

Poor Customer Care Center Experiences Hurt Company Image and Customer Trust

By: Ernan Roman
Ernan Roman Direct Marketing
ernan@erdm.com

Research results indicate that customers' attitudes toward a company are influenced by their experiences calling the Customer Care Center (customer service center). To date, these experiences have not been overly positive. The negative impact of these experiences represents a significant threat for companies concerned about the integrity of their brand and the strength of their relationships with customers.

Research findings: Ernan Roman Direct Marketing undertook this study with the goal of understanding how customers' attitudes toward a company are influenced by their experience calling the Customer Care Center. The research sample was made up of business people. Results to date:

1. *Customers apply strict criteria in evaluating Customer Care Call Center experiences:*

- Want issues resolved in a single call by a rep who understands their needs (78 percent).
- Almost two-thirds (64 percent) expect a customer-friendly experience:
 - ✓ Easy menu navigation.
 - ✓ Easy communication with the rep.
- Almost half (47 percent) would like to be able to call back the same rep, should the need arise.
- Three-quarters (75 percent) do not regard "thank you for calling" closing statements to be important.
 - ✓ Implies that the superficial nature of most "thank you for calling" closing statements is not seen as sincere by customers.

2. The majority of recent Customer Care Call Center experiences have not been positive:

- Two-thirds (66 percent) report negative to neutral experiences.
 - ✓ Only 34 percent report positive experiences with Customer Care Call Centers.

3. The ramifications of a positive experience with the Customer Care Call Center are extraordinarily good for business:

- Positive company image (91 percent).
- A willingness to buy again (92 percent).
- High likelihood to recommend the company to others (77 percent).

4. Negative customer experience is very costly for business:

- Company image takes a big hit. Most (95 percent) perceive the company negatively.
- Likelihood for repeat purchasing declines sharply (86 percent).
- Unlikely to recommend the company to others (83 percent).

5. Company image is harmed when Customer Care Call Centers are outsourced, either in the United States or offshore:

- Most report a negative to neutral impact when the Customer Care Call Center is located offshore (98 percent) or outsourced in the United States (93 percent).
- In-house Customer Care Call Centers are either preferred (63 percent) or associated with no influence on company image (35 percent).

Recommendations: Results indicate that the negative impact on customers from poor Customer Care Call Center experiences is significant. This information is vital for American companies rushing to cut costs in the most damaging area: the quality of their customers' post-sales experiences.

Customers buy an important product, 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."*
- *"You want service? Go figure it out on the Web or wait on hold for one of our poorly trained representatives."*

The research provides important insights. Companies should consider the following seven points:

1. *Do not cut back on training, quality and investment in Customer Care Centers.*
2. *Customers' post-sales experiences affect repeat purchase likelihood and willingness to recommend the company.*
3. *The damage to company brand is significant. Companies need to consider what that is costing them.*
4. *Do not view Customer Care Centers as cost centers. In their rush to cut costs, companies must consider the financial ramifications of losing customers because of poor post-sale experiences. Remember that it's 7 to 10 times more expensive to acquire a new customer versus selling to an existing customer.*
5. *Keep in mind that per the research data, positive Customer Care Center experiences solidify the relationship between the customer and the company. Clearly, this results in greater revenue.*
6. *As regards outsourcing, either domestically or offshore, we read the results as follows: Companies should focus on the quality of customers' experiences at the Customer Care Centers, regardless of where they are located. Plenty of horror stories were also reported regarding in-house Customer Care Centers as well as outsourced centers. The important take away is that customers expect quality post-sale care, regardless of where the calls are taken.*
7. *The fact that 35 percent associated no influence on company image with in-house Customer Care Centers is alarming. This indicates 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 wasted opportunity.*

This research study has now taken on a life of its own. Participants are forwarding the survey to colleagues and friends who have an interest in expressing their feelings on this subject. As a result, we are continuing this research so more people have a chance to voice their opinions.

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

Ernan Roman is president of Ernan Roman Direct Marketing and co-author of "Opt-In Marketing: Increase Sales Exponentially with Consensual Marketing." His e-mail address is ernan@erdm.com.