national consumer agency
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putting consumers first

# National Consumer Agency

# Market Research Findings:

# Consumer Empowerment and Complaints

January 2010

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# 1 Introduction and Methodology

In 2009 Amárach Research continued the programme of consumer research conducted by the National Consumer Agency with a view to monitoring, analysing and recording patterns of consumer behaviour and experiences in Ireland.

A key feature of the market research is the comparison of data collected in previous waves of market research, i.e. the benchmark survey (conducted in November /December 2007), Wave 1 Survey (August 2008), Wave 2 (November /December 2008) and Wave 3 (May/June 2009), with the current consumer landscape. This comparison provides a valuable time-series.

The present research, in common with previous surveys, was conducted by means of face-to-face interviewing with 1,000 people between the ages of 15-74. To ensure that the data is nationally representative, quotas were applied on the basis of age, gender, social class and region. Interviews were conducted over a five-week period in November /December 2009.

The Agency's programme of market research explores a wide range of consumer behaviour and experiences in Ireland, including:

- The level of consumer empowerment, awareness of consumer rights and the propensity to complain,
- Consumer behaviour with regard to shopping and pricing,
- Household budgeting and the impact of the recession,
- Trends in switching goods / service providers.

The results of the market research are released in three volumes. A report detailing consumers' experiences with regard to Shopping and the Impact of the Recession was released in early January while the final report, examining Consumers Propensity to Switch Goods and Service Providers will be published in early February.

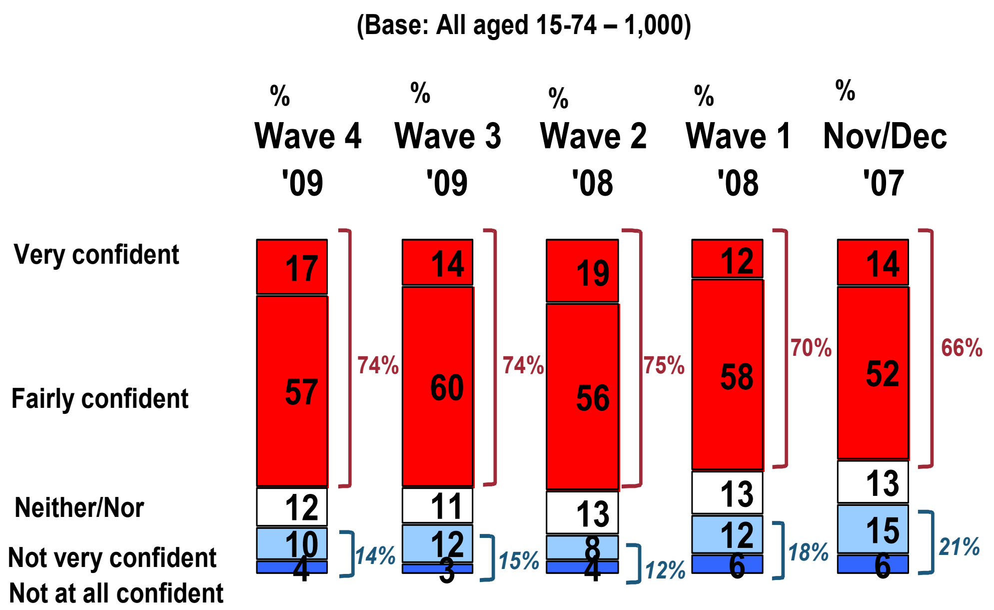
The current report details the findings relating to Consumer Empowerment (Section 2), as well as Irish consumers' experience in the area of Complaints, including the tracking of their propensity to do so and the outcome of complaints processes (Section 3). Finally, Section 4 contains a summary of the key points in this report.

PowerPoint versions of the slides in this report are available on the Agency's consumer website, www.consumerconnect.ie.

## 2 Consumer Rights Awareness Levels

Figure 1 illustrates consumers' stated levels of confidence about their rights. The figure contains data for five comparable iterations of research.

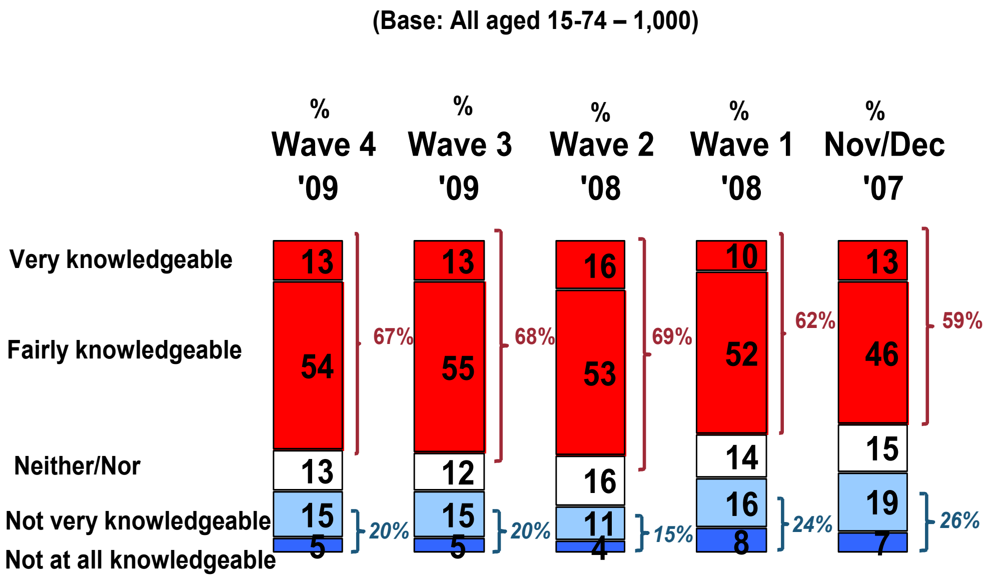
***Figure 1 Confidence About Rights as a Consumer***




Consistent with the previous two waves, a total of 3 in 4 (74%) consumers claim to feel either very or fairly confident of their rights. There has been a slight increase in the numbers of consumers who say that they are very confident. In addition, examining the detailed data (not shown) men (69% either fairly or very confident) declare themselves less confident than do women (77%). Examining age groups, 33-44 and 45-54 year olds are the most confident (79%) while 15-24 year olds are the least confident (62%). Those responsible for the main grocery shop are more confident (79%) than those who are not (67%).

Figure 2 illustrates how knowledgeable consumers declare themselves to be about their rights

***Figure 2 Knowledge About Consumer Rights***



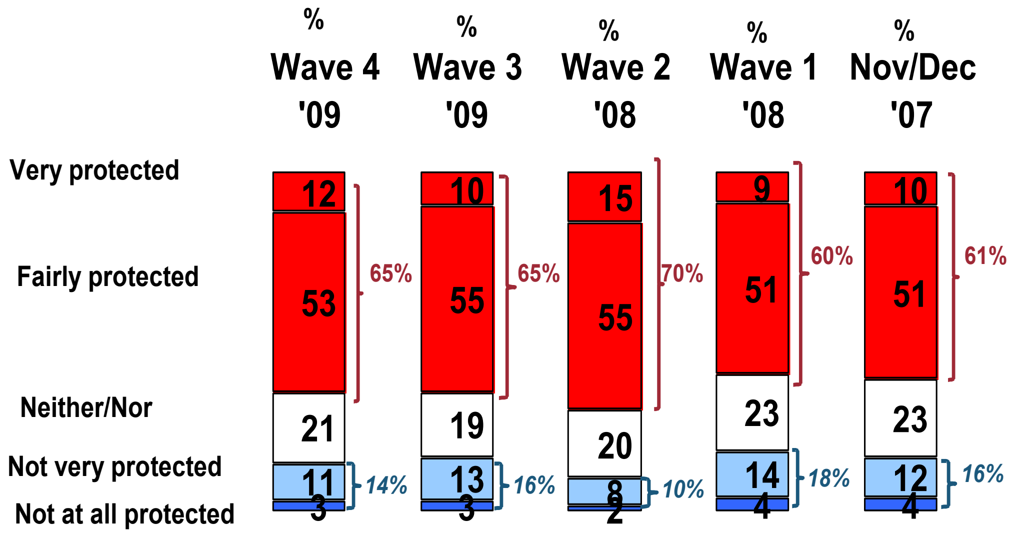

The number of consumers who perceive themselves to be knowledgeable of their rights as a consumer remains relatively consistent with the previous two waves. In line with the previous iteration of market research, 20% claim that they are not aware of their consumer rights.

35-44 year olds (75%) and those in the ABC1 socio-economic profile (75%) and main grocery shoppers (71%) consider themselves to be most knowledgeable about their rights as consumers. Least knowledgeable are 15-24 year olds (57%) and those in the C2DE socio-economic group (61%).

Figure 3 illustrates how protected those surveyed feel regarding their consumer rights.

*Figure 3 Protected Regarding Consumer Rights*

**(Base: All aged 15-74 – 1,000)**




The number of consumers who feel protected when it comes to their rights as a consumer remains consistent with the last iteration of market research conducted in May/ June 2009 (65%). There has been a slight fall back in the numbers of consumers who say that they don't feel protected (14% as opposed to 16% in Wave 3). As with the consumer rights knowledge results, 15-24 year olds (60%) and those in the C2DE socio-economic group (59%) feel least protected.

Figure 4 contains a summary of the key points of the previous 3 figures, including the demographic details. A red circle denotes a significant difference, which is higher than the total sample while a blue square highlights groups for whom results are significantly lower than the total sample.

## *Figure 4 Summary of Empowerment*

= Significantly lower than total sample = Significantly higher than total sample

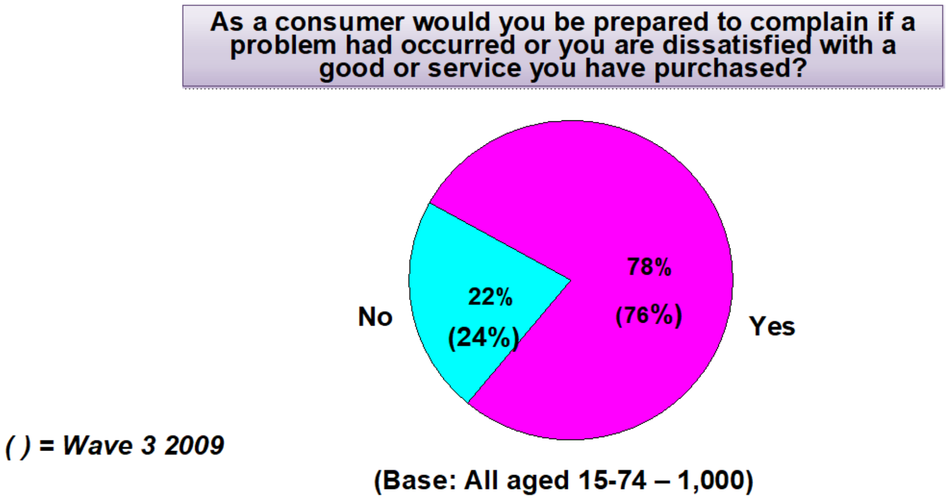
**(Base: All aged 15-74 – 1,000)**

| | Confident 74% | Not Confident 14% | Knowledgeable 67% | Not Knowledgeable 20% | Protected 65% | Not Protected 14% |
|---|---|---|---|---|---|---|
| **Male** | 69% | 16% | 65% | 20% | 63% | 14% |
| **Female** | 77% | 14% | 69% | 20% | 68% | 14% |
| **15-24** | 62% | 19% | 57% | 26% | 60% | 14% |
| **25-34** | 74% | 14% | 69% | 20% | 64% | 16% |
| **35-44** | 79% | 11% | 75% | 11% | 74% | 8% |
| **45-54** | 79% | 14% | 73% | 18% | 67% | 15% |
| **55+** | 73% | 15% | 63% | 23% | 63% | 16% |
| **ABC1** | 83% | 9% | 75% | 13% | 73% | 10% |
| **C2DE** | 67% | 19% | 61% | 25% | 59% | 17% |
| **Responsible for main shop** | 79% | 13% | 71% | 19% | 67% | 14% |
| **Not responsible for main shop** | 67% | 17% | 63% | 21% | 64% | 13% |

## 3 Making Complaints

Figure 5 illustrates the ratio of Irish consumers who would /would not be prepared to complain if the requirement arose. Figures in brackets refer to the previous wave of research conducted in May /June 2009.

***Figure 5 Propensity to Complain***




The number of consumers who would be prepared to complain has increased slightly since the previous wave to almost 4 in 5 (78%). Looking at the detailed data, not shown, Women (81%), ABC1's (80%), 45-54 year olds (83%) and those responsible for the main grocery shop (83%) are most likely to complain.

Figures 6 and 7 illustrate the level of complaints for a range of different sectors. For ease of illustration, the sectors are ranked grouped into primary, secondary and tertiary categories, depending on the level of complaints.

*Figure 6 Goods & Services Bought with Reason to Complain or Return an Item -1*

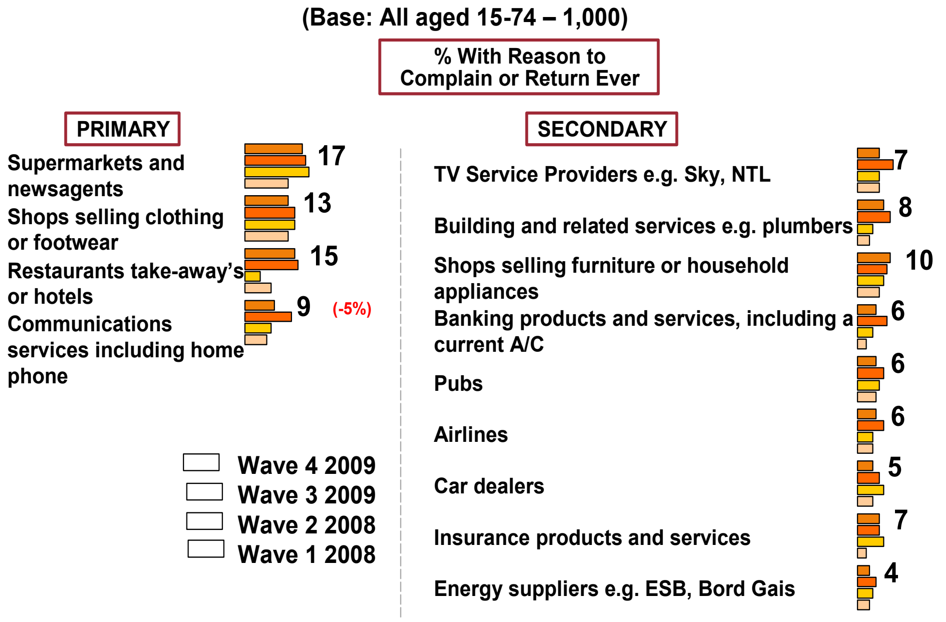
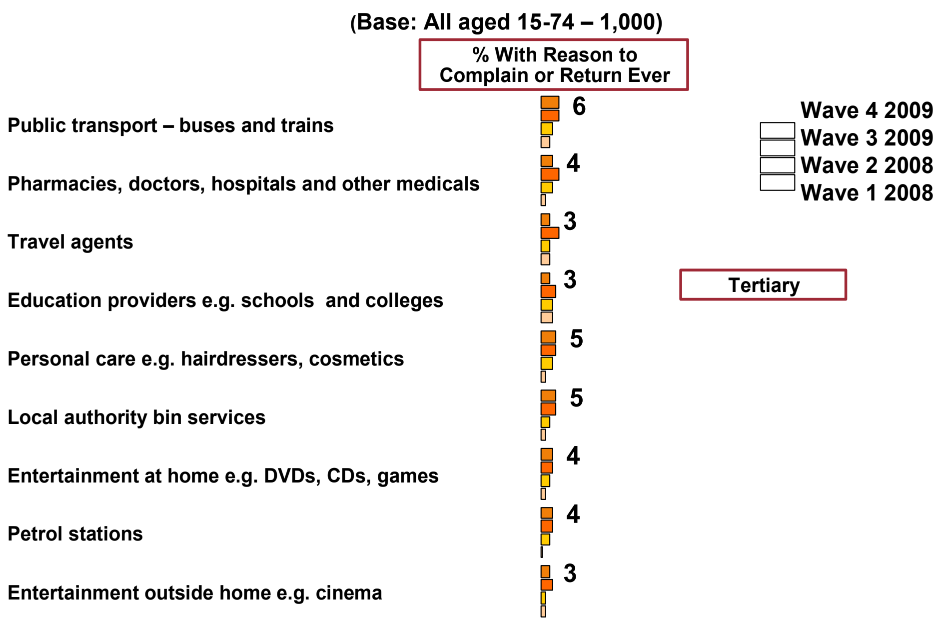



*Figure 7 Goods & Services Bought with Reason to Complain or Return an Item -2*



Again in this iteration of research, the purchasing category most likely to generate a complaint/return is supermarkets and newsagents. This is, at least in part, attributable to the frequency of consumer transactions in this category. Telecommunications services have seen a notable decrease in complaints/returns levels since the last iteration of this survey; whilst generally in the primary complaints category we see some fall back in complaints/returns over the second half of 2009.

Figure 8 shows the proportion of consumers who did actually complain when they had cause to do so. In the past 12 months, 36% of Irish consumers have had reason to complain while 3 in 4 of those (75%) actually made a complaint. It can be seen that there was a 6% increase in complaints where consumers felt they had cause to do so since the previous iteration of market research.

***Figure 8 Whether Complaint Made When had Reason to Do So***

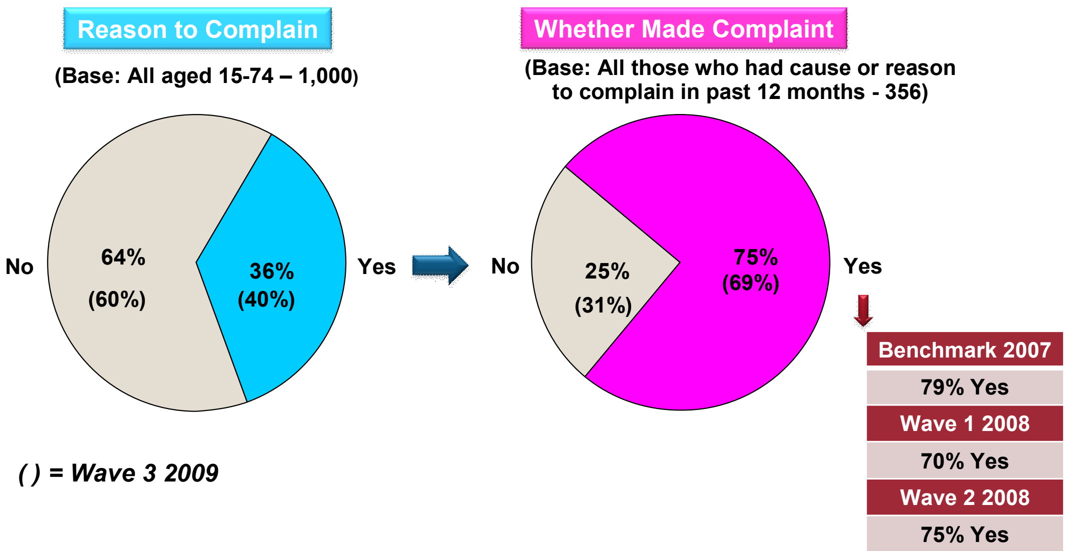
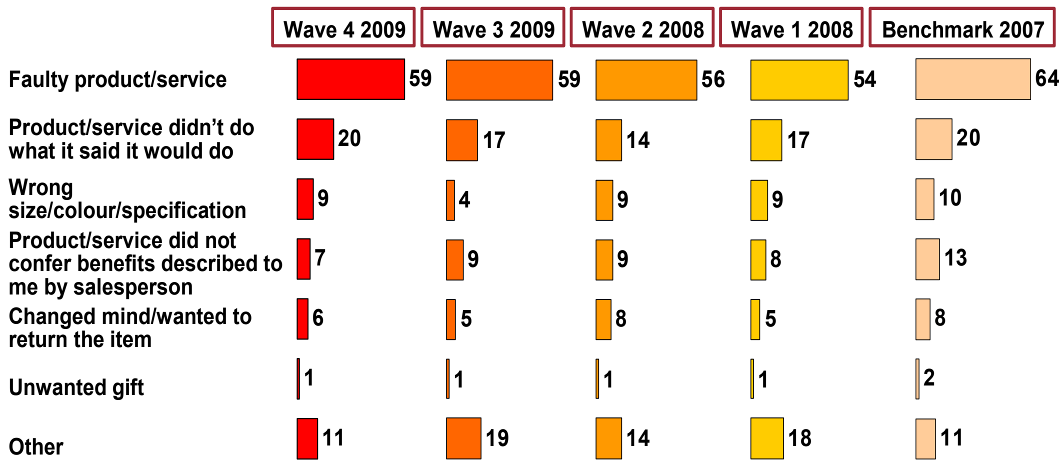



Figure 9 presents data relating to the reasons for complaining (where a complaint was made in the last 12 months).

***Figure 9 Reasons for Complaint***

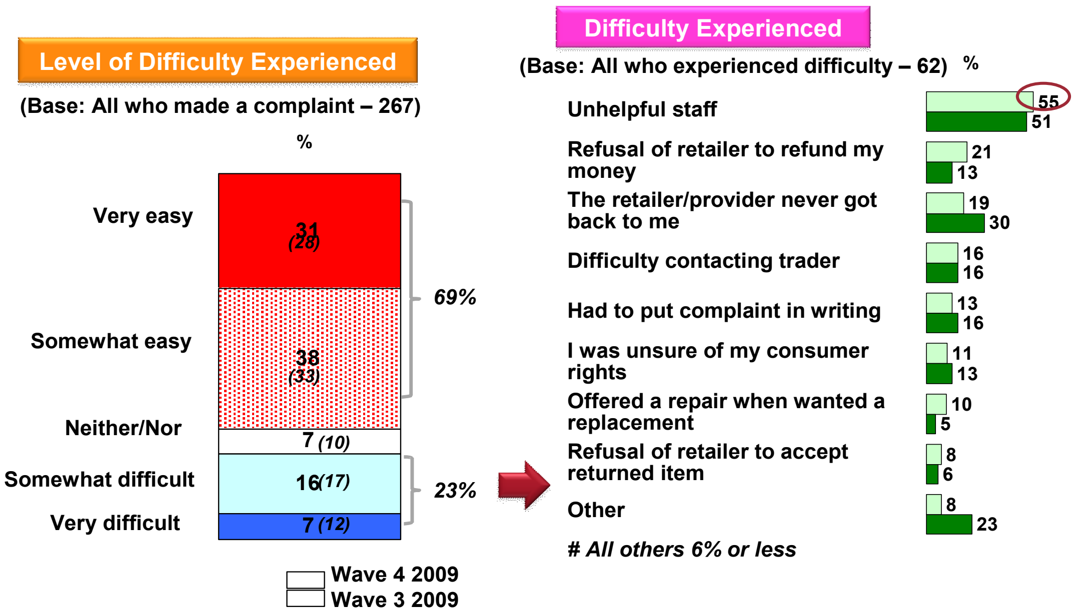
**(Base: All those who made a complaint in past 12 months - 267)**




As witnessed in all previous waves of market research, the majority (59%) of complaints continues to be in relation to a product being faulty or a product/service not living up to expectations.

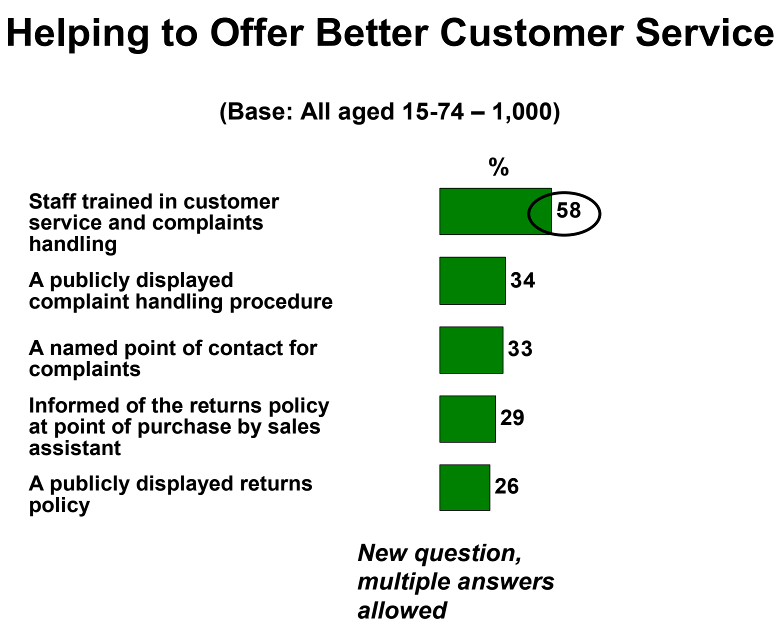
Figure 10 illustrates data relating to an assessment of the complaints process. Almost 7 in 10 consumers who complained found the complaints process easy. This represents an increase of 8% points from last wave. Over 1 in 3 said that it was very easy. Unhelpful staff continues to be the number one difficulty experienced.

*Figure 10 Assessment of the Complaints Process*



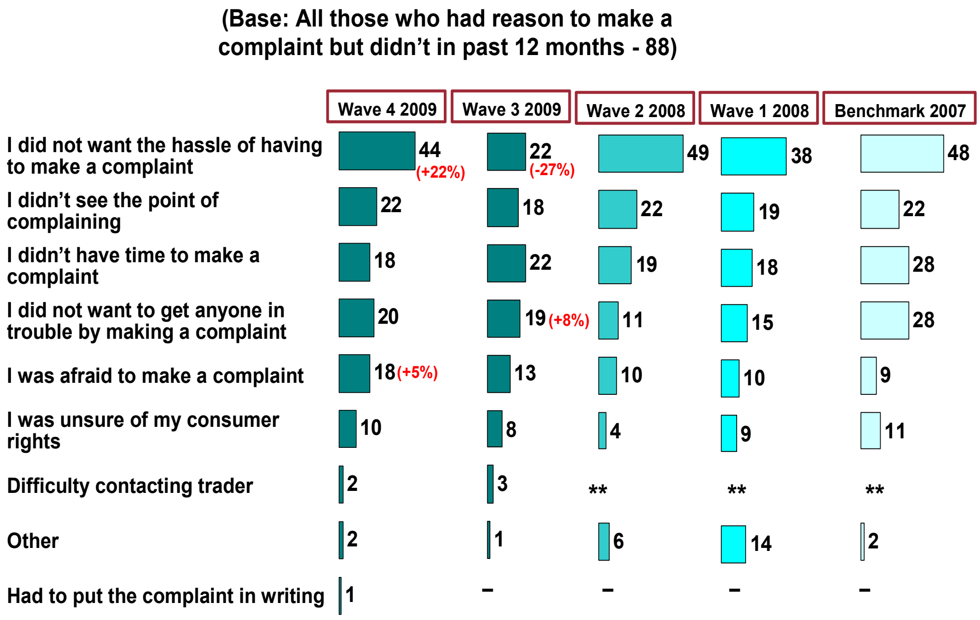

Consumers were asked what steps retailers could take to offer better customer service (Figure 11). Almost 3 in 5 (58%) believe that having staff members trained in customer service and complaints handling would help in offering better customer service.

*Figure 11 Helping to Offer Better Customer Service*




The reasons for not complaining when there was cause to do are shown in Figure 12 for each of the five surveys to date.

*Figure 12 Reasons for Not Complaining*

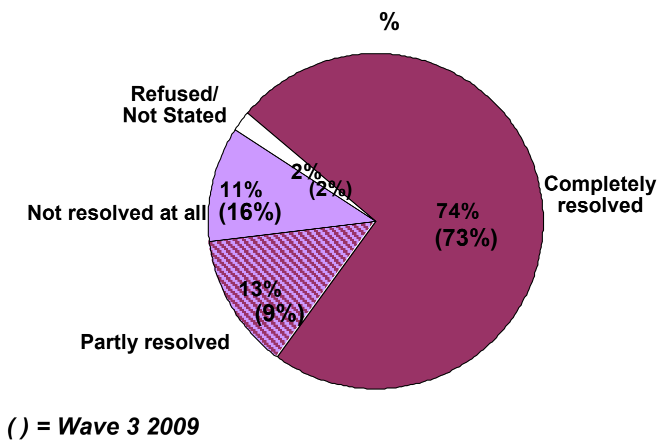


Those citing "I did not want the hassle of making a complaint" as the reason for not complaining has doubled since the last wave; almost returning to the level witnessed in Wave 2 2008. It can also be seen that there has also been an increase in the number of consumers who didn't complain because they were "afraid" to make a complaint.

Figure 13 illustrates the resolution status for complaints made within the last 12 months.

***Figure 13 Resolution Status of Problem***

**(Base: All those who made a complaint in past 12 months - 267)**




| Benchmark 2007 |
|---|
| Question not asked in Benchmark survey |
| **Wave 1 2008** |
| 78% completely resolved |
| **Wave 2 2008** |
| 66% completely resolved |

Relatively consistent with the previous wave, of those who did complain, just fewer than 3 in 4 (73%) have had their complaint completely resolved.

Figure 14 details the level of satisfaction with the way the complaint was handled. Almost 3 in 4 were happy with the way in which their complaint was handled, an increase of 4% points from the previous wave. While over 2 in 5 (42%) would be likely to do nothing following the conclusion of their complaints process, just under 2 in 5 consumers would be likely to tell other people about a positive complaints experience.

*Figure 14 Satisfaction with the Way Complaint was Handled*

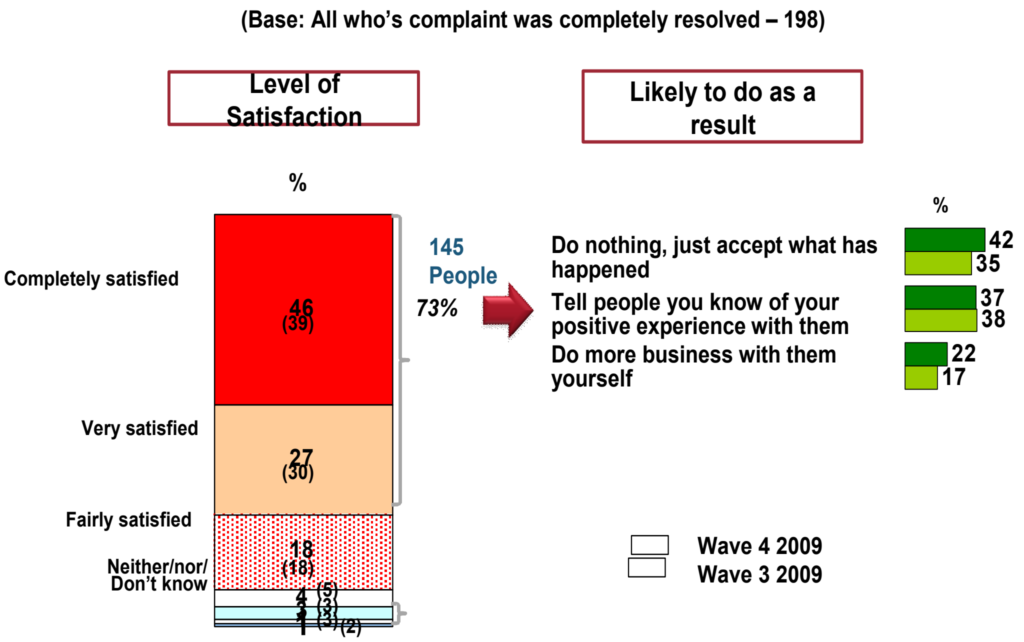
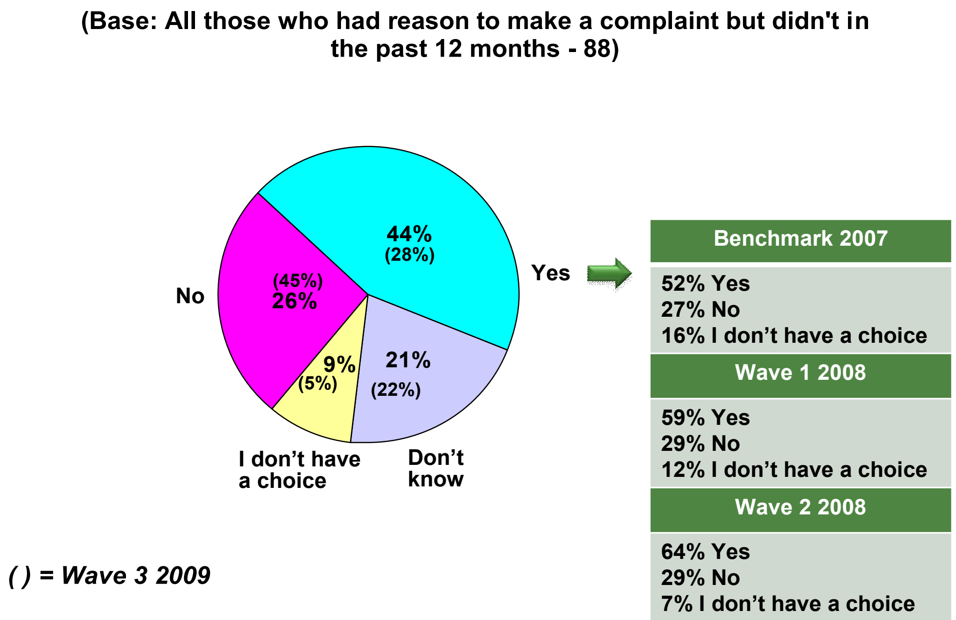



Figure 15 presents data relating to the likelihood of buying again from the business where there was a complaints issue, for all those who had cause to complain in the last 12 months but did not do so.

*Figure 15 Buying Again from Business where there was Reason to Complain*



Over 2 in 5 (44%) claim that they will continue to buy from the business that they had cause or reason to complain about, this is an increase of 16% from the previous wave. The small sample size of 88 consumers out of a total of 1,000 should be noted, however, in this case.

# 4 Key Points

The main findings from this segment of market research, conducted in November and December 2009 (Wave 4), indicate that 75% of consumers who had cause or reason to complain in the last 12 months did so; this is an increase of 6% points on May/June 2009 (Wave 3). Over 2 in 3 (69%) consumers who made a complaint found the process easy. Consumers who found the complaints process difficult were most likely to blame it on unhelpful staff (55%).

Almost 3 in 5 consumers believe that having staff members trained in customer service and complaints handling would help in offering better customer service for people with complaints.

The main reason for not complaining was due to "not wanting the hassle of having to make a complaint"; this reason was cited by over 2 in 5 (44%). On the other hand, and relatively consistent with the previous wave, of those who did make a complaint, almost 3 in 4 (74%) have had their complaint completely resolved.

A total of 73% of consumers who had their complaint completely resolved were very/completely satisfied with the outcome. Approximately 2 in 5 consumers who had their complaint completely resolved and who were satisfied with the result said they would tell people they know of their positive experience with the particular business.

The section on consumer empowerment reveals that the number of consumers who feel Confident (74%), Knowledgeable (67%) and Protected (65%) regarding their consumer rights remains relatively consistent with the previous iteration of market research, which was conducted in May/June 2009 (Wave 3).

The results show that there has been a slight increase in the number of consumers who claim to be very confident of their rights (an increase of 3% points). Furthermore, a slight fall back is evident from the previous wave regarding number of consumers who say that they don't feel protected (14% in Wave 4 versus 16% in Wave 3).