



Australia Reaches Customer Experience Impasse â€“ New Study Finds Consumers Despondent About Their Chances of Ever Getting Good Service

SYDNEY - June 25, 2010 — A new study commissioned* by RightNow <<http://www.rightnow.com>> (NASDAQ: RNOW) investigating customer experiences across Australia has found that more than a quarter (28 percent) of consumers stay put with a company following a poor customer experience because they believe that alternative companies are just as likely to offer unsatisfactory service.

Even when a customer stops doing business with a company, as more than half (58 percent) of the study's respondents said they had done, only 35 percent felt that the company was aware that they had defected, while a meagre 26 percent said that the company had tried to win back their business

The study focused on customer experiences across seven of Australia's key industries; telecoms, internet service providers (ISPs), insurance, finance, travel/hospitality, utilities and online retailers, and identified:

The finance industry as having the highest customer churn following a poor customer experience, and Travel companies to be the worst at identifying defecting customers and consequently the worst at trying to win back lost business
Of the seven verticals respondents were asked about, the study found the following key insights relating to customer experiences in the telecom industry:

59 percent of Australians said they'd had a poor customer experience when making a purchase with a telecom company, making it the worst industry for poor customer experiences

63 percent of Australians have stopped doing business with a telecom company following a poor customer experience, making it the third worst industry for customer churn

Of those removing their business from telecom companies following a poor experience, 53 percent felt that the company was aware they'd stopped doing business

44 percent of Australians felt that telecom companies had tried to win back their business

The study also provided the following key insights relating to customer experiences in the ISP industry:

44 percent of Australians said they'd had a poor customer experience when making a purchase with an ISP, making it the second worst industry for poor customer experiences

48 percent of Australians have stopped doing business with an ISP following a poor customer experience, making it the sixth worst industry for customer churn

Of those removing their business from ISPs following a poor experience, 53 percent felt that the company was aware they'd stopped doing business

29 percent of Australians felt that ISP companies had tried to win back their business

Commenting on the study's findings, Brett Waters, RightNow's Vice President Asia-Pac South, said: "The study paints a pretty bleak picture of customer experiences in Australia. Even when consumers try to be proactive about ill treatment and remove their business, there's no guarantee that the company will notice and even less evidence that they'll try and win back that business. It seems as if companies are reliant on consumers staying put because of lack of choice in the market — no wonder Australians believe all companies are the same when it comes to customer experiences! Clearly, for an organisation willing to invest in delivering superb customer experience there's a massive opportunity to use that as a competitive differentiator and win the hearts and minds of all those disaffected customers."

With more than half of respondents (53 percent) actively using social networking sites like Twitter, Youtube and Facebook, better engagement with consumers through this channel is something for organisations to consider as a way of differentiating the customer experiences they offer. Certainly the study found there are opportunities here for both marketing and customer service interactions with 57 percent of Australians happy for companies to use social networking sites to provide them with discounts and offers. From a customer service perspective, nearly half (49 percent) would welcome

interactions with companies following a negative comment they had posted, as would 56 percent following a positive comment post.

In addition, the study found that what Australians read on social networking sites can influence their purchasing behaviour. 16 percent said they had stopped doing business with a company because of a social media discussion they had seen about how the company treats customers. Another 16 percent of respondents said they had also seen a positive consumer discussion about a company and had gone on to make a purchase because of that – 49 percent of those purchases were made online.

The study also explored other sources that influence Australian consumers when they are considering a purchase. More than half of respondents (58 percent) deemed customer reviews and feedback online to be the most important source, of least importance was advertising in any shape or form.

Waters concludes: “Australians are consistently tuned out to company marketing and advertising, whereas they are heavily influenced by recommendations from friends and family, online customer reviews and feedback, even positive and negative discussions on the social web are having an impact. Surely then, there’s an argument for Australian organisations to refocus a portion of their ad spend towards improving customer experiences that should, in turn, positively impact all those highly visible discussions and sources of influence to the long-term benefit of the organisation.”

*Conducted by StollzNow, 702 people across Australia participated in an online survey in June 2010

About RightNow

RightNow is helping rid the world of bad experiences one consumer interaction at a time, seven million times a day. RightNow CX, the customer experience suite, helps organizations deliver exceptional customer experiences across the web, social networks and contact centres, all delivered via the cloud. With more than eight billion customer interactions delivered, RightNow is the customer experience fabric for nearly 2000 organisations around the globe. To learn more about RightNow, go to www.rightnow.com <<http://www.rightnow.com>> .

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