

Survey Underscores Economic Impact of the Customer Experience across All Channels of Communication

Businesses in Australia, New Zealand, and India lose a combined USD\$5.6 billion in revenue due to inability to meet customer expectations

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Melbourne, August 12, 2009 A new survey on customer experience and consumer behaviour, suggests that businesses in Australia, New Zealand and India suffer significant losses every year due to poor customer service over the web, in the contact centre, or via mobile devices as consumers abandon transactions or end relationships when companies do not meet their expectations. While in most cases the individual will turn to a competitor for the business, in a surprising number of instances over 30 percent the consumer simply decides not to spend any money, an individual decision that potentially undermines local economies.

In Australia, alone businesses lose more than AU\$2.6 billion (USD \$2.191 billion) per year due to poor customer service, the survey found. The survey also found the cost of poor customer service in New Zealand totals more than NZ\$1.492 billion per year (USD \$995.6 million). And in India the cost of poor customer service totals more than INR\$116.4 billion per year (USD\$2.46 billion). Taken together, the impact on just these three countries is more than USD\$5.6 billion, and roughly one third of this amount leads to reduced consumer spending that is not given to any company, said respondents.

Respondents said some of their key annoyances are automated, difficult to navigate, self service programs that dont let them reach a human agent, working with agents who are not empowered to make decisions, and having to repeat information such as name and account number every time their call is forwarded to another department.

The survey, conducted by Greenfield Online, was sponsored by Genesys Telecommunications Laboratories, an Alcatel-Lucent company (Euronext Paris and NYSE: ALU), in collaboration with leading industry analysts at Datamonitor, to define a method for accurately measuring the value of a great customer experience across all communication channels and the cost of poor customer service. Greenfield Online conducted the 28-question survey of 500 consumers in each of the three countries -- Australia, New Zealand and India for a total of more than 1,500 diverse participants representing virtually every age and income bracket. In addition to the consumer survey, Datamonitor used its proprietary country-level contact centre models. Leveraging both data sets along with Datamonitors modeling expertise produced the results, which place an economic value on the lost revenue from customer service, across all channels, when businesses do not measure up to the consumers expectations.

Here are few of the highlights:

Quantifying Lost Relationships

In Australia, 72% of consumers say they have ended a relationship due to poor customer service, and 56% had an experience that made them more likely to do so in the past year.

In New Zealand, 72% of consumers say they have ended a relationship due to poor customer service, and 58% had an experience that made them more likely to do so in the past year.

In India, 56% of consumers say they have ended a relationship due to poor customer service, and 50% had an experience that made them more likely to do so in the past year.

Value and Frequency of Ended Relationships

Each respondent provided the value of relationships ended and the number of times they have done so.

In Australia, the average value of a relationship that was ended was AU\$403.92 (USD\$338.85). The average consumer ended 1.37 relationships.

In New Zealand, the average value of a relationship that was ended was NZ\$386.92 (USD\$257.33). The average consumer ended 1.17 relationships.

In India, the average value of a relationship that was ended was INR\$5801.56 (US\$121.81). The average consumer ended 1.84 relationships.

Most Abandoned Transactions Go to Competitors

In Australia, most transactions abandoned due to poor customer service turn into business for a competitor (70%), but a significant number are completely abandoned and lost to all companies (30%).

In New Zealand, for transactions abandoned due to poor customer service, a smaller number turned into business for a competitor (62%), and a large portion were completely abandoned and lost to all companies (38%).

In India, for transactions abandoned due to poor customer service, an identical number turned into business for a competitor (62%), and a large portion were completely abandoned and lost to all companies (38%).

Preferred Channels of Interaction

In all three countries, people prefer to deal with a company by phone.

In Australia, the phone is still the preferred channel of interaction (64%), followed by e-mail (22%) and Web self-service (8%).

In New Zealand, the phone is also the first choice of a preferred channel of interaction (56%), followed by e-mail (28%), and Web self-service (10%).

In India, the phone remains the first choice of a preferred channel of interaction (60%) but e-mail (17%) is only slightly more favoured over SMS via mobile phone (13%).

Most Challenging Communication Channel

Automated self service was an issue for the survey participants in the three countries, but there were differences in how strongly they felt about it.

In Australia, consumers feel the most challenging communication channel is automated self-service or voice recognition (39%), followed by call centres (22%) and paper mail (13%).

In New Zealand, consumers feel the most challenging communication channel is automated self-service or voice recognition (41%), followed by call centres (21%) and paper mail (13%).

In India, consumers feel the most challenging communication channel is live contact centre agents (35%) then e-mail (14%), followed closely by automated self-service or voice recognition (12%) and SMS (11%).

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About Genesys Telecommunications Laboratories, Inc.

Genesys, part of Alcatel-Lucent's Applications Software Group, is the leading provider of software to manage customer interactions over the phone, Web and mobile devices. The Genesys software suite connects customers with the right resources self-service, assisted-service and proactive outreach to fulfill customer requests, optimise customer care goals and efficiently use resources. Genesys software directs more than 100 million customer interactions every day for 4,000 companies and government agencies in 80 countries. These companies and agencies can leverage their entire organisation, from the contact center to the back office, to dynamically engage with their customers. As a result, Genesys stops customer frustration, drives efficiency and accelerates business innovation.

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions to deliver voice, data and video communication services to end-users. A leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more than 130 countries and the most experienced global services organisation in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro 16.98 billion in 2008 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>