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Issue Resolution Drives Loyalty, Retention, Satisfaction, according to CFI Group's Contact Center Satisfaction Index

Offshore Contact Centers Improve But Fall Short, As Language Barriers Affect Problem Solving

ANN ARBOR, Mich. (July 1, 2008) – The ability of Customer Service Representatives to resolve customer issues is the most critical driver of customer satisfaction, loyalty, and word of mouth recommendations, according to CFI Group's second annual Contact Center Satisfaction Index (CCSI). Overall satisfaction with call centers improves, as the CCSI gains three percent to a score of 72 on the Index's 100-point scale.

Though customer satisfaction with contact centers is up, the study finds that one in five customers end their contact center experience with unresolved problems. These customers are half as satisfied (CCSI score of 40 vs. 80) and twice as likely to defect. Customers clearly punish poor performance, but they reward good customer service. Customers whose issues are resolved on the first call are 49 percent more likely to continue doing business with the company than customers whose issues are not resolved.

"Customer Service Representatives are on the front lines of a company's interaction with their customers, so it's vitally important that they have the training and resources to do what customers expect of them," said Sheri Teodoru, CEO of CFI Group. "If customers just wanted to hear a friendly voice, they'd call their mom – but they are calling to get something done."

The CCSI study shows that more customers are using the call center as the resource of last resort. In today's multichannel environment, Customer Service Representatives are more likely to get a higher proportion of "harder" questions that customers cannot find answers to on a website or elsewhere. Customers who tried other methods before calling the contact center have a satisfaction score of 64, which is 15 percent lower than customers who called the contact center directly (75).

Offshore contact centers are doing a better job this year solving issues, but their satisfaction scores still lag behind onshore contact centers by a wide margin (CCSI score 59 vs. 75). One of the main challenges for offshore contact centers is effective communication. The study finds that issues are 25 percent less likely to be resolved when Customer Service Representatives are difficult to understand.

“As Customer Service Representatives receive tougher questions, communication is going to become an issue,” said Teodoru. “The last thing a customer wants to do is struggle with basic communication. This is particularly true when customers call the contact center and find that the person on the other end is difficult to understand, doesn't seem to comprehend the problem, and repeatedly reads from a script. In this down economy, American consumers are also more resentful that call center jobs are being sent overseas when they could be handled more effectively here at home.”

Satisfaction with the contact center is an important indicator of loyalty and recommendations. CCSI data show that 94 percent of satisfied customers will do business with the same company again, and 91 percent will recommend. Percentages for dissatisfied customers are significantly lower. Only 62 percent said they will continue to be a customer, and only 39 percent will recommend.

The second annual CCSI measures customer satisfaction across several industries, but not all industries perform equally. The CCSI uses the methodology of the University of Michigan's American Customer Satisfaction index (ACSI) to calculate industry scores on ACSI's 100-point scale. The CCSI industry scores are as follows:

- Banking (71)
- Cable and Satellite TV (66)
- Cell Phone Service (72)
- Government (70)
- Hotels (78)
- Insurance (75)
- Multi-Channel Retail (76)
- Personal Computers (69)

The full report, including industry analyses, is available for download at no charge at <http://cfigroup.com/callsat>.

About CFI Group

CFI Group (www.cfigroup.com) turns “voice of the customer” survey data into customer satisfaction improvement strategies. Inventors of the University of Michigan's American Customer Satisfaction Index (ACSI), CFI Group is able to apply this technology to identify product and service improvements that will maximize ROI. For over twenty years, CFI Group has applied ACSI best practices worldwide to help clients drive customer loyalty, recommendations, and firm value. CFI Group's clients include the American Cancer Society, Arrow Electronics, AT&T South, Best Buy, British Telecom, Barclay's Bank, DIRECTV, Home Shopping Network, Toys 'R Us, UPS, NASA, and Yahoo!

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