



FIVE QUESTIONS: ERNAN ROMAN ON CUSTOMER CARE CALL CENTERS

You've researched your market, studied the trends, prepared your product, and launched your brand. Could something as simple as a phone call lead to your businesses' downfall?

Marketing guru Ernán Roman recently completed an in-depth study on how much importance customers place on the treatment they receive when phoning a call center. He sat down with *The DMA Bottom Line* at the recent DMB Conference in Orlando and shared his findings and insights with us.

1. What did your recent research into Customer Care Call Centers tell you?

The objective of the research was to understand how customers' attitudes toward companies are influenced by their experiences using the Call Centers.

Customers apply strict criteria in evaluating Call Center experiences. Seventy-eight percent said they want issues resolved in a single call by a rep that understands their needs. Almost two-thirds (64 percent) expect a customer-friendly experience.

They also cited a need for easy menu navigation, and easy communication with the rep. Interestingly, almost half, 47 percent, would like to be able to call back the same rep, should the need arise. And three-quarters said they do not regard a "thank you for calling" closing statement to be important. This implies that the superficial nature of most "thank you for calling" closing statements is not seen as sincere by customers.

Our findings also discovered that the majority of recent Call Center experiences have not been positive. Two-thirds of respondents reported negative to neutral experiences; only 34 percent reported a positive experience with Call Centers.

The ramifications of a positive experience with the Call Center are extraordinarily good for business. Those who reported such an experience cited a positive company image (91 percent), a willingness to buy again (92 percent), and a high likelihood to recommend the company to others (77 percent).

On the other hand, a negative customer experience is very costly for business. Our research showed that with a negative experience, the company image takes a big hit. Ninety-five percent of unhappy callers perceive the company negatively; the likelihood for repeat purchasing declines sharply (86 percent), and they're unlikely to recommend the company to others (83 percent).

Another interesting finding is that company image is adversely affected when Call Centers are outsourced, either in the US or offshore. Most callers report a negative to neutral impact when the call center is located offshore (98 percent) or outsourced in the US (93 percent). In-house Call Centers are either preferred (63 percent) or associated with no influence on company image (35 percent).

2. What was surprising about the findings?

The magnitude of negative impact on customers from poor Call Center experiences is significantly greater than we had expected. This finding is vitally important for American companies who are rushing to cut costs in the most damaging area: the quality of their customers' post-sales experiences.

We were surprised that customers' negative-to-neutral perception of a company's image was virtually the same whether Call Centers are outsourced either in the US or offshore.

3. Where are Customer Care Call Centers falling short?

They are missing a powerful opportunity to strengthen the customer's feeling of a relationship with the company.

Customers buy an important product or service trusting that the company will be there for them after the sale. This trust is being violated. Customers are experiencing customer service blow-offs. They translate these into the company saying: "You've already bought, now our priority is getting more new customers," or, "You want service, go figure it out on the Web or wait on hold for one of our poorly trained representatives."

4. Are they doing anything right?

It is disappointing that with all the talk about CRM and customer-centric marketing, only 34 percent of respondents report positive experiences with Customer Care Call Centers. Yet for those companies who are doing it right, customers state that the experience creates a positive company image and a high likelihood to recommend the company to others.

5. What lessons can telemarketers take away from all this?

The research findings provide eight take-aways for telemarketers:

1. Do not cut back on training, quality, and investment in Call Centers.
2. Customers' post-sales experiences have significant impact on repeat purchase likelihood and willingness to recommend the company.
3. The damage of inefficient Call Centers to company brand is significant. Companies need to consider what that is costing them.
4. Do not view 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 seven 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 call center experiences solidify the relationship between the customer and the company.
7. Companies should focus on the quality of customers' experiences at the Call Centers, regardless of where they are located. Plenty of horror stories were reported regarding in-house 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 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.

Ernan Roman is president of Ernan Roman Direct Marketing and co-author of "*Opt-In Marketing: Increase Sales Exponentially with Consensual Marketing.*" He can be reached at ernan@erdm.com.

Do you have something of significance to say? If you'd like to be the focus of a future "Five Questions" feature, let us know by writing to Bottomline@the-dma.org.