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State of Service Report

Customer Service Institute of Australia

ANTENNA

csia

2022 Australian Service Index

Foreword by CSIA

I'm thrilled to present the results of the inaugural Australian Service Index - an Australia wide study, designed to provide insight into how Australians feel about customer service provided by the organisations they products and services from, and to identify ways for Australian organisations to improve their delivery.

Our research comes as organisations face increasing pressure in this period of ongoing crisis brought about by the global COVID-19 pandemic and its impacts.

As Australia's authority on customer service we have published this white paper to support organisations in creating and delivering better outcomes and experiences for their customers. The full 2022 Australian Service Index is available to CSIA's corporate members or by request to CSIA.



Jeremy Larkins

Executive Director

The Customer Service Institute of Australia

Foreword by Antenna

We know it's been a challenging couple of years for the customer service profession... four in ten consumers have reported that customer service has gotten worse since the beginning of the COVID-19 pandemic. Customer service professionals have really been in the frontlines when it comes to providing to Australians customer service needs during very difficult circumstances.

We welcomed the opportunity to be part of this important survey research to understand the good, bad and ugly of customer service delivery in Australian. We're thrilled to report that while there is always room for improvement, many Australian organisations have met the challenge well and Australians report high levels of satisfaction, recommendation and trust with across many industries.

You will see throughout this report that we've identified some of the key areas that organisations can focus on to best delivery to the customer service needs of Australians.

We hope that this research is the catalyst for a positive refocusing of customer service resources towards the ever-changing needs of Australian consumers.



Brett Gumbley

Director

Antenna

About this report

The last two years have been especially challenging for organisations attempting to deliver great customer service. Since the beginning of COVID in early 2020, border closures, health restrictions, movement to remote working, adoption of new digital technology and the labour crunch making the job of deliver any customer service very difficult, let alone great customer service.

Against this challenging backdrop, CSIA wanted to get a sense of how Australians think industry has performed in meeting the demands of these new market pressures..

This report focuses on understanding the current market perceptions of customer service delivery in the Australian market, with a deep-dive into customer service interactions in the key industries of automotive manufacturing, banking & finance, home insurance, TV / video streaming, betting, government services, mobile phone services, airlines / cruise lines, energy providers, superannuation funds, internet services, health insurance, NDIS providers, aged care providers and car insurance.

The report used research conducted in March – April 2022 with over 10,000 Australians into their experiences in interacting with customer service functions from these major industries.

Table of contents

4. A challenging period for customer service
5. Which brands have the most satisfied customers?
7. Why are they engaging with brands?
12. How do we improve customer sentiment?
13. Conclusions
14. About the research
19. Our researchers

A challenging period for customer service.

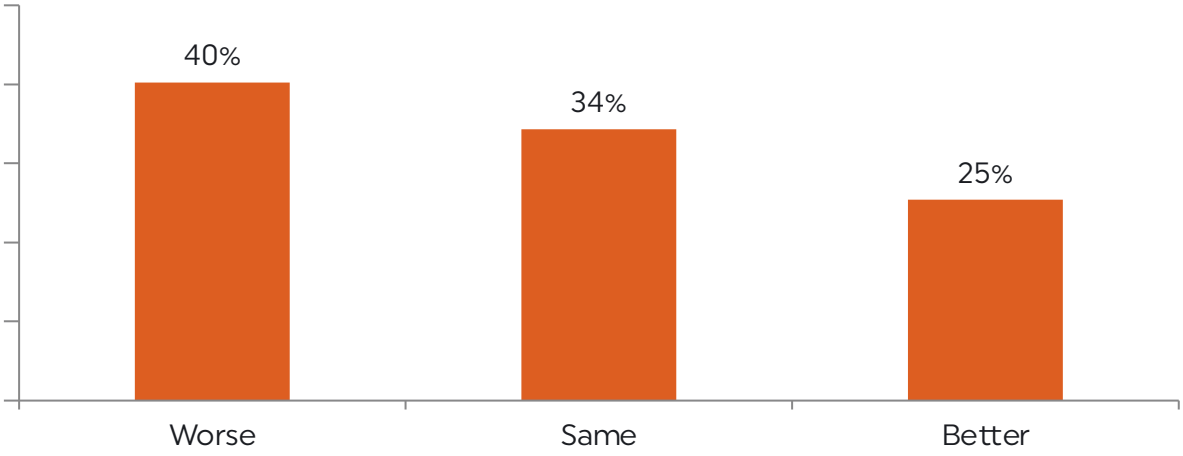
There's no doubt that the last couple of years have represented a major challenge for organisations in delivering customer service excellence, with significant issues around government health restrictions, supply chain issues and staff availability. Many organisations have been forced to adapt by integrating new technology and to accept labour supply from a tighter and more expensive market.

And there's clear evidence here that customers are seeing the effects of this in their own service interactions, with four in ten Australians feeling that customer service has worsened since COVID.



Four in ten Australians think customer service has worsened since COVID

Has accessing help / customer service got better or worse since COVID?



Which brands have the most satisfied customers?

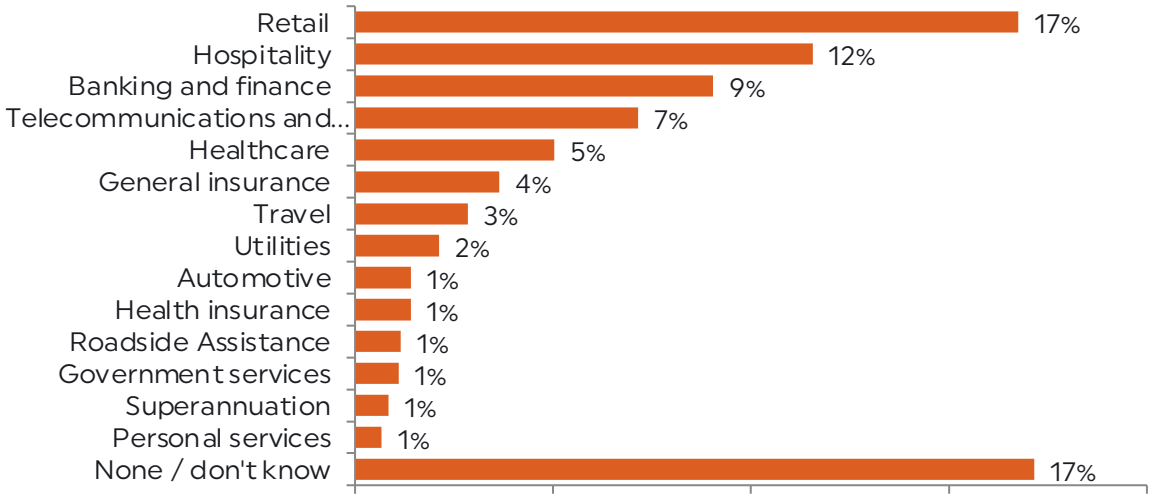
Our participants reported high levels of satisfaction with major house household brands including Bendigo Bank, RAC, ING and Carnival Cruise Lines.

Brand	Category	Net Satisfied
Bendigo Bank	Banking	96%
RAC	Home Insurance	96%
ING	Banking	91%
Carnival	Airlines & Cruise Lines	90%
Mazda	Automotive	89%
Bank of Queensland	Banking	89%
Woolworths Insurance	Car Insurance	89%
ahm	Health Insurance	88%
BMW	Automotive	87%
Red Energy	Energy Providers	87%
Apia	Car Insurance	87%
Suncorp	Home Insurance	86%
RACQ	Home Insurance	86%
Stan	Streaming Service	86%
Disney	Streaming Service	86%
HESTA Super Fund	Superannuation	86%
Commonwealth Superannuation	Superannuation	86%
RACV	Car Insurance	86%
Toyota	Automotive	85%
Audi	Automotive	85%
Aldi	Mobile Phone Provider	85%
Qsuper	Superannuation	85%
MLC	Superannuation	85%
RAC	Car Insurance	85%

But not all industries are the same when it comes to service delivery

Many industries have met the challenge when it comes to providing good customer experience with our respondents ranking retail, hospitality and banking & finance ahead of the pack.

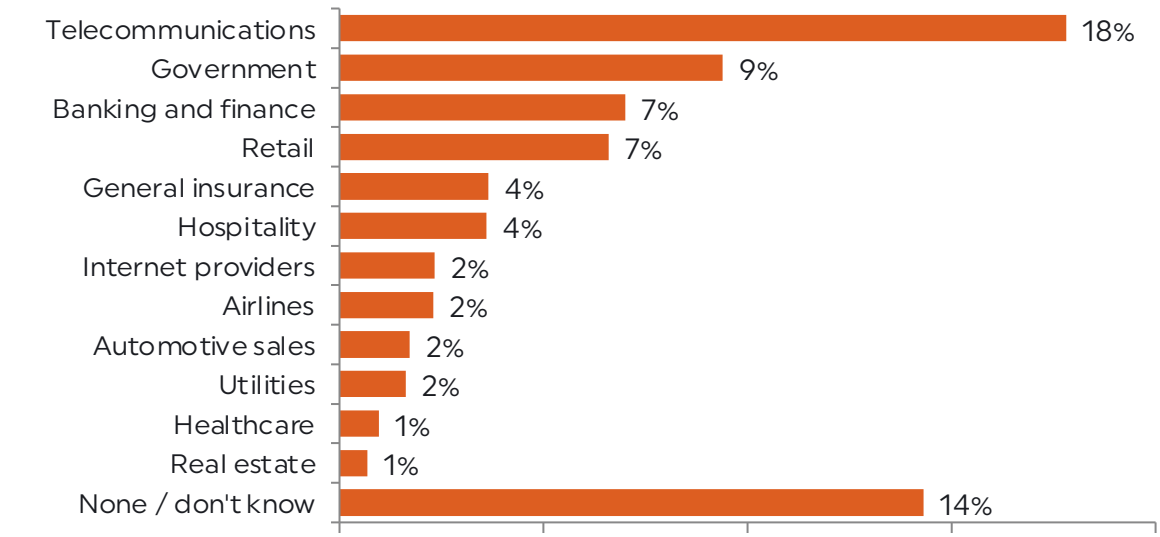
Which industry do you think provides the best customer service?



For some industries there's room for improvement

Our customers point to telecommunications as the standout industry that's delivering poor customer service... twice its nearest competitor.

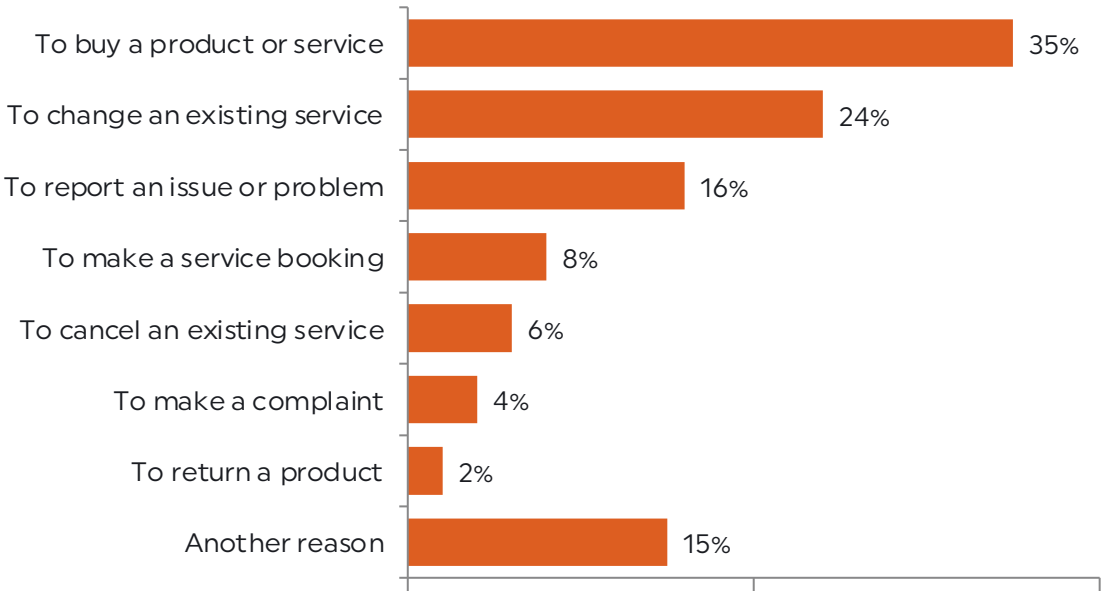
Which industry do you think provides the worst customer service?



Why are they engaging with brands?

Our survey shows the critical overlap between customer contact and sales - one in three Australians engage with a brand to buy products or services (35%) or to change existing services (24%).

Only 16% of Australians reported that their customer service interaction was about a problem with their service or product, while only 4% contacted their brand to make a complaint.



But not all industries are that same with customers of internet service provider twice as likely to be reaching out to their provider for an issue or problem (37%).

And customers of aged care and NDIS provides almost three times as likely to be contacting their provider to make a complaint.

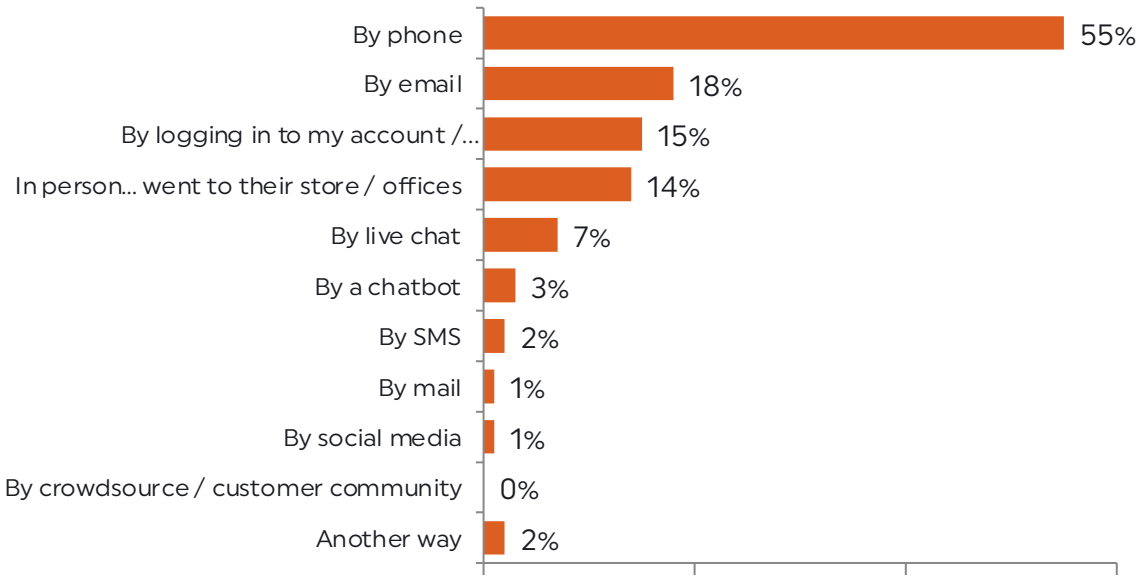




Phone still the leading channel

Phone is still the clear leader when it comes to how consumers are talking to brands... we're seeing a limited engagement with newer forms of communication like chatbots (3%) and social media (1%).

Similarly, customer service provision through crowdsourcing / customer communities looks to have no appeal with Australians.



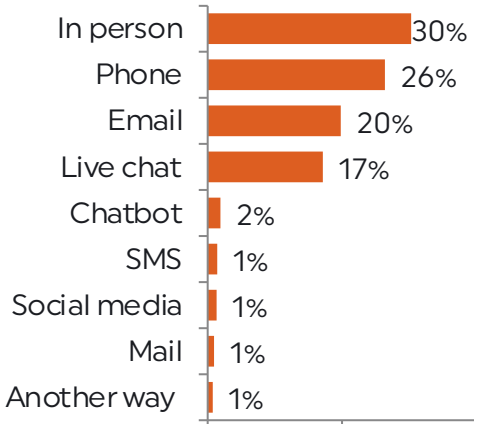
But phone based customer service is both preferred and hated

Our respondents have a somewhat love /hate relationship when it comes to phone-based customer support ... as many consumers see the telephone as their most and least favourite way of engaging with a brand. .

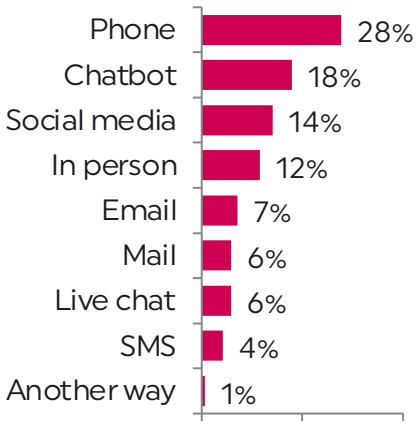
Despite the isolation of COVID (and even, because of it), face to face engagement with a brand remains the preferred form of engaging with a brand, with email and live chat preferred by many.

What is your favourite customer service channel to use?
What is your least favourite customer service channel to use?

Most favourite channel



Least favourite channel

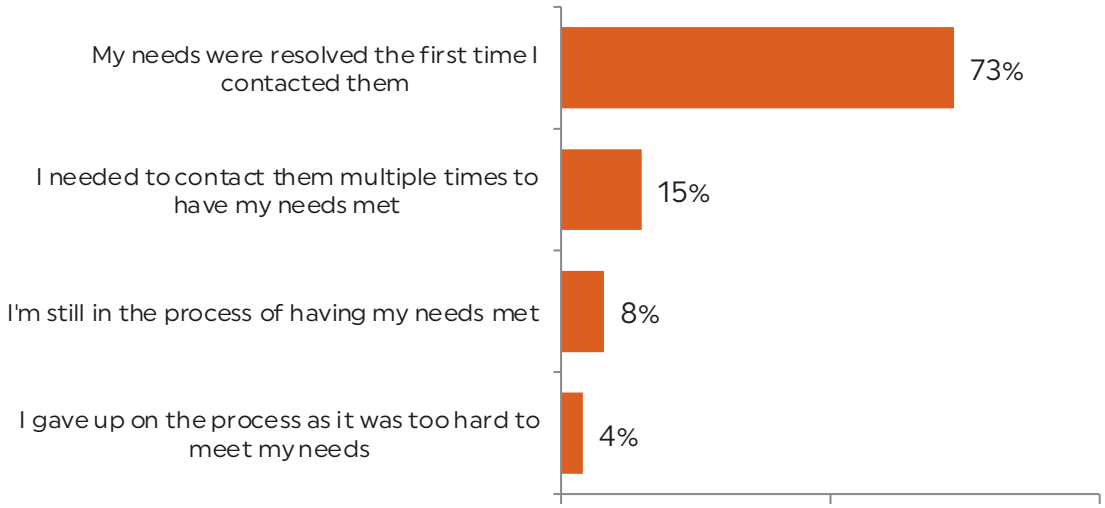


Government Services (40%) and Banking (33%) still show the strongest levels of face-to-face engagement with their customers... NDIS Service Provider customers are almost four times as likely to use SMS as a way of communicating with a brand, while Aged Care customers are four times more likely to use social media for customer service interaction.

Most people get what they need first time.

From what we're seeing, Australian customer service departments are doing a great job when it comes to First Time Resolution (FTR)...73% of Australians reported that their needs were resolved the first time they contacted a brand. But sadly, this isn't universal - 4% of Australians reported giving up on talking to a brand's customer service team in the last year because it was too hard.

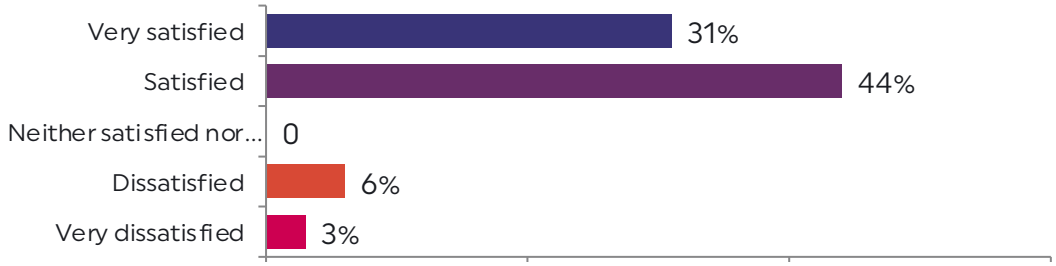
At an industry level, Car Insurance (84%) and TV Streaming (80%) stand out when it comes to first contact resolution, tracking well above the market averages.





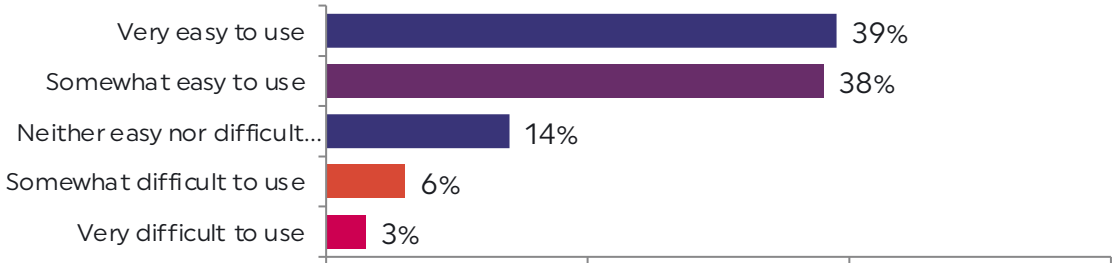
When it comes to customer service, Australians are a satisfied bunch.

On average, fewer than one in ten Australians are dissatisfied with the service providers they currently use. On the whole, most industries are doing well when it comes to satisfaction with solid scores across the board.



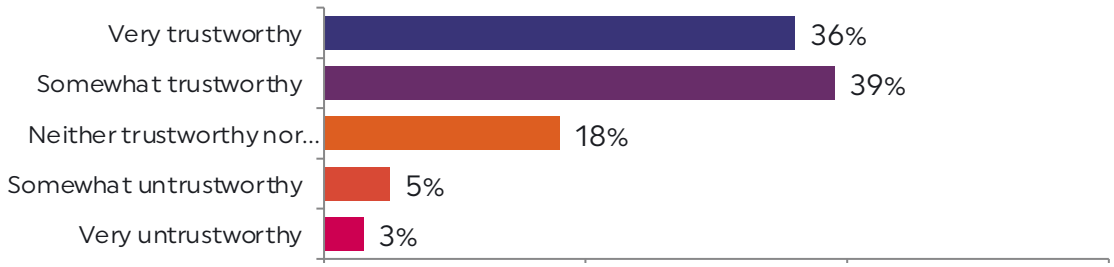
Our organisations are seen as easy to do business with...

Similarly, 77% of Australians thinks it is easy to do business, with fewer than one in ten feeling that it's difficult to do business with Australian organisations. But there is some room for improvement in some industries... Aged Care (53%) and NDIS Service Providers (54%) score at the bottom of the rankings.



...And it's a similar story when it comes to trust.

75% of Australians report that they feel that the brands they interact with are trustworthy. Again, NDIS Service Providers (57%) and Aged Care Providers (59%) have the lowest levels of trust.



How can we improve customer sentiment?

When asked what could have been done to improve service delivery, Australians are clear ab out what they want to see from their service providers ... rewarding loyalty (29%), proactive engagement (17%) and responsiveness (14%) are seen as key elements in improving service delivery and customer sentiment.

What could be done to improve service delivery to you?



And when it comes to identifying a new service provider, more than half of Australians feel that having a local call centre is a good predictor of good customer service. This is strongly followed by good online reviews (41%) and a recommendation from a friend or relative (36%).

Which of the following would help you, to predict if a company delivers great customer service?



Australian call centres are a better predictor than reviews or referrals.

Time to start listening to customers.

There is strong evidence that organisations aren't actively listening to their customers, with 64% of Australians reporting that there service providers didn't solicit any feedback regarding their customer service interaction.

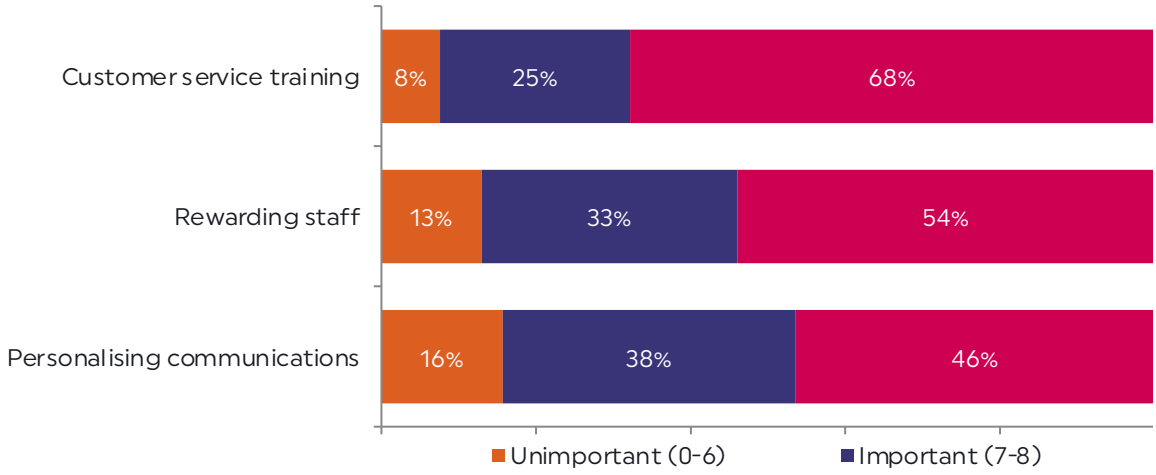
Overall, all our industries performed poorly in this aspect of customer engagement, with even the most customer centric industries asking for feedback from fewer than three in ten customers.



Training and rewarding staff seen as critical

Australians want their customer service staff better supported through training programs, with two-thirds of Australians thinking training is important in delivering good customer service outcomes. Staff recognition and reward is also critical here - over 50% of Australians state that it's important to reward staff for good customer service.

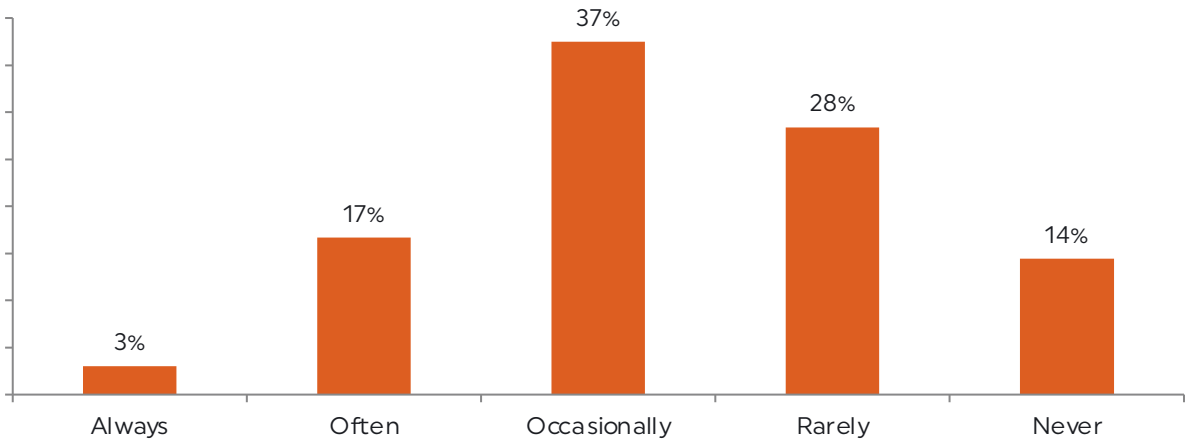
How important do you think customer service training is to ensuring staff deliver good customer service?
How important do you think it is to reward staff for providing good customer service?
How important do you think it is to personalise customer service communications to you?



Australians love to leave a review.

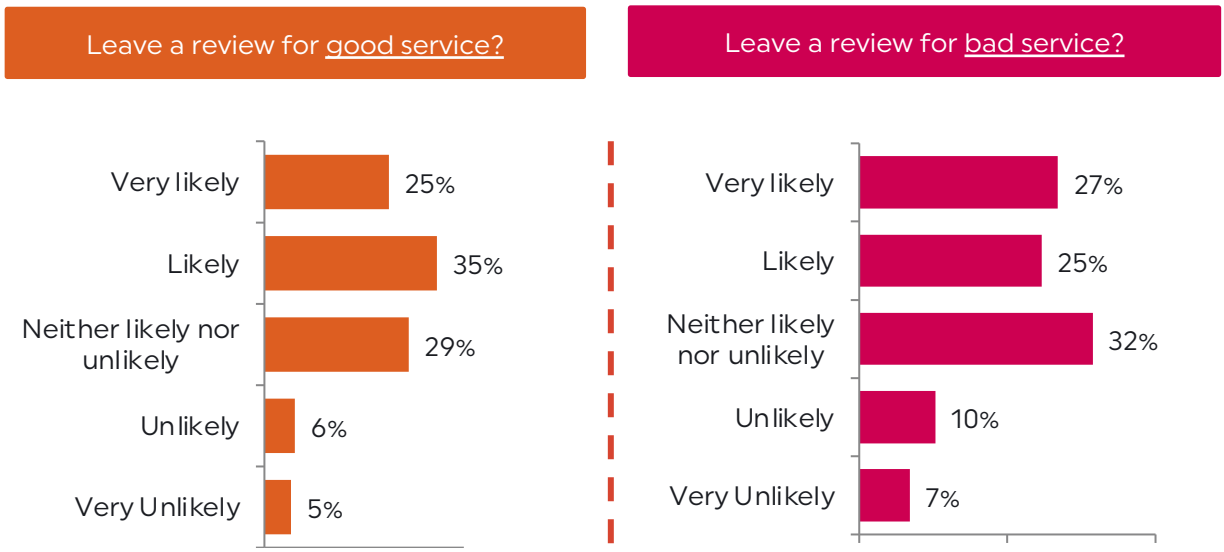
Australians are a vocal bunch with the majority having left reviews about the customer experience they receive. One in five Australians always or often leave a review.

How often do you leave reviews about the service you have received?



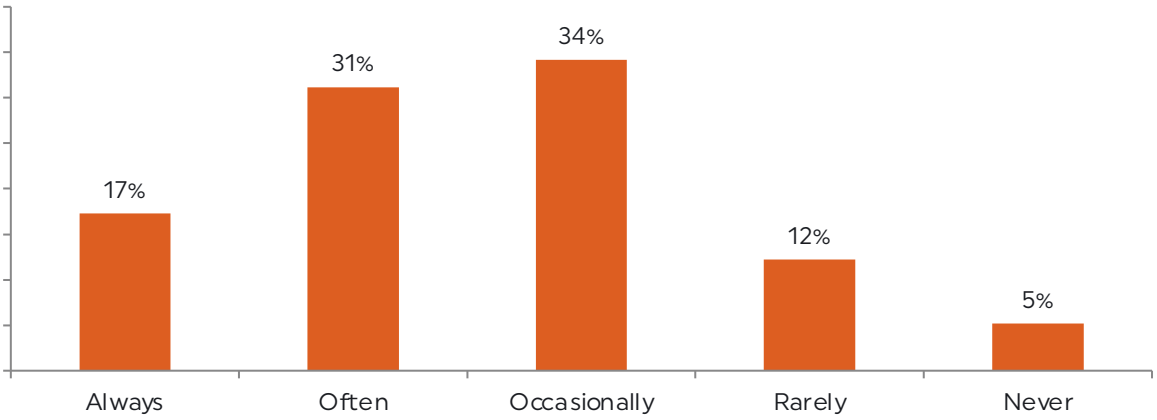
But Australians are more likely to leave a review for good service than bad service, with 60% of Australians likely to leave a review for good service and 52% likely to leave one for bad service.

How likely are you to leave a customer review for a business that has provided great customer service?
How likely are you to leave a customer review for a business that has provided poor customer service?



Even though we're more likely to leave a positive review than a negative one, Australians are likely to tell other people about their poor experience - 48% of Australians say they always or often tell others about poor service.

How often do you tell others about a poor service experience you have received?



Are reviews are an unleveraged opportunity for organisations?

While Australians love to leave a review, many organisations aren't leveraging this opportunity - only 10% of our sample reported being asked to leave a review by their service provider. Some organisations look to be better at recognising the strong opportunity that this offers... Betting (18%), TV Streaming (13%) and NDIS Service Providers (13%) are more likely to solicit customer reviews.



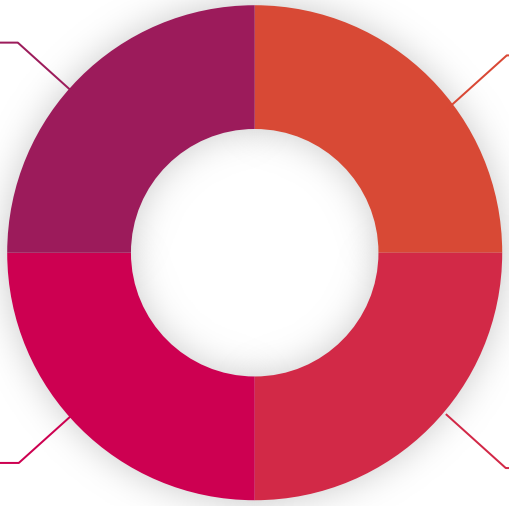


Conclusions

- The last couple of years have been a challenging period for customer service delivery, with four in ten Australians reporting that customer service has gotten worse since COVID- 19.
- Despite this perception, many industries are meeting the challenge when it comes to providing good customer experience... consumers rank Retail, Hospitality and Banking & Finance ahead of the pack.
- There is still room for improvement, however, with the Telecommunications industry criticised by our participants as having the worst customer service of the industries we surveyed.
- When it comes to individual brands, our participants reported high levels of satisfaction with major brand names including Bendigo Bank, RAC, ING and Carnival Cruise Lines
- Overall, Australians are generally satisfied with their service providers - they feel that Australian service provides are easy to do business with, and they feel a high level of trust towards the organisations they buy products and services from.
- But there are clear opportunities for organisations to fine-tune their customer service offering and build strong customer engagement by:
    - Providing training to customer service staff... two-thirds of Australians thinking training is important in delivering good customer service.
    - Developing and implementing reward and recognition programs for customer service staff... more than 50% of Australians feel it's important to reward staff for good customer service.
    - Proactively solicit customer service reviews... while 41% of Australians see reviews as a good predictor of good service, only 10% of Australians report that they were asked to leave a review for their service provider.
    - Actively solicit customer feedback... 64% of Australians reported that their service providers didn't solicit any feedback regarding their customer service interaction.

About the research

This research was commissioned by the Customer Service Institute of Australia as a study of the state of customer service in Australia and was conducted by independent research agency Antenna in May 2022 with a nationally representative sample of n=10,095 Australians aged 18+ years.



13 categories
A detailed exploration of a range of industries, and the customer service landscape overall

10,095 Australians
A robust, sample of Australian consumers

Weighted data
Sample weighted by age and gender to the 2021 ABS Census to ensure representivity.

Nationally representative
Talking to Australians in all states and territories.

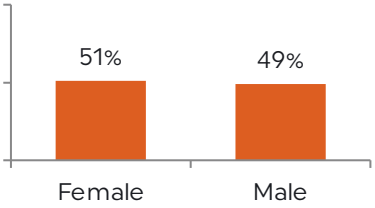
What did we ask.

The Brands	How and why	Their satisfaction	Opportunities for Improvement
• Which brand(s) have they most recently contacted?	• Why did they contact the brand? • How did they contact the brand...in person, phone, email, SMS, chatbot, live chat, mail, social media or another way?	• Was their issue resolved? • How did they feel post-interaction? • Overall satisfaction • Overall ease of use	• Did the brand solicit feedback? • What could they have done to improve their service deliver?

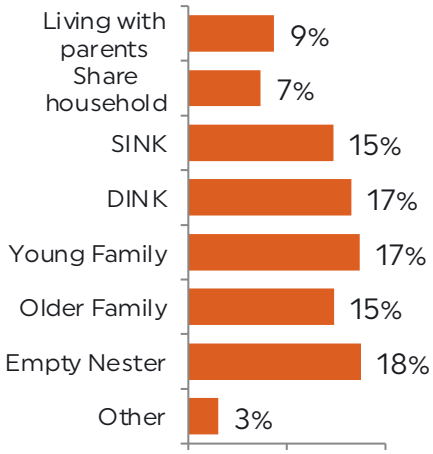
Who did we speak to.

Sample demographics

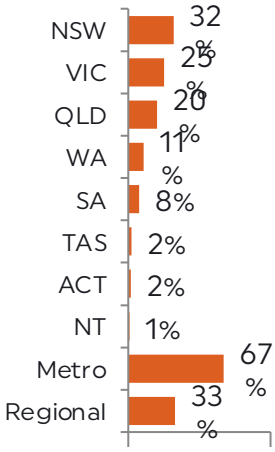
Gender



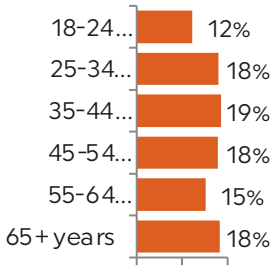
HH Composition



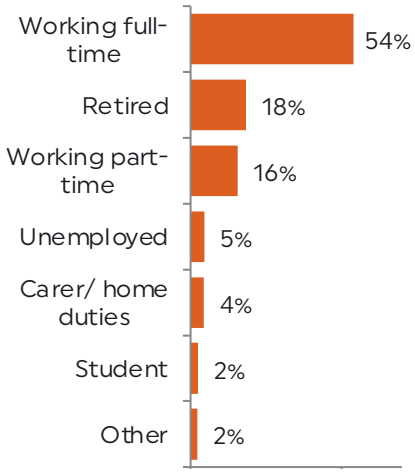
Location



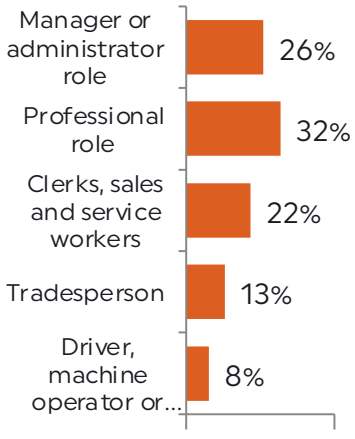
Age



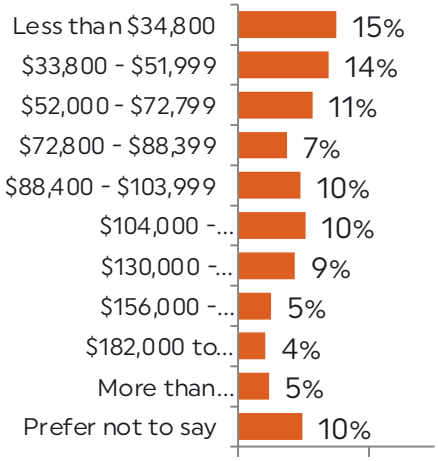
Employment



SES



Income



A representative slice of Australia
(Based on a total sample n=10,093, weighted)

Our Researchers



Sam Blaxland
With more than 20 years experience, Sam is a researcher skilled in all aspects of qual and quant research and strategy. Prior to starting at Antenna, Sam was Director of Clarity Strategic Research and Director of Qualitative Research at Arnold & Bolingbroke, working with major Australian and international brands and delivering practical, useable insight and strategy to their businesses. Sam brings a wealth of qualitative experience to the table, having worked with a diverse range of clients and categories across FMCG, Personal Care, Finance, Government and many more. Specialising in customer service design, Sam is also a Board member of the Customer Service Institute of Australia.



Brett Gumbley
Brett brings to Antenna a wealth of experience in research field management and the application of emerging technologies to research problems. He has strong skills in customer sentiment tracking and analysis. Brett was previously Regional Director for Australia and New Zealand at Toluna, and General Manager of Arnold & Bolingbroke which included extensive work on the Qantas brand across brand health, cabin and menu design.

About Antenna

Antenna is a full-service market research agency servicing clients in Australia, Asia, Europe and the Americas. The organisation is built around skilled researchers with over 60 years combined experience in all aspects of market research – from ethnography, through to multi-national quantitative studies, and everything in between. They've worked on everything from air travel to automotive to skincare to pharma to finance to NFPs and charities.

About CSIA

The Customer Service Institute of Australia (CSIA) is the peak body and authority for customer service in Australia. Established in 1997, the Institute supports organisations to achieve their customer service and customer experience goals through benchmarking, certification, training and recognition programs. CSIA clients include multinationals, private businesses, not-for-profits and Local, State and Federal government bodies.



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