

High Performance in the Age of Customer Centricity: Tuning in to Today's Consumers

2008 Customer Satisfaction Report: Indian Consumers



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Nearly nine in 10 respondents reported having left at least one provider in the past year due to poor service.

For the past four years, Accenture has surveyed consumers annually to gauge how well companies are meeting their expectations. This year, we surveyed 4,189 consumers in eight regions: Australia, Brazil, Canada, China, France, Germany, India, the United States and the United Kingdom. The results confirmed an ongoing global trend: around the world, customer expectations are rising and the customer experience is falling short, leading to significant levels of customer churn across industry sectors.

In fact, our 2008 survey found more churn than ever: approximately two-thirds (67 percent—up from 59 percent in 2007) of all respondents reported leaving at least one provider as a result of poor service. Underscoring this sharp

rise in switching, we found an overall erosion of customer loyalty: fully half (50 percent) of our respondents reported switching providers in multiple industry sectors during the year, taking by their own estimate \$4,000 worth of business with them, on average, each time they switched.

Research Highlights: India

In 2008, 42 percent of our global respondents described the quality of customer service as terrible, poor or fair, compared to just 39 percent in 2007. Our 303 respondents in India were more positive about customer service quality overall compared to respondents in other emerging-market countries—however, 37 percent still described the quality of customer service as terrible, poor or fair.

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Moreover, most respondents did not believe their specific expectations were met most of the time, possibly accounting for the high rate of switching. The majority of global respondents (55 percent), and just over half of Indian respondents (52 percent), believed their expectations were met never, rarely or only sometimes.

We also found that consumers who did not feel their expectations were frequently met were most likely to leave, even when they rated overall service quality highly. Indeed, many consumers globally did switch as a result of poor customer service: 67 percent—a higher number than in any previous survey year.

In India, 86 percent of respondents reported having left at least one provider in the past year due to poor service. India, along with Brazil and China, are the countries in our survey with the highest percentages of consumers indicating they have switched vendors.

The most commonly switched types of companies among our global sample were retailers, banks and Internet service providers; in India, banks, Internet service providers, and wireless carriers were switched most frequently in the past 12 months.

Overall poor quality of the customer experience was by far the most often-cited reason for switching among Indian respondents who left a provider during the past year, identified by 71 percent. Customer service representatives' lack of knowledge was the second-biggest factor, named by 59 percent. In contrast, only 45 percent cited finding a better price somewhere else as a factor.

Furthermore, our survey confirmed that consumer expectations are rising—an indication that satisfying expectations may become more challenging. One-third of our global sample and 67 percent of those in India described their expectations as higher now than one year ago; 52 percent globally and 85 percent in India described their expectations as higher now than five years ago.

Our research also has shown that customer service preferences vary by geography—at times substantially. Providers serving a cross-geographic, cross-cultural customer base must understand these differences, and use what they know to develop customer-centric strategies for reaching and retaining target buyers.

Some of the notable differences for the Indian segment we surveyed included the following.

- The customer service features most important to Indians involve people: employees who are knowledgeable, well-informed, polite and friendly.
- Indian respondents were least satisfied with their ability to resolve questions or issues on their own without speaking to a service agent; and most frustrated with having to contact customer service multiple times for the same reason and being placed on hold for a long time when contacting customer service.
- Indians were most likely to consider customer service as the main factor for choosing a new provider after switching from an established one (cited by 79 percent), while convenience was the second-most popular factor (named by 69 percent).
- Consumers in India, along with those in Brazil and China, were far more likely than those in other countries to expect much better service when they spend more or purchase more often. And for the largest percentage of Indians (79 percent), their preference would be to receive faster service.
- Indian consumers were the most likely in our survey to strongly agree that the use of technology in customer service has significantly improved service levels (49 percent).
- In India, calling for assistance is far and away the preferred method for accessing customer service, cited by 85 percent of consumers. The second-most popular method, sending an e-mail, was named by 68 percent, followed by

getting information from the company's website (47 percent) and going to the company's place of business (31 percent).

- When they have a bad customer service experience, Indian consumers are among the most likely of those surveyed to say they will ask to speak to a supervisor (37 percent) and the most likely to send a formal complaint to the company (21 percent).

Conclusion

The findings from this research clearly suggest that today's consumers are increasingly quick to leave a provider when their expectations go unmet—even when they ostensibly believe providers are delivering high-quality service. To protect the value of existing relationships and minimize the cost of churn, companies would be well served—particularly during periods of economic uncertainty—by confirming they know what customers expect and value and ensuring they are reaching and serving them in ways that are customer-centric.

For more information, visit us online at accenture.com/centricity and register to receive the full report on this research, *High Performance in the Age of Customer Centricity*.

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