



KIWIHOST

NEW ZEALAND'S CUSTOMER SERVICE EXPERTS

[2017 SERVICE SURVEY: **FULL REPORT** OF FINDINGS]

ABOUT KIWIHOST

KiwiHost are New Zealand's largest provider of customer experience management programmes, with special emphasis on developing people and service skills across a diverse range of industries.

Since 1989 KiwiHost has developed customer service skills for more than 50,000 businesses. All this experience has taught KiwiHost that a real customer service experience is what people are looking for. The one thing that customers want most is to connect with the distinct business personality, and the only way to do that is through a company's own personal brand of customer service.

If you're interested in tapping into the one real point of difference your business can deliver, we'd be glad to help.

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EXECUTIVE SUMMARY

Thank you everyone that has taken part in our annual survey on customer service trends in New Zealand. This year forms the ninth time we have surveyed the country for their perceptions on service in New Zealand and continues to influence the messages the market receives about what clients want from you as an organisation.

The results of this, the ninth annual survey are consistent with previous years. People still want you to listen and understand my needs, demonstrate a willingness to help and respond in a timely manner.

The key takeaway from this years results though, is that customer service in New Zealand has plateaued. For the 4th straight year, the overall satisfaction with customer service has sat in a 1 – 2 percentage point band at around 64% of people being satisfied. So after a period of sustained improvements, we are stuck.

“Customer service in New Zealand has plateaued”

Looking from an industry perspective, the trends (both positive and negative) have continued also. The sectors below are all trending upwards:

- Hotels & Motels
- Utilities
- Medical Centres
- Local Councils
- Fast food Outlets

Pleasingly, Telecommunications and ISP's have rebounded off the bottom and scored slightly better this year. If any industry should be responding to the service requirements at the moment, it is these ones. Their industry sector moves faster than anything out there, and their ability to serve the requirements of their customer might not only be the difference between them and their competitors, but it could also be the difference between market growth and liquidation of their company. You only need to look at Sky Television to realise that market conditions,

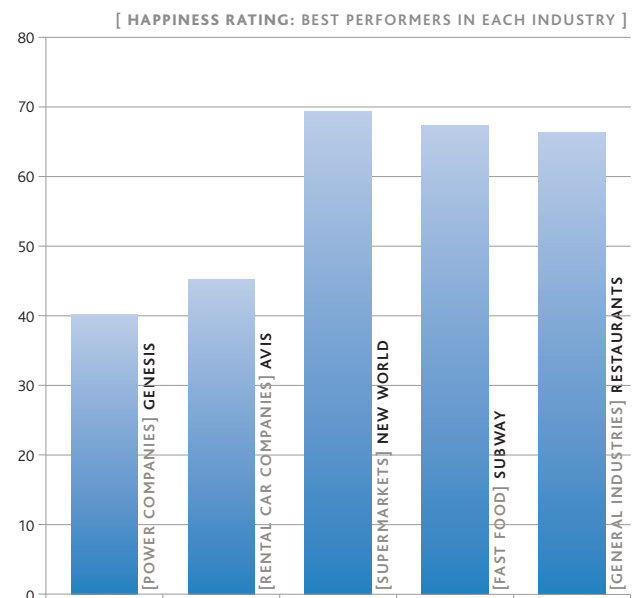
new technology and large offshore competitors could unseat a giant in the industry sector.

This year we introduced rental car companies for the first time to the mix of industries to focus on. Whilst the results aren't great, they aren't terrible either. The industry seems to be relatively consistent with the service offered, but the overall standard is low compared to some of the sectors monitored.

STAR PERFORMERS

The star performers for their industry are noted below and whilst they are clearly doing okay in their industry sector, they are either only just above or well below what people think about service in general in New Zealand. There is still significantly more that can be done in all of these industry sectors to improve and make New Zealand's customer service exemplary across the board.

Jared Brixton: Managing Director, KiwiHost Ltd



[* HAPPINESS RATING]

What does it mean? It's the number of satisfied responses minus the number of unsatisfied responses, represented as a percentage of the total number of responses for each company.

- A Happiness Rating of 100 would indicate that ALL responses for that company were **POSITIVE**.
- A **NEGATIVE** Happiness Rating means that the responses indicate that the company has more unsatisfied customers than satisfied ones - ouch

INTRODUCTION

During September and October 2017 over 1300 New Zealanders participated in the KiwiHost Customer Service Survey asking for their perceptions of customer service in New Zealand. This report details their views and experiences of interacting with all types of New Zealand businesses.

THE TOP 3 FACTORS OF EXCEPTIONAL CUSTOMER SERVICE

For the seventh year running, respondents have sent a clear message of what front line customer service staff should be doing to ensure their expectations are met. The top three factors listed below are quite clear and are growing in significance over any of the other factors listed:

1. **LISTEN & UNDERSTAND MY NEEDS**
2. **DEMONSTRATE A WILLINGNESS TO HELP**
3. **RESPOND TO ME IN A TIMELY MANNER**

The results of our research suggest businesses that can get these three things right will have more satisfied customers than their competitors. The responses below from some of our respondents demonstrate the importance of these three themes:

“The person working in store was very friendly and the effort that person put in to helping me find what I wanted was exceptional. When that person saw that they had run out of what I wanted, they then took time to order some over the phone and she then made recommendations for other products and gave me the option to buy another product or come back in when their order has arrived. Extremely helpful, friendly and funny”

“Just the way this person spoke to me, with so much kindness and respect which made this experience the most memorable.”

“They were engaged and had a visible knowledge and passion for where they were working and the product they were working with this made me feel like I wasn’t pressured into buying the most expensive product but the most effective and efficient one.”

“They talked really well to me as if they wanted to help. They also listened well and contacted the manager because I was unsure”

As illustrated in the diagram above, any business wanting to provide an exceptional customer service experience, needs to focus on the three important areas listed.



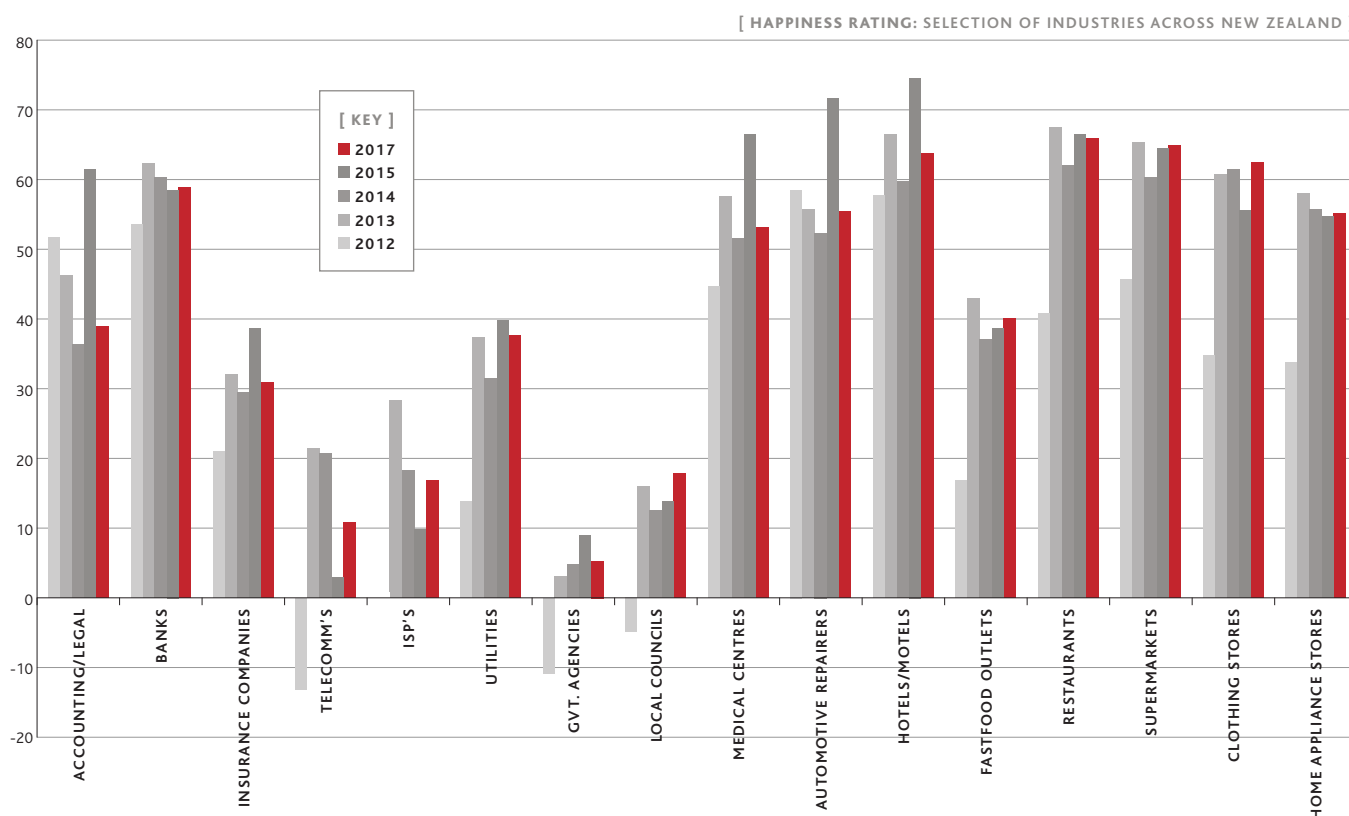
INDUSTRY LEVEL INFORMATION

The results of the survey show that respondents do have different perceptions of the level of customer service provided by industries in New Zealand. Previous research conducted by KiwiHost has shown that respondents have a more favourable perception of the level of customer service provided by Hotels/Motels. This year however, finds that restaurants, being of a consistently high level have reached the top.

Pleasingly, Utilities, Local Councils, Medical Centres, Hotels/Motels, Fast Food and Clothing Industries have all continued their upward trends in performance and remain consistently high.

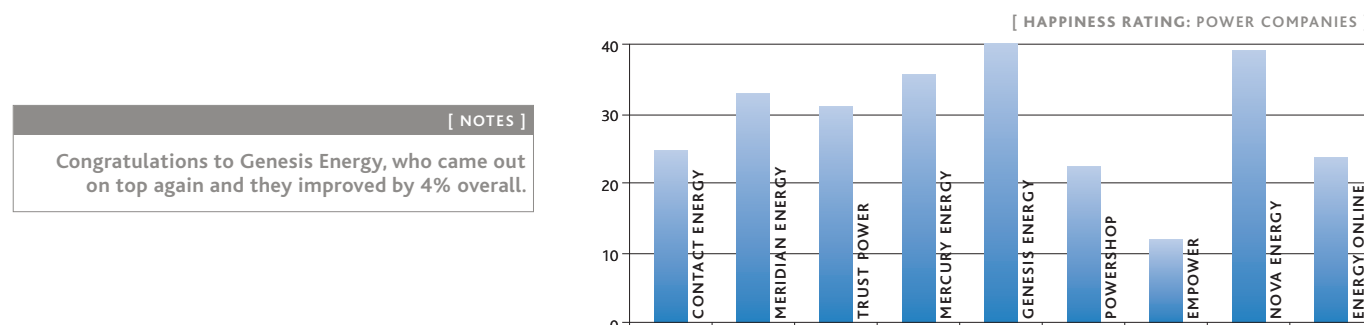
Thankfully it has now been four years since anyone has received an overall negative happiness rating. Councils are now over 20% higher than where they were when we first started rating them.

Restaurants have taken over at the very top, but are closely followed by supermarkets & hotels/motels.



POWER COMPANIES

Within the Power industry, Genesis Energy remains the top performing company, although only just. Most pleasingly is that within the industry, there has been a collective improvement. Five companies have improved, whilst only two have decreased. Genesis at the top have improved also, but the big movers were Nova Energy, who almost overtook Genesis Energy at the top. They are only 1% behind.

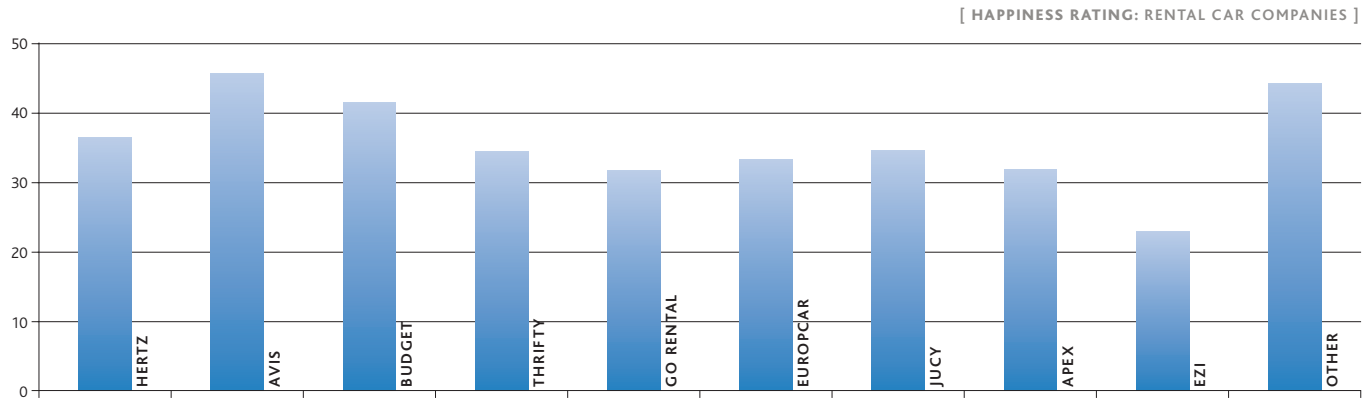


RENTAL CAR COMPANIES

Rental Car companies are all performing within a relatively tight industry band, with Avis on top at 46%. It's good to see some of the large companies dominating, however this is harder to improve on for them. The performance of the smaller companies, whilst not great can be improved a lot easier, with good systems and training. It'll be interesting to compare results next year.

[NOTES]

Avis take out the inaugural results for Rental Car companies on 46%.

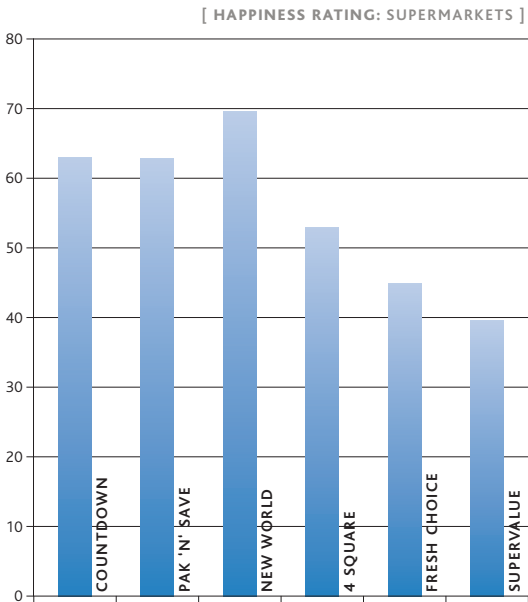


SUPERMARKETS

Supermarkets continue to have one of the highest industry ratings at 65% (up on previous years). Their individual performances remain relatively consistent, with New World remaining on top at almost 70%. It is pleasing to see those behind them making some advancements, especially Freshchoice & Supervalu.

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New World wins overall 'Best Service of 2017' in our survey. Congratulations



FAST FOOD

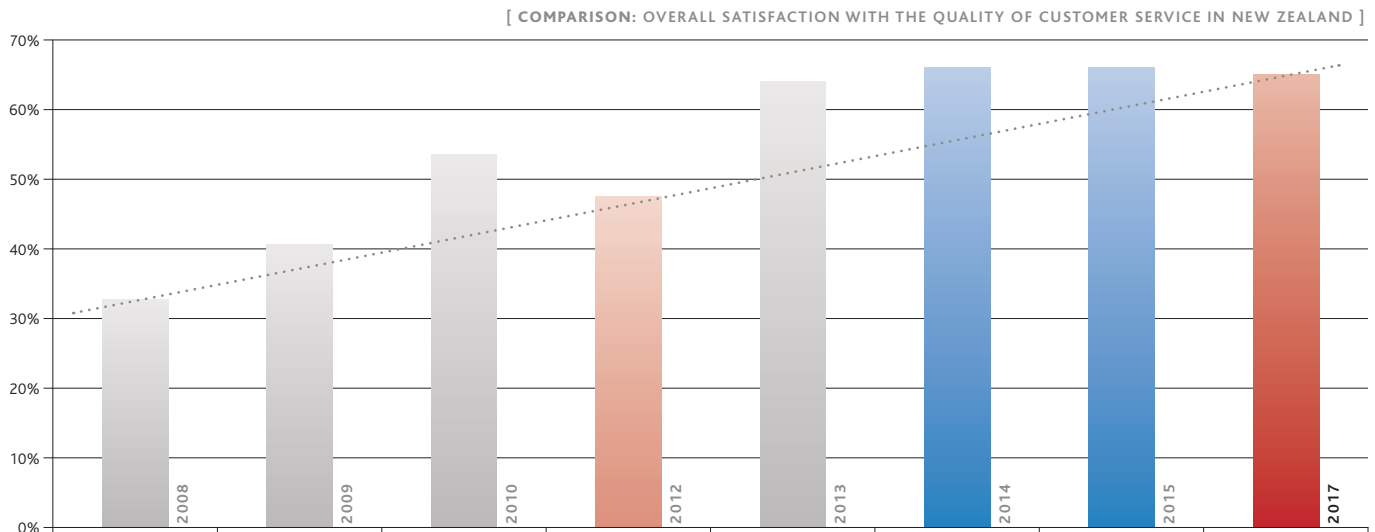
A disappointing result for Fast Food overall with five of the six restaurant chains monitored all receiving lower results than in previous years. The leader in this category is still clearly Subway, but they are down nearly 5% overall and have lost their top spot overall

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A pretty disappointing result for all, other than Nandos. The only chain to record an improvement.

CUSTOMER SERVICE IN NEW ZEALAND

New Zealanders seem to be reasonably satisfied with the service they are receiving in New Zealand, with 51% saying they are satisfied. Another 14% are very satisfied. This shows a very slight drop (1%) in total satisfaction from the previous two surveys where levels had been very consistent at 66%. However when the results are reviewed from the past 4 years it becomes apparent that our improvements have stalled.



THE TRIGGERS - WHY CUSTOMERS FEEL INDIFFERENT OR NEGATIVE ABOUT SERVICE

The Triggers - Why Customers Feel Indifferent or Negative about Service

The triggers are found in our three key factors – listen to me and understand my needs, show a willingness to help and respond in a timely manner. When a business does not deliver on these three themes, the result is a dissatisfied customer.

There were particular themes that emerged from the comments that suggest that there are certain areas that customers find particularly irritating. Amongst these themes were

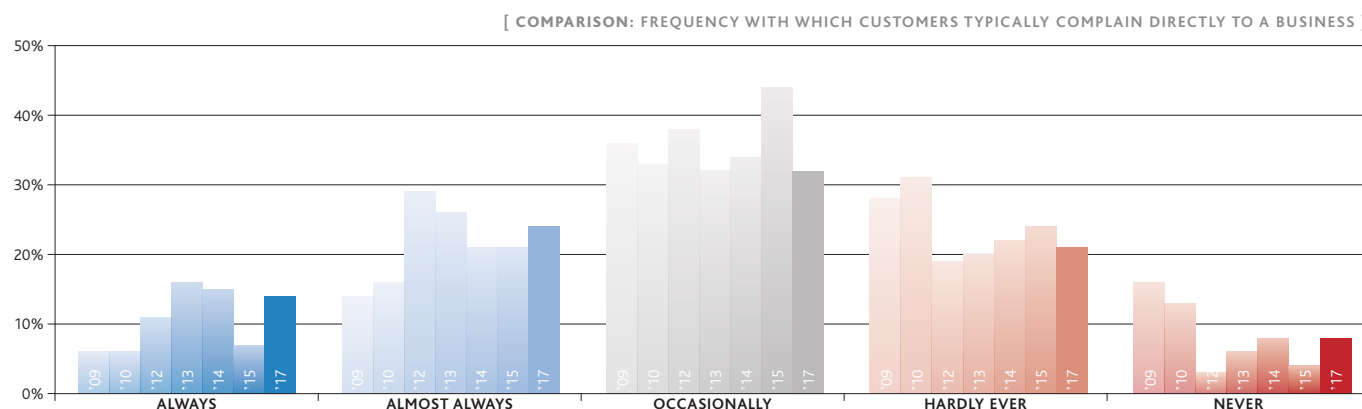
“We ordered a computer, and were told it would take 7-10 days to arrive. It took more than double. Which was only bad because every time we enquired about where it was we were promised they would follow up and it would be there soon. So we felt lied to. Then it arrived with the wrong keyboard ordered, so we had to wait an extra 2 weeks while they sorted that! When we complained (more than once!) they took no responsibility, offered no apology or compensation, and shrugged us off when we commented it would be difficult to shop there again after this experience. So more than feeling lied to, it was worse because they just didn’t care. Once they had the money, that was that!!”

“Went to a bridal store with friends to try on bridesmaid dresses with the bride. We are all early 20’s, and were scolded and shunned by the shop assistant (who was the manager!). She had stereotyped us based on our age. We left immediately.”

“It took the hospital 3 months to set up a post-op check up, to which they stated it should have been 2 weeks I should have waited.”

A BAD EXPERIENCE - WHAT DO WE DO ABOUT IT?

It appears that New Zealanders are becoming slightly more confident about the type of service they want and are starting to show signs of a willingness to both demand it and point out when they haven't received it. 38% of those receiving bad service will now almost always or always raise their concerns with the organisation directly. **This is an increase of 2% on our last survey.** Alarming there is a growing percentage of people who will never raise the issue with an organisation. As can be seen, the most common response was 'occasionally'. In fact, only one third of respondents are telling you.



So what do respondents do if they are not complaining directly to an organisation? They tell their family and friends. More than 16% of respondents to the survey indicated they told more than 10 people about a recent bad customer service experience they had (while only 12% would tell that many about a good experience).

53% would tell at least 4 people about bad service, while only 50% would tell that many about good service.



Tellingly 55% of respondents will only give a company 1 or 2 chances to get it right before they will take their business elsewhere. So doing anything wrong with a customer could mean you lose them for life & it's very likely they are going to tell at least 4 people about the experience.

It is relatively evenly split as to how they would communicate the message about bad service to you, with 20% preferring face-to-face, 21% preferring over the phone & 34% via email.

This research shows that it is less likely for an organisation to know about a customer's bad experience but it is much more likely for that customer's friends and family to be aware of it. All the more reason for an organisation to ensure their frontline staff are consistently delivering superior customer service.

SOCIAL MEDIA

Communication across social media platforms continues to rise in significance, with those using it to post either negative or positive reviews increasing by 20% over a two-year period. This is the highest level recorded in the survey since we began recording data for social media usage in 2013.

This result is not surprising given the increased use of social media platforms of all types across the last five years. Having an internet connected mobile device in your pocket is a powerful tool that can be used at a moments notice to provide feedback anonymously if wanted on sites. Whilst we've known of the increase in availability of the tools, this is the first time we've seen a marked increase in it's use across the board to provide that feedback. This feedback is only likely to increase and eventually raise the standard of service provided.

GETTING IT RIGHT

Many companies clearly see the importance it can have not only in creating a great experience for their customer, but the real difference it can make to the bottom line long term for a business. As you can see from the quotes below, the good service provided by staff can create a lasting impression on their customers:

“We were attended to regularly to see if we were happy with the service and were fully informed of all the benefits we were able to access. Friendly, but not too intrusive.”

“It was good because they kept me informed on what was going on and when my parcel was going to be delivered (to which the delivery date was very accurate). Also what I had ordered was in very good condition and I have revisited their website numerous times afterward.”

“The person I was dealing with was exceptionally attentive. They looked at the issue I had but also provided information about other services I could utilise to gain the optimal service from their company. They assisted me then and there and were very clear with instructions and time frames which I could expect action to happen.”

The comments relating to positive customer service experiences shows that the staff at these businesses are listening to their customers, they clearly demonstrate a willingness to help and they take responsibility to meet their customer's needs.

Positive customer service experiences not only increase the loyalty of that particular customer but they also tell their family, friends and colleagues about it – effectively these people act as promoters for a business, as can be seen by the frequency with which our respondents tell others, and the number of people that they tell about great customer service experiences.

CONCLUSION

There was a really mixed bag of results this year and I think that is best summed up by our statement that customer service improvement and performance has plateaued. In order to change this perception, organisations will really have to look closely at how they interact with their customers to provide the service they are after. Encouragingly some relatively new players to industry sectors look likely to shake things up.

If an improvement isn't seen, reporting on the performance of industries and individual companies is only likely to increase with mobile technology putting the internet in everyone's pocket.