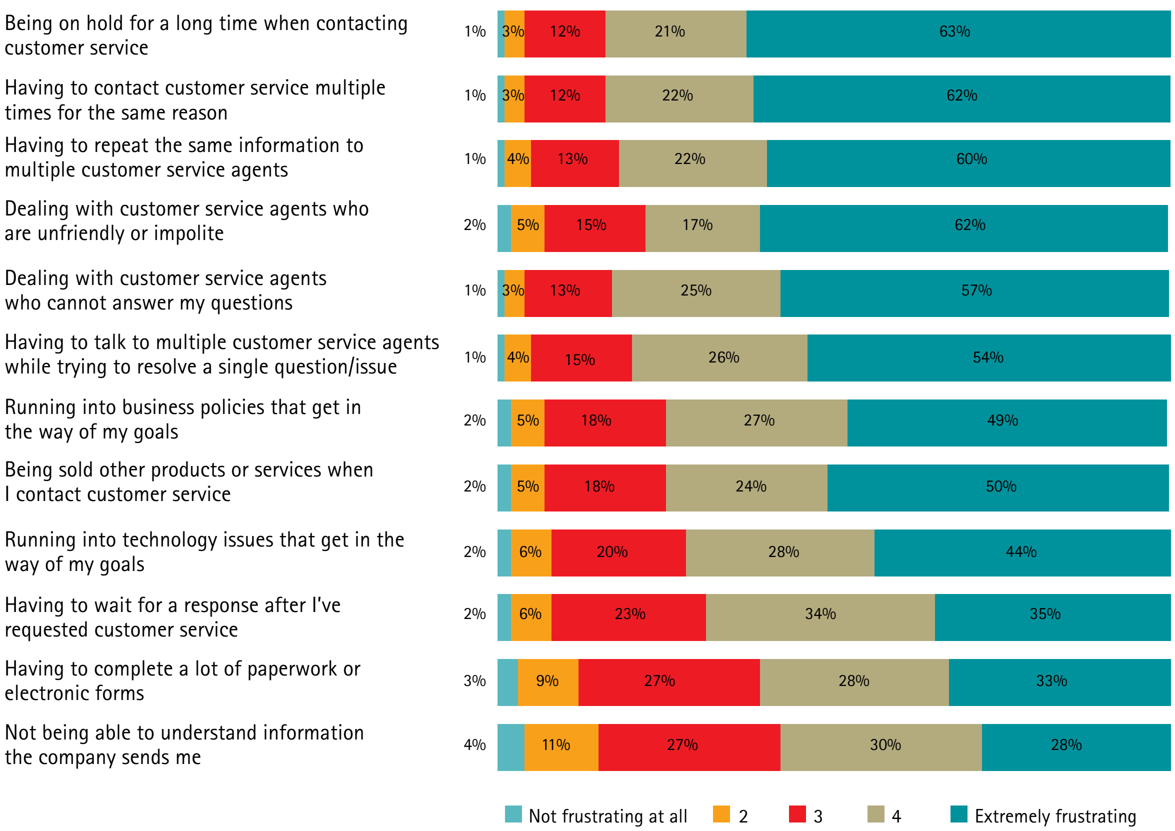
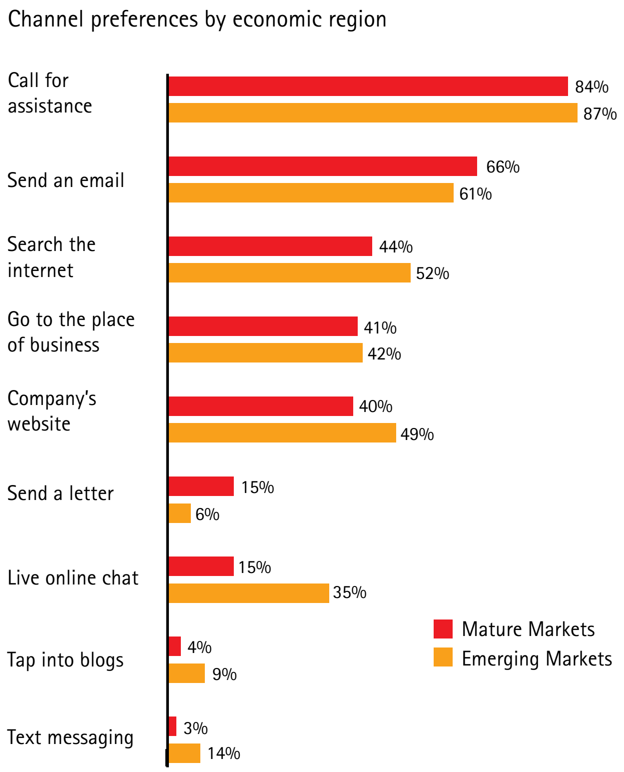
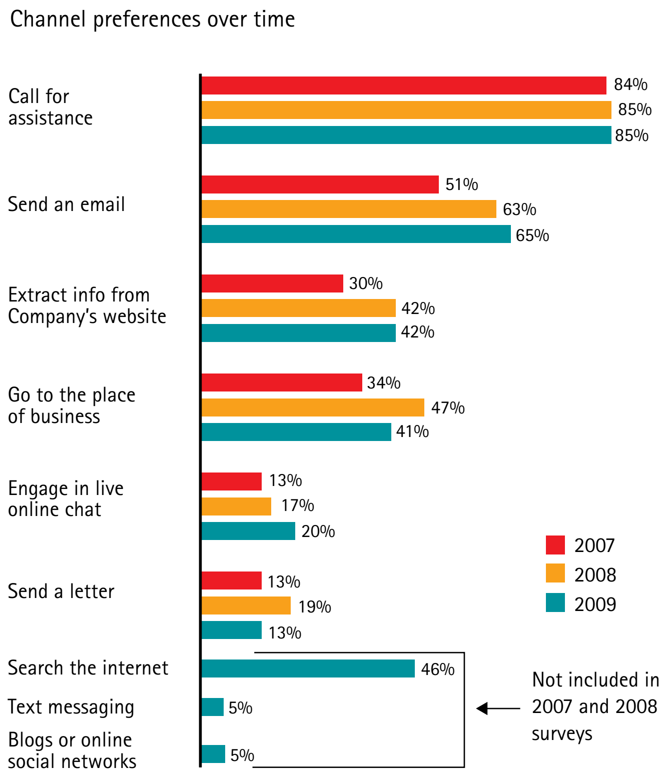


Figure 5: When you seek customer service, how do you go about getting assistance? (multiple mentions)





Many consumers likewise are unwilling to follow up on a customer service issue; only one in three will follow up just once before giving up. Another one in three will try two or three times, while the remaining third will actually keep following up until they get what they need. Consumers in the United Kingdom, Canada, the United States, South Africa and Australia are the most determined to resolve customer service issues no matter what it takes, while those in Singapore are the most inclined to not follow up at all (although just 5 percent say this).

Digital Transformation

Do You Know Where Your Customers Are?

When they need assistance, consumers still are most likely to prefer talking to a live agent over the phone. However, digital channels are gaining ground in terms of frequency of use and consumer satisfaction. Moreover, consumers around the world increasingly feel technology is significantly improving the customer experience. At the same time, the digital transformation of the customer experience entails considerable risk: These channels also amplify the effect of poor customer service. In fact, one quarter of respondents have used these channels to relate their negative customer experiences to others (see Figure 5).

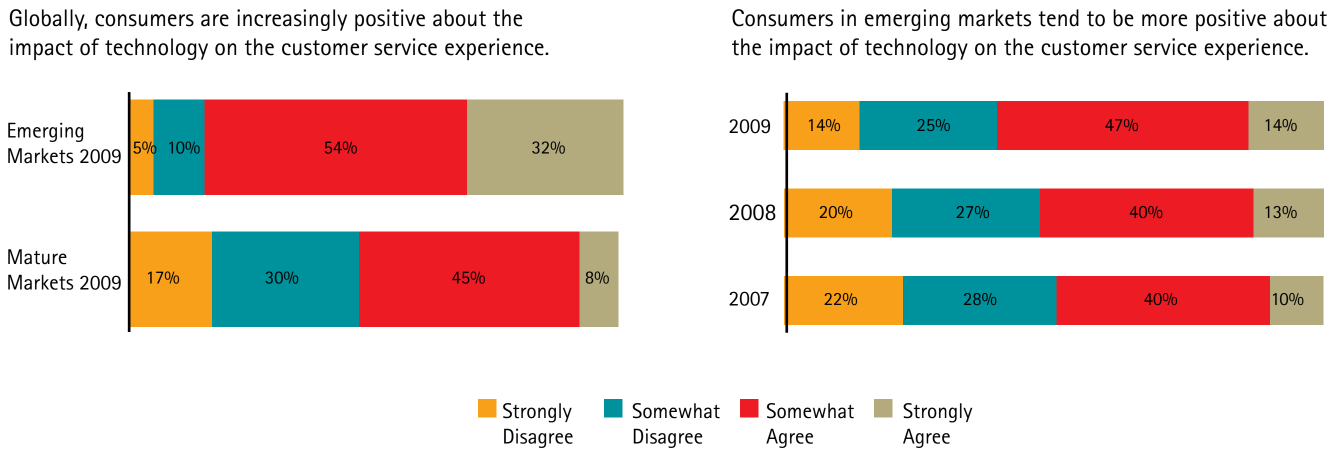
Migration to Digital Channels

All countries sampled make the most use of calling for assistance when seeking customer service. However, digital channels such as email, text messaging and online chats are also popular among consumers in emerging markets, and are being used with growing frequency by consumers in mature markets.

Our research confirms online technologies indeed are gaining ground as service channels. In the past year, a smaller proportion of consumers globally reported having gone to a physical location when seeking customer service, preferring to take advantage of more virtual or convenient ways to connect with the companies they do business with, such as emailing customer service, which has increased significantly in popularity in China and France since 2008.

Though emerging markets prefer calling for assistance to sending an email, they also are much more likely than mature-market consumers to use new technologies for contacting service providers—especially text messaging and live online chats. In fact, just 29 percent of emerging-market consumers, vs. 72 percent of those in mature markets, indicated they have never used text messaging to access customer service. Similarly, only 22 percent of consumers in emerging markets, compared with 48 percent in mature markets, said they have never used live online chats for service.

Figure 6: Do you agree or disagree with the following statement: "The increased use of technology in customer service has improved the level of service significantly in the past five years"?



Despite having reported they receive poorer overall service and that their expectations are met less often, emerging-market consumers are much more satisfied than their mature-market counterparts with online self-service; and, telephone customer service is highly regarded in China and India. However, on a global basis in-person customer service at a place of business or a store is the general type of service with which consumers are most satisfied. In comparison, automated telephone customer service receives the lowest rating across all geographies.

The Impact of Technology on Customer Satisfaction

Consumers in emerging markets are highly likely to agree that the use of technology in customer service has significantly improved the service levels they experience. In fact, more than 84 percent of emerging-market consumers in Brazil, India and China and 71 percent in South Africa agree that such an improvement has occurred in the past five years. In contrast, German, Australian and Canadian consumers are the least convinced there has been an improvement with the increased use of technology. In fact, all of the mature-market countries scored under the global average with regard to agreement that technology has significantly improved customer service.

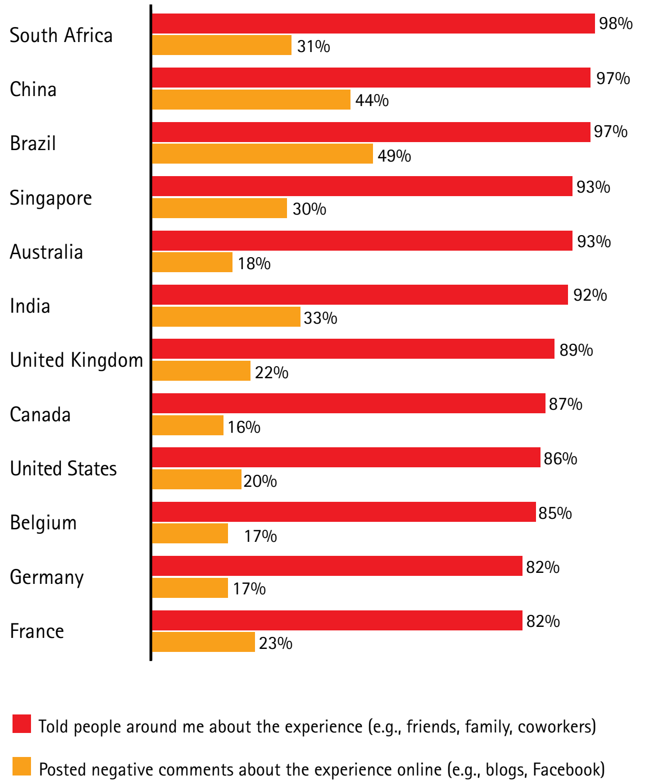
However, despite the mature vs. emerging market split over whether the increased use of technology has improved levels of customer service, an overall global increase in agreement is noted for 2009, suggesting technology is turning a corner in terms of becoming more of a help than a hindrance in consumers' eyes. In fact, the global percentage of consumers who agreed technology has improved service has increased by eight points from 2008 to 2009, and by 11 points since 2007 (see Figure 6).

This shift also can be seen in the substantial decreases during the past three years in the percentage of those who strongly disagree that technology has been beneficial, most notably in Australia (a 13-point drop), Germany (a decline of nine points), and Brazil and the United Kingdom (each of which registered a slide of eight points). These figures likely indicate not only that consumers are becoming more comfortable using technology tools to access customer service, but also that companies themselves are doing a better job employing such tools to improve, rather than hamper, the service experience.

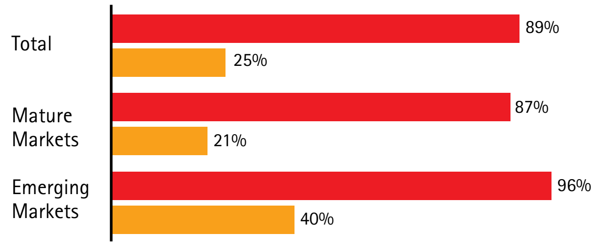
How Digital Media Affect Reputation

Of course, consumers spread the word about their experiences with providers to other people, and today they have more powerful and efficient tools for doing so. Our research confirmed this shift: Nearly nine in 10 consumers globally told the people around them about their bad experiences. Consumers in emerging markets, especially South Africa, China and Brazil, are the most inclined to speak to others about bad experiences. Furthermore, one in six consumers has complained to a larger

Figure 7: In the past year, have you done one of the following after having a bad customer service experience?



The vast majority of consumers share negative customer service experiences with others, and many—particularly consumers in emerging markets—use online channels to broadcast these experiences.



audience via online sites such as Facebook or blogs (see Figure 7).

Globally, one-quarter (25 percent) of all consumers will go as far as posting negative comments about bad experiences online. This figure rises to two in five (40 percent) in emerging markets as a whole. The countries with consumers most inclined to do this are Brazil (49 percent) and China (44 percent).

Another sign of the growing impact of digital media: consumers collecting information about potential new providers reported relying on corporate websites more than any other source except people they know—and say they are more influenced by these sites than by any channel except people they know (see Figure 8).

When Service Falls Short

Do Companies See the Full Impact?

A bad customer experience has implications beyond negative word of mouth. When first experiencing poor service, consumers are most likely to ask to speak to a supervisor. However, 16 percent told us they went so far as to stop business with the offending provider immediately—in some countries, as many as 28 percent of the respondents took this drastic action. In fact, overall poor service quality remains the number one force "pushing" customers into the arms of waiting competitors.

Immediate Responses to Poor Service

In 2009, consumers experiencing bad customer service were generally more tempered in their reactions compared with previous years (see Figure 9). For example, slightly more consumers this year asked to speak to a supervisor when they experienced bad customer service (41 percent vs. 43 percent) or ended the interaction and tried to reach a different agent (19 percent vs. 14 percent). In contrast, fewer customers simply quit doing business with a company (16 percent vs. 23 percent).

In fact, speaking to a supervisor was the most common response to bad service in all countries this year. This is particularly true in the mature markets we surveyed, where nearly half of our respondents reported taking this action compared with 37 percent of respondents in emerging markets. However, there are some notable differences among these mature markets: Among all countries surveyed, consumers in the United States (58 percent) and Canada (56 percent) were most likely to ask to speak to a supervisor; consumers in Germany (25 percent) and Belgium (22 percent) were least likely.

While asking for a supervisor is most common, other responses to bad service are evident around the globe: Consumers in China, Singapore and

Figure 8: Information sources consumers use to evaluate new providers.

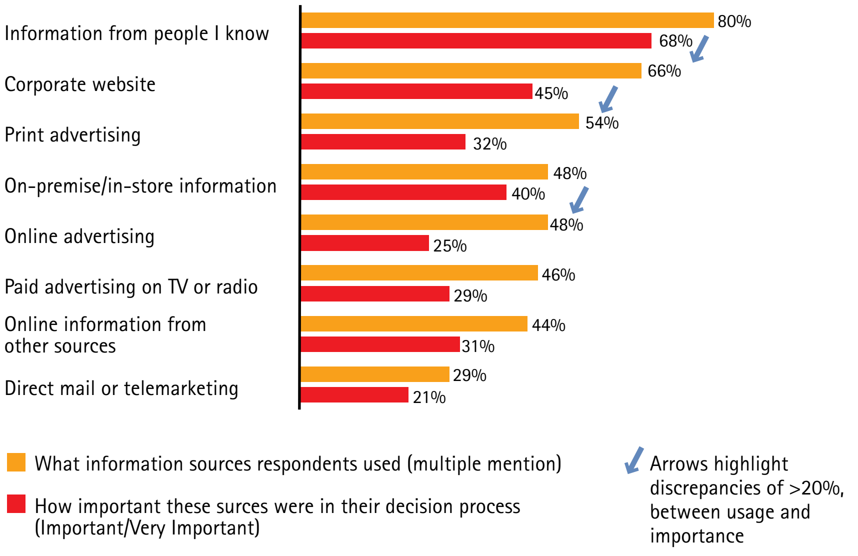
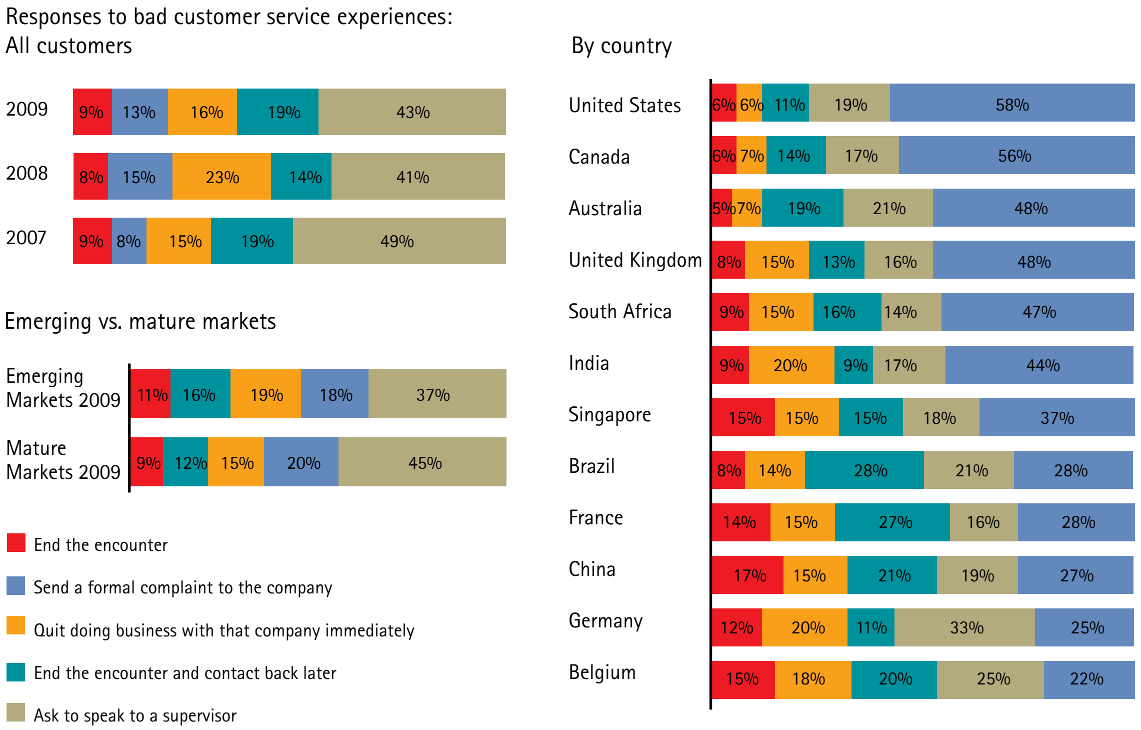


Figure 9: When you have a bad customer service experience, which of the following are you most likely to do?



Belgium were the most likely simply to end the contact when encountering a bad customer experience. Consumers in France and Brazil were the most likely among all countries to stop doing business with a company immediately. And consumers in Germany, Belgium and India were the most likely to send a formal complaint to a company.

Defection Due to Poor Service

Even when consumers do not switch immediately, companies face significant consequences from delivering unsatisfying customer experiences. In fact, according to our findings, two in every three global consumers switched providers in at least one industry in the past year because of poor customer service. This is the highest level of switching ever reported in our survey (see Figure 10).

More precisely, 69 percent of all consumers in 2009 switched providers at least once during the past year because of poor customer service. This represents a two-point jump from 2008 and a 10-point leap from 2007. The highest level of switching due to poor service occurred in the retail (31 percent) and banking (27 percent) sectors.

In comparison, the lowest level of switching occurred in the life insurance (9 percent) and airline (8 percent) sectors. Even more encouraging is the fact that switching due to poor service declined for some industry sectors in a number of countries.

Consumers in emerging markets were far more likely than those in mature markets to have switched providers (87 percent vs. 64 percent). For example, 81 percent of consumers in South Africa, 85 percent in India, 88 percent in Brazil and 93 percent in China left at least one provider in the past year because of poor service. At the other end of the spectrum were consumers in the United States, where only 56 percent of consumers switched companies in the past year because of poor service. Compared with our 2008 survey, switching was relatively constant in all countries except France and Canada, where switching increased 23 points and nine points, respectively.

Reasons Why Consumers Leave Providers

According to our findings, respondents who left providers during the 12 months prior to the survey were most likely to have left due to the overall poor quality of the customer service they experienced (62 percent). After customer service, the most often cited reasons were finding a lower price elsewhere (48 percent) service representatives who lacked the knowledge they expected (46 percent) and finding a lack of customized solutions (38 percent).

Mature markets appeared to be more sensitive to the overall quality of the experience compared with emerging markets, where consumers were more focused on the availability of customizable solutions or the knowledge of the service representative.

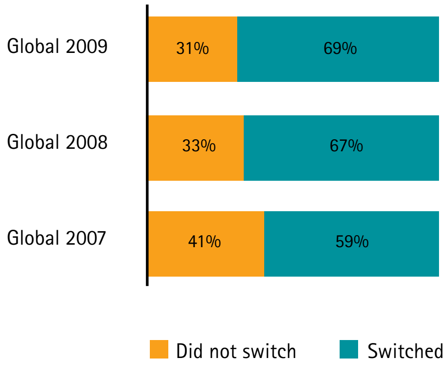
Reasons Why Consumers Choose New Providers

It is not surprising that when consumers do decide to leave a company, price and service are the two biggest

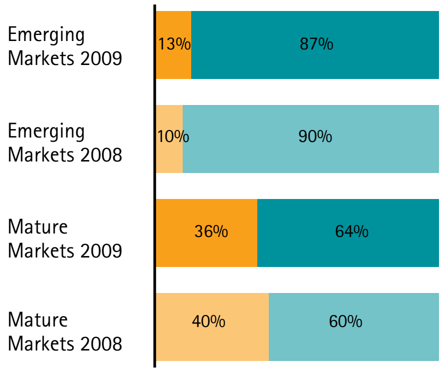
Figure 10: Percentage of consumers who switched any company in any industries because of poor customer service over the past 12 months.

Switching over time

All respondents:



Emerging vs. Mature Markets



Switching over time

By Country

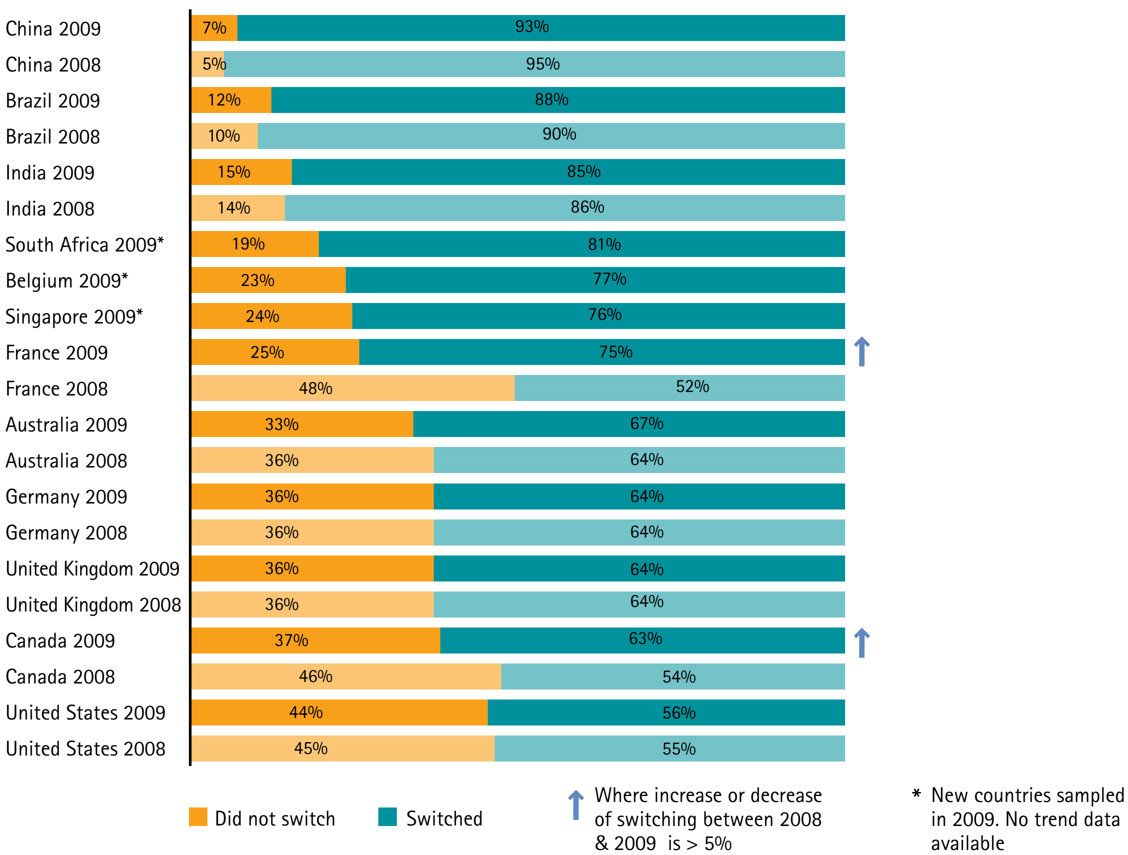
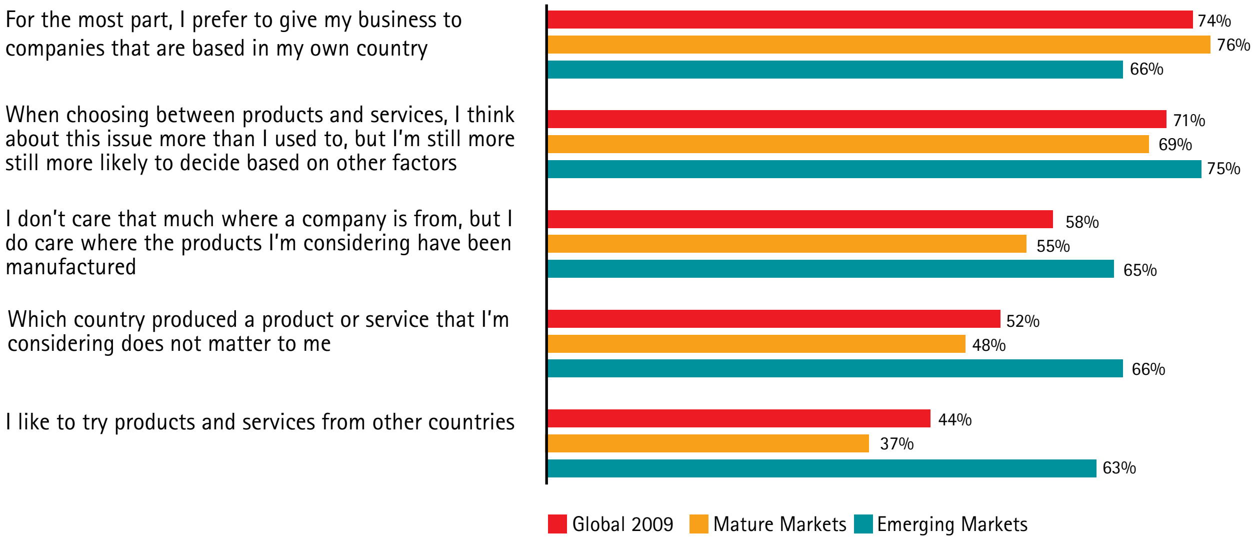


Figure 11: When choosing among competing products and services, how much does the country where the product or service comes from matter to you?



factors influencing their choice of a replacement provider. This does vary somewhat by region: Customer service was the most common differentiating factor in emerging markets when choosing a new service provider, whereas consumers in mature markets made these decisions based more on price. Regardless, price has increased in importance globally between 2008 and 2009, no doubt because of the current economic conditions.

Beyond service and price, another factor also appears to have some influence over the companies consumers choose to do business with: where the company that provides the product or service is located. Three in four consumers globally said they prefer to give business to companies based in their own country (see Figure 11).

This sentiment is, however, more prevalent in mature than emerging markets: Consumers in mature markets are more inclined to give preference to companies based in their own countries than those in emerging markets (76 percent vs. 66 percent). This is especially true among consumers in Australia (85 percent), the United States (84 percent), France (81 percent) and Canada (81 percent).

In comparison, emerging markets seemed to care more about where the product is manufactured: Two in three of these consumers (63 percent) indicated they like to try products and services from other countries, compared with only two in five customers (37 percent) in mature markets. Consumers just about everywhere, though, admitted they are thinking about these issues more than they used to (71 percent).

Factors Influencing Loyalty

Not surprisingly, consumers who switched providers in the past year because of a poor customer experience were less satisfied than consumers who stayed loyal across all dimensions of customer service.

What are the factors that discouraged loyalty? A regression analysis of the respondents in our global sample determined the consumers most likely to switch were those who were least satisfied with the following factors, in order:

1. Convenient availability of customer service.
2. The amount of time they wait to be served.
3. How polite, friendly and knowledgeable customer service representatives are.

High levels of frustration among these respondents also play a role. A similar regression to the one just described showed that these respondents were most often frustrated by (in order):

1. Being on hold for too long.
2. Having to repeat the same information to multiple customer service agents.
3. Dealing with customer service representatives who are unfriendly or impolite.

Industry Variations

Consumer Perceptions by Industry Sector

Where consumer perceptions are concerned, the Accenture 2009 Customer Satisfaction Survey found leaders and laggards in customer service quality.

Our respondents put hotels and retailers at the high end of the performance spectrum, and located life insurers, cable companies, utilities and phone companies at the opposite end. Notably, however, fewer than 50 percent of all consumers globally described themselves as "very satisfied" with customer service quality. Moreover, the percentage of very satisfied consumers was less than 50 percent in every provider category covered in this survey (airlines; banks; hotels; Internet service providers; landline, wireless and mobile phone companies; life insurers; retailers; and gas and electric power companies).

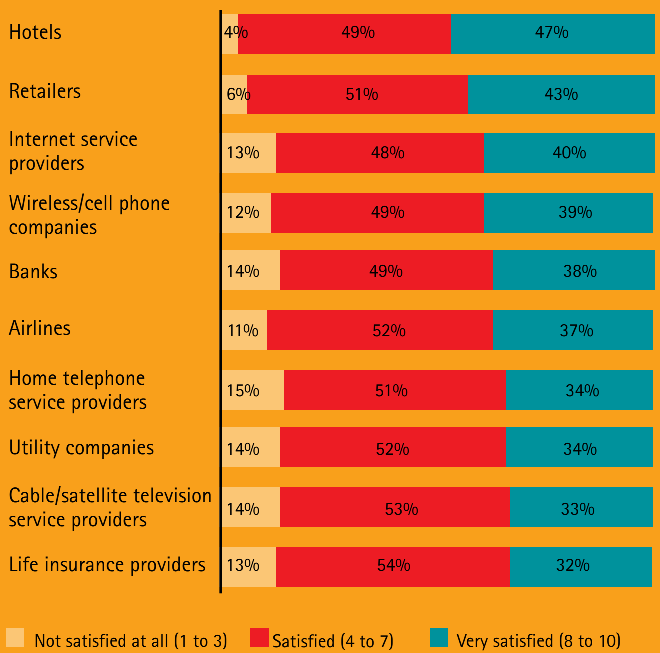
During the past year, many providers reported making customer satisfaction and retention their top priorities, to protect revenues during economic recession. Their efforts appear to have been lost on many consumers, according to our survey. While results vary by industry, most of our respondents said they perceived no real changes in customer service (see Figure 12).

Formal programs to build customer loyalty may be having limited impact as well. Between 39 percent and 49 percent of our respondents believe loyalty programs are effective at persuading them to continue doing business with a company—particularly hotels and retailers. However, less than one in four respondents participated in any loyalty program in the past year. The industry with the highest participation level is retail, with 45 percent of consumers responding to the survey indicating participation. In the other industries we examined, the number of respondents who participated in these programs was far lower—between 9 percent and 26 percent.

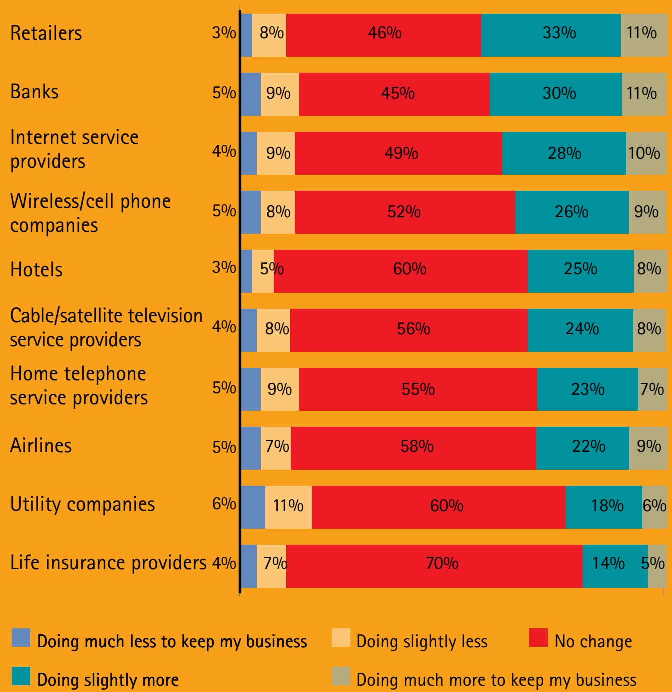
Nearly half of the consumers in mature markets reported participating in retailer loyalty programs, compared with only 34 percent of those in emerging markets. In addition, mature-market consumers were much more likely than their emerging-market counterparts to have taken advantage of loyalty programs in the other nine industries included in our study. Consumers in Germany, Austria and France were the least likely to be won over by such programs.

Figure 12: How consumers perceive customer service: The industry view

How satisfied are you overall with the level of customer service delivered to you by companies in the following industries?



To what extent do you feel that companies in the following industries have changed their customer service efforts in the past 12 months?



Age Matters

Consumer Attitudes and Behaviors by Age Group

Upholding the conventional wisdom, our survey found that younger consumers had higher service expectations, were less tolerant of bad service, preferred technology tools that help them streamline the service experience and were much more likely to switch providers when their service expectations were not met.

The expectations younger consumers have for customer service have also been increasing at a much steeper rate compared with older generations. Younger buyers were also less likely to believe providers meet their expectations. In particular, younger generations had significantly greater expectations of speed and multi-channel options for obtaining service. They were also more positive about the impact of technology on customer service improvement. In contrast, Baby Boomers and Seniors had much higher expectations regarding the knowledge and training of service representatives and were less enthusiastic about the role of technology in customer service—although they were generally more satisfied with service quality overall. For their part, younger generations were more satisfied with service provided by more innovative methods such as online chat or self-service websites.

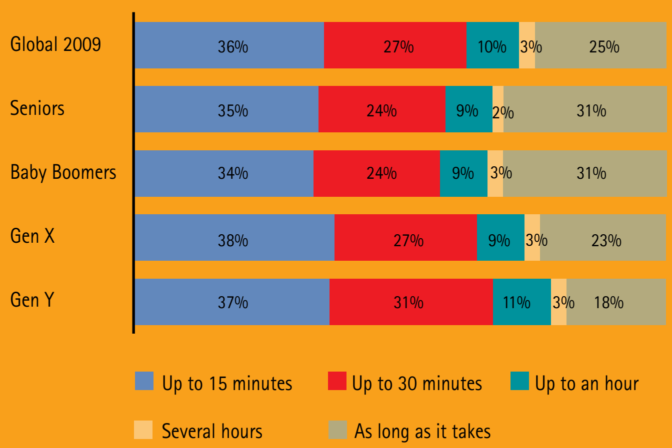
Younger consumers also appeared to be less patient about waiting for customer service issues to be resolved. They reported being unwilling to wait more than 15 minutes for a resolution, whereas one in three older consumers said they were prepared to wait "as long as it takes." Similarly, two in three younger consumers were willing to speak only to one or two service agents, whereas older consumers were more willing to speak to as many people as necessary (see Figure 13). Older consumers were also more prepared to follow up as often as it takes to resolve their issue.

Not surprisingly, given their impatient nature, younger generations appeared to be more inclined to switch providers as a result of bad service. Indeed, three in four Generation X and Y members have switched because of poor service in the past year—compared with 64 percent of Baby Boomers and 52 percent of Seniors.

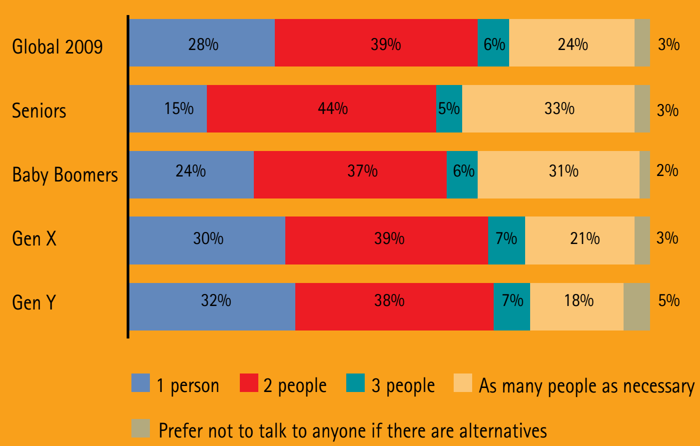
When choosing new providers, younger consumers said they focus on a larger number of considerations than other generational groups did, including price, customer service, convenience and promotions. They were more open than older consumers to trying products and services from other countries, and said they use a wider range of sources to collect information about potential providers.

Figure13: Resolving customer service issues: Generational differences

Typically, the amount of time I'm willing to spend on getting my customer service issue solved.



Typically, the number of people I'm willing to talk to while trying to resolve my customer service issue.



Recommendations

These findings highlight the critical role that customer service experiences play in retaining customers, and even in attracting new ones. They also highlight how increasingly difficult is it for companies to keep pace with rising and changing expectations and satisfy the widely varying expectations, needs and attitudes of customers, not only from country to country but also from age group to age group.

Marketing-savvy companies have long understood that different customers desire different things and value them differently. Yet while this knowledge has informed their marketing strategies, it has had less influence on later stages of the customer lifecycle. In this time of heightened cost pressure, rapidly changing market dynamics and consumer values, companies can no longer afford a "one-size-fits-all" model for customer service. They must shift toward a more customer-centric model—creating and delivering value-based, differentiated service experiences that result in predictable buying behavior and loyalty.

Differentiated service experiences not only help to make service more relevant and attractive to customers, but they also help companies to more effectively marshal limited service resources. In other words, companies need not try to be all things to all people, but should rather strive to make smart decisions about what makes the most sense for themselves and their customers. This involves satisfying as much as possible the expectations of customers who matter most while setting the appropriate service expectations for lower-value customers immediately at the time of purchase to dramatically help reduce the incidences of dissatisfaction.

Some of the most successful practices we have seen used by high-performance businesses include the following.

Putting Customers in Charge

One way an enterprise can meet the service expectations of a diverse customer base is to enable customers to configure their own experience. As consumers' needs and behaviors continue to diverge and fragment, enabling them to have more influence or even control over how they interact with a company can go far toward building close, lasting relationships across the generational and geographic spectrum. For instance, a company may decide to enable its highest-value customers to choose for themselves which channels they will use to obtain service, which service agents they want to interact with and which service options they expect to be offered. The company might enable customers in other tiers to choose from predefined "service bundles" or direct their transactions toward lower-cost channels.

Letting Familiarity Breed Loyalty

Customers tend to prefer businesses that make them feel welcome—something difficult for large enterprises to do in ways that feel authentic. One way to foster this feeling is to enable customers to build personal relationships with specific service personnel, through repeated interactions over time. For instance, when a customer expresses satisfaction with the technician who installed his home theater system, the company should send the same technician the next time the customer needs service. Companies may even enable customers to contact preferred agents directly through email or Short Message Service when they need help or information. Customers who feel strong connections to service agents may perceive the cost of switching to be simply too high to defect to other providers.

Demonstrating State-of-the-Art in "Do-It-Yourself"

Over the past decade, customers have grown not to simply accept self-service but to expect and even prefer it. For instance, many air travelers now prefer to check in and print their boarding passes from their home computers or airport kiosks rather than waiting for personal service from a counter agent. As consumers' familiarity with self-service channels increases so will their expectations for speed, convenience and personalization. At minimum, companies must keep pace with these expectations and, at best, offer highly differentiated experiences that will be difficult for competitors to match or best.

Making Collaboration a Focus of Innovation

Many companies will find that fostering more collaboration—with external customers, between employees, across value-chain partners—a more and more powerful tool for differentiating service. Emerging collaboration technologies have the potential to improve the speed and quality of service interactions dramatically. Picture, for example, a field technician who can transmit a video image of a customer's broken device to the home office, where product experts diagnose the problem quickly and relay precise repair instructions. Or, imagine a call-center agent and an end-user having a three-way phone conference with a product engineer about how best to configure the customer's home-computing system. Such examples illustrate in real terms how companies can turn the old adage that customer satisfaction is everyone's job from a business principle into real business practice.

All these practices depend on maintaining seamless integration across all the channels customers use to obtain service. They also require robust business intelligence and analytics tools that enable companies to gather

and analyze a broader range of data—including customer actions, preferences and product-usage information. These capabilities make it possible to understand the customers' true value to the company, predict customer behavior more accurately and identify innovative ways to engage customers in future interactions.

The findings from the Accenture 2009 Customer Satisfaction survey indicate many businesses across many industries continue to fall short of consumers' heightened expectations and to suffer from consumers' increased willingness to leave providers that fail to meet these expectations.

Besides responding to the steady erosion of customer loyalty, companies must also deal with the fallout from significant economic, cultural and technological changes, such as consumer's renewed sense of thrift, the imperative to adopt more sustainable practices, and the rapid emergence of digital media and social networking, to name only a few.

The hurdles for maintaining high performance—so closely tied to customer acquisition and retention—look especially steep for companies seeking to gain or grow their presence in emerging markets. Consumers in these locales demonstrated lower satisfaction levels, more rapidly increasing service expectations and a greater likelihood to switch providers. If those companies also cater to the coveted younger segments of society, the challenges continue to mount: Younger customers have higher expectations than older ones; those expectations are rising at a faster pace; and the younger set is more likely to walk away when dissatisfied.

Faced with so many and such varied challenges, aiming to be all things to all customers is unlikely to be a winning strategy. High-performance businesses will embrace a more differentiated model, closely aligned to the distinct needs and preferences of the most valuable and profitable customers and prospects, while providing customer service experiences appropriate to less-engaged or less-profitable segments. The result may be a better return on customer service investments—in terms of customer loyalty, preference and advocacy—and high performance over the long term. In the digital era, when any service misstep can quickly become a public relations nightmare, achieving the right alignment between service and segment is not simple but is possible through the combined power of data, analytics, workforce talent, operational design and performance management.

About the Research

In 2009, we completed our fifth edition of this study, which included 5,050 people. Participants—who were surveyed via the Internet from June 19, 2009, to July 17, 2009—represented 12 countries, the largest number in the five years we have been conducting this study. Participating consumers also span the age spectrum, with approximately 30 percent representing Generation Y, 30 percent Generation X, 35 percent Baby Boomers, and seven percent Seniors.

Country	N
Australia	302
Canada	306
France	300
Germany	302
United Kingdom	1003
United States	1006
Belgium	304
Singapore	300
China	302
Brazil	316
India	304
South Africa	305
Total	**5050**

Generation	N
Gen Y (Less than 31 years old)	1483
Gen X (31 to 44 years old)	1427
Baby Boomers (45 to 63 years old)	1786
Seniors (64 plus years old)	354
Total	**5050**

About Accenture's CRM

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. 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. With approximately 177,000 people serving clients in more than 120 countries, the company generated net revenues of US$21.58 billion for the fiscal year ended Aug. 31, 2009. Its home page is www.accenture.com.