

Issue Resolution and Offshoring Have Major Impact on Customer Satisfaction with Call Centers

Call Center Satisfaction Index from CFI Group Identifies Sources of Pleasure and Pain with Contact Centers in Six Industries

ANN ARBOR, Mich. (June 12, 2007) Customer satisfaction with the call center is crucial to customer loyalty, positive word of mouth, and return on investment, says a new study released today from CFI Group. The inaugural Call Center Satisfaction Index found that the two issues having the most impact on customer satisfaction with the contact center were first call resolution and offshoring.

Issue resolution is the key issue driving customers' satisfaction and therefore their loyalty and likelihood to recommend. Across all industries measured, almost a fifth of all callers hung up with their issue unresolved. Of those customers who didn't have their issue resolved, 68% are at risk of defection (43% said they would definitely defect, and 25% aren't sure). That's a substantial percentage of callers who are at risk of defection based on their interaction with the call center alone.

The study finds that customers who think the contact center is located outside the U.S. rate their satisfaction with the call center experience 26 points lower (on the Index's 100-point scale) and are almost twice as likely to defect compared to those who assume the call center is in the U.S.

"Offshoring has a negative impact on satisfaction because offshore customer service reps are less adept at solving customer problems," said Sheri Teodoru, Program Director at CFI Group and author of the study. "Customer service reps located outside of the U.S. are rated lower on communication skills. When communication skills are poor, customers' issues remain unsolved in the majority of cases."

In fact, reps with poor communication skills are able to solve customer issues only 45% of the time, compared to 88% of the time when reps speak clearly. Communication skills are also problematic among some U.S.-based customer service representatives, but on average U.S.-based call centers score better than offshore call centers on rep communication skills.

The CFI Group Call Center Satisfaction Index surveyed customers of call centers in six specific industries using the proven methodology of the University of Michigan's American Customer Satisfaction Index (ACSI). Satisfaction with each industry was rated on the ACSI's 100-point scale and the results are as follows:

- Catalog Call Centers: 80
- Banking Call Centers: 77
- Cell Phone Service Call Centers: 69
- Cable and Satellite Television Call Centers: 68

- Insurance Call Centers: 68
- Personal Computer Call Centers: 64

The catalog and banking call centers are the standouts, based primarily on the superior customer service that their representatives provide, along with good first call resolution. PC call centers fall far behind because nearly a quarter of callers hang up with their issue unresolved, causing PC customer service reps to be rated much lower when it comes to solving problems.

“Too many companies treat call centers as cost centers rather than seeing them as an opportunity to solidify the customer relationship, resulting in increased loyalty and retention,” said Teodoru. “Based on this research, any company that isn’t putting resources into making sure that the call center is delivering customer satisfaction rather than frustration is taking a huge risk with its customer asset.”

An overall report and more detailed reports on all six industries are available at no charge at <http://cfigroup.com/callsat>.

About CFI Group

CFI Group (www.cfigroup.com) conducts its measurement consulting practice worldwide, through 12 offices on four continents. Launched in 1988 by University of Michigan professor Claes Fornell, CFI Group is headquartered in Ann Arbor, Michigan. It uses rigorous measurement science to diagnose its clients’ customer relationships, resulting in exacting advice on actions that strengthen these relationships and improve clients’ overall financial performance. The CFI Group methodology is used as the basis for calculating the American Customer Satisfaction Index (ACSI) via the Ross School of Business at the University of Michigan. CFI Group clients include AT&T South, Best Buy, British Telecom, Domino’s, U.S. Federal Government, ServiceMaster, UPS, Yahoo! and other leading companies around the world.

About the ACSI

The American Customer Satisfaction Index is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. It is updated each quarter with new measures for different sectors of the economy replacing data from the prior year. The overall ACSI score for a given quarter factors in scores from about 200 companies in 43 industries and from government agencies over the previous four quarters. The Index is produced by the University of Michigan's Ross School of Business in partnership with the American Society for Quality and CFI Group.

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