national consumer agency
gníomhaireacht náisiúnta tomhaltóirí
putting consumers first

National Consumer Agency

Market Research Findings:

Consumer Empowerment and Complaints

October 2010

Table of Contents

Table of Figures

1 Introduction and Methodology

In June 2010 Amárach Research continued the programme of consumer research conducted by the National Consumer Agency (NCA) with a view to monitoring, analysing and recording patterns of consumer behaviour and experiences in Ireland.

The 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 four-week period in June 2010.

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), Wave 3 (May/June 2009), Wave 4 (November/December 2009), with the current consumer landscape. This comparison provides a valuable time-series.

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 each iteration, or wave, of research are released across a number of volumes. The current report details the findings relating to key metrics designed to track Consumer Empowerment (Section 2) and Irish consumers' experience and behaviour in the area of Complaints and the related issue of customer service (Section 3). 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 shows consumers' stated levels of confidence about their rights. Data is presented for five comparable iterations of research. Relatively consistent with the previous waves just under 3 in 4 (73%) respondents state that they are either fairly or very confident of their rights as a consumer. However there has been a slight increase of 4%[1] in those claiming not be confident to its current level of 18%, similar to the level recorded two years ago.

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

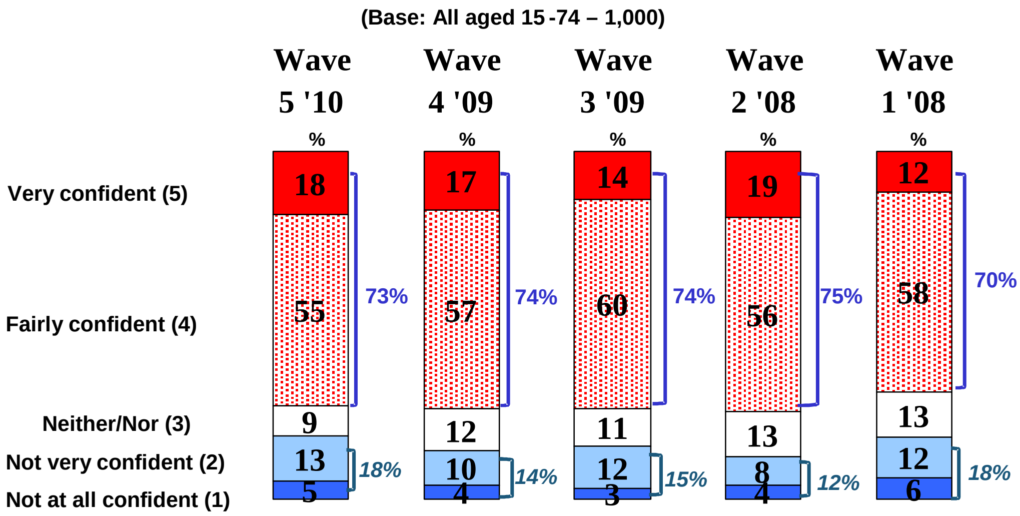
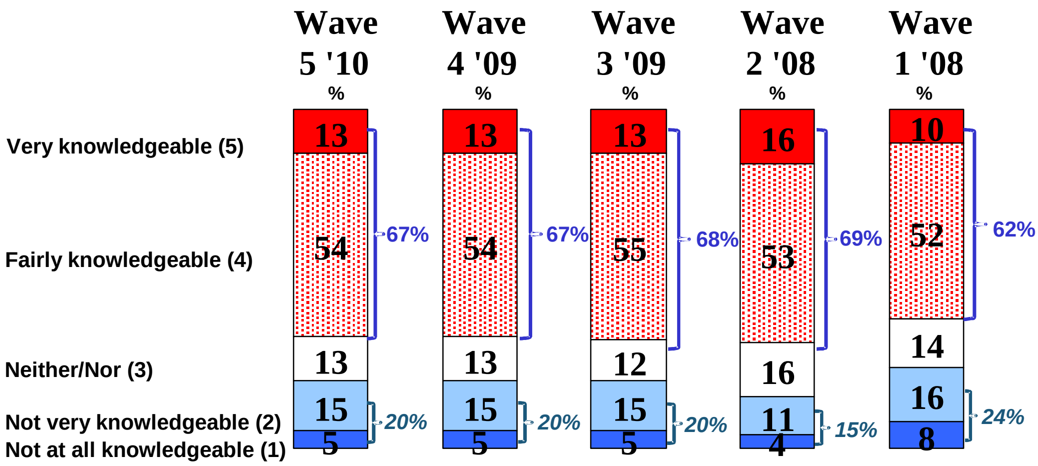


Figure 2, below, illustrates how knowledgeable consumers declare themselves to be about their rights. 2 in 3 consumers (67%), consistent with previous waves of research, claim to be either fairly or very knowledgeable as a consumer, while 1 in 5 (20%) claim not to be. No change was registered since the preceding research, conducted in November/December 2009.

[1]The percentage changes mentioned in this report refer to an increase or decease in percentage points.

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

(Base: All aged 15-74 – 1,000)



As shown in Figure 3, the number of consumers who feel protected in respect of their consumer rights remains relatively consistent with the last iteration of market research, with a 1% decrease in those claiming to feel protected and a gain of 1% in those who claim not to feel protected.

Figure 3 ***Protected Regarding Consumer Rights***

(Base: All aged 15-74 – 1,000)

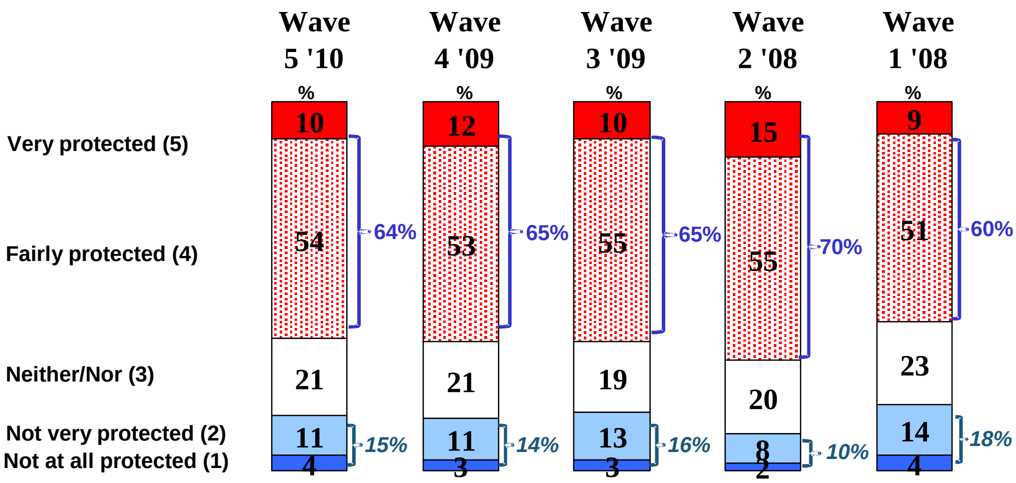


Figure 4 contains a summary of the key points of the previous three figures, including demographic details. A red circle denotes a significant difference, higher than the total sample while a blue square highlights groups for whom results are significantly lower than the total sample.

The age group 15-24 has the most varying results in relation to the overall samples in terms of being significantly higher or significantly lower.

Figure 4 ***Summary of Empowerment***

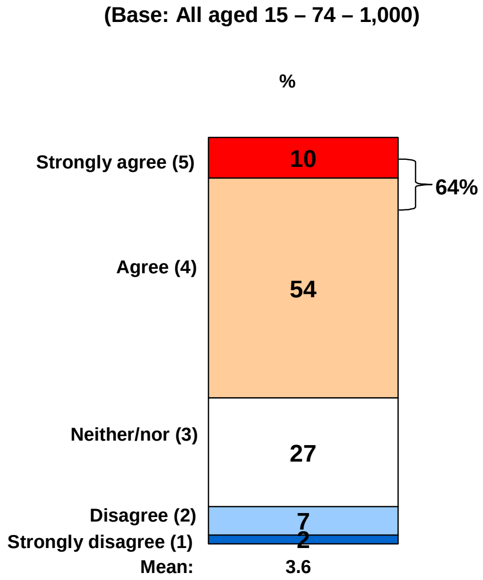
(Base: All aged 15-74 – 1,000)

Overall	Confident 73%	Not Confident 18%	Knowledgeable 67%	Not Knowledgeable 20%	Protected 64%	Not Protected 15%
Male	70%	20%	63%	25%	63%	16%
Female	74%	15%	69%	18%	66%	13%
15-24	63%	25%	55%	34%	57%	19%
25-34	77%	13%	70%	16%	69%	12%
35-44	75%	17%	70%	19%	63%	15%
45-54	74%	15%	70%	15%	71%	11%
55+	71%	17%	65%	20%	62%	17%
ABC1	77%	13%	71%	16%	67%	13%
C2DE	70%	20%	64%	25%	64%	15%
Responsible for main shop	75%	16%	71%	18%	66%	14%
Not responsible for main shop	69%	19%	61%	24%	63%	15%

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

Figure 5, a new question, illustrates the level of agreement or disagreement of all respondents with the statement: “In general, sellers/providers in this country respect your rights as a consumer”. It can be seen that 64% of consumers agree while 9% disagree and 27% don’t know. Of the 64% that agree, these are most likely to be the people who feel confident, knowledgeable and protected in their consumer rights. This question will be repeated in future iterations of market research.

Figure 5 ***Respecting your Rights as a Consumer***



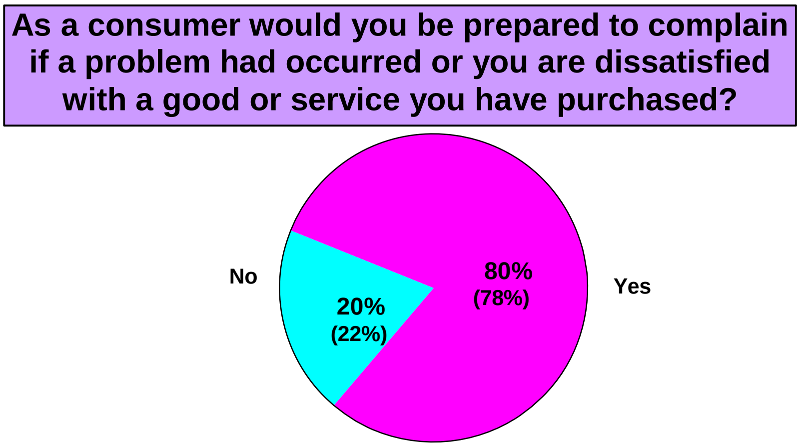
The more difficult economic conditions over the last number of years should be taken into account when analysing the trends above, and indeed those in the complaints section. It is likely that consumers will now be more likely to have to assert their rights, given that incomes are tighter and that there is a drive to make expenditure go further. It is also reasonable to assume that businesses may be more likely to engage in tougher commercial practices in more difficult trading conditions.

3 Making Complaints

Figure 6 presents data relating to the number 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 November/December 2009.

Figure 6 ***Propensity to Complain***

(Base: All aged 15-74–1,000)



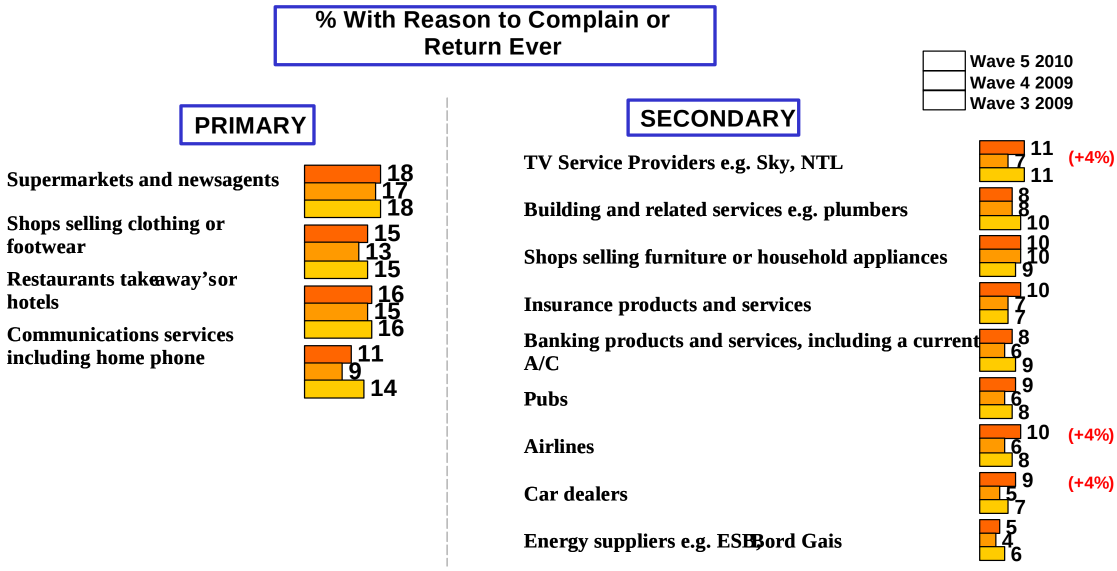
There has been a 2% increase in those who would complain when there was cause to do so, compared with the results from the previous wave. Looking at the detailed data (not shown), women (82%), 35-54 year olds (83%), ABC1's (84%), those responsible for the main grocery shop (83%) and those who claim to be knowledgeable about consumer rights (87%) are most likely to complain.

Figures 7 and 8 present the level of complaints for a range of common product and service providers. For ease of illustration, the sectors are ranked into primary, secondary and tertiary categories, depending on the level of complaints.

Looking at Figure 7, as with the two prior iterations of research, the purchasing category most likely to generate a complaint/return is supermarkets and newsagents (18%). The proportion that had cause or reason to complain about TV service providers, airlines and car dealers has increased slightly, all three by 4%, since the previous iteration of this survey.

Figure 7 ***Goods & Services Bought with Reason to Complain or Return an Item – 1***

(Base: Those who have purchased an item or service in the outlet)



The categories shown in Figure 8 remain relatively consistent with previous results.

Figure 8 ***Goods & Services Bought with Reason to Complain or Return an Item – 2***

(Base: All aged 1574 – 1,000)

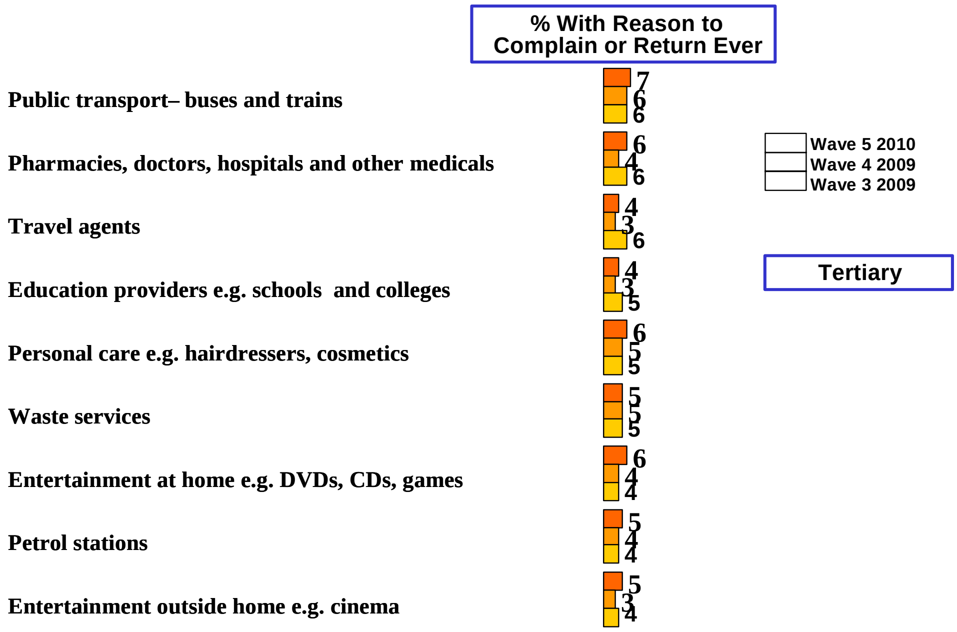


Figure 9 shows the proportion of consumers who did actually complain when they had cause to do so. In the past twelve months, 38% of Irish consumers have had reason to complain (an increase of 2% from November/December 2009) while 4 in 5 of those (80%), the highest level recorded to date, actually made a complaint.

Figure 9 ***Whether Complaint Made When had Reason to Do So***

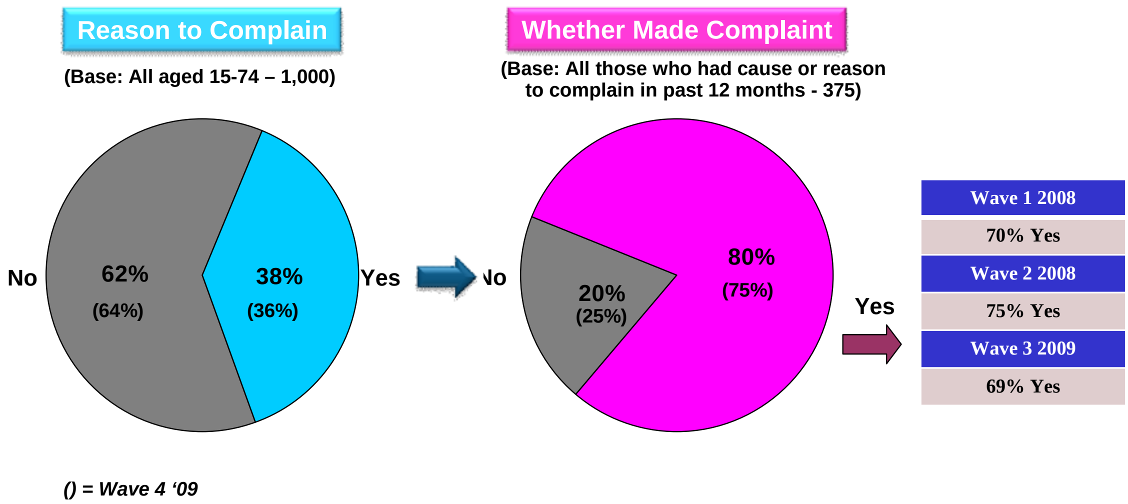
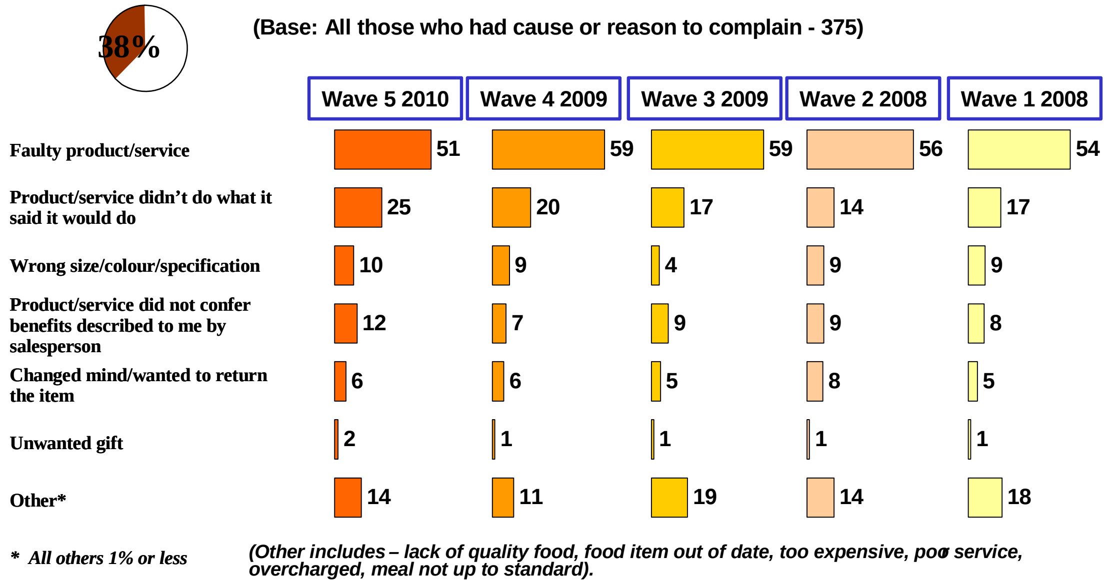


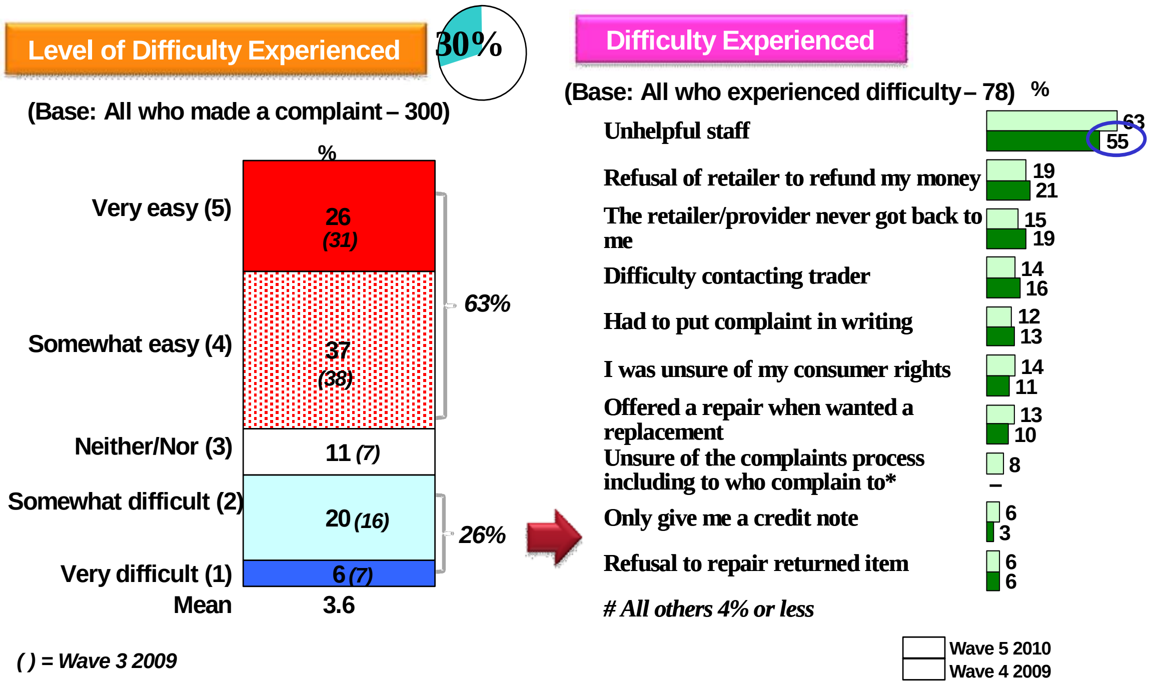
Figure 10, presents data relating to the reasons for complaining, 375 of the 1,000 surveyed had a reason to complain in the last twelve months. The majority of complaints continue to be in relation to a product/service being faulty (51%) or a product/service not living up to expectations (25%). However a noticeable increase, 5% from the previous wave, in the category "product/service didn't do what it said it would do" was recorded. It can also be seen that the category "product/service did not confer benefits described to me by salesperson" increased by 5% as a reason for making complaints.

Figure 10 ***Reasons for Complaint***



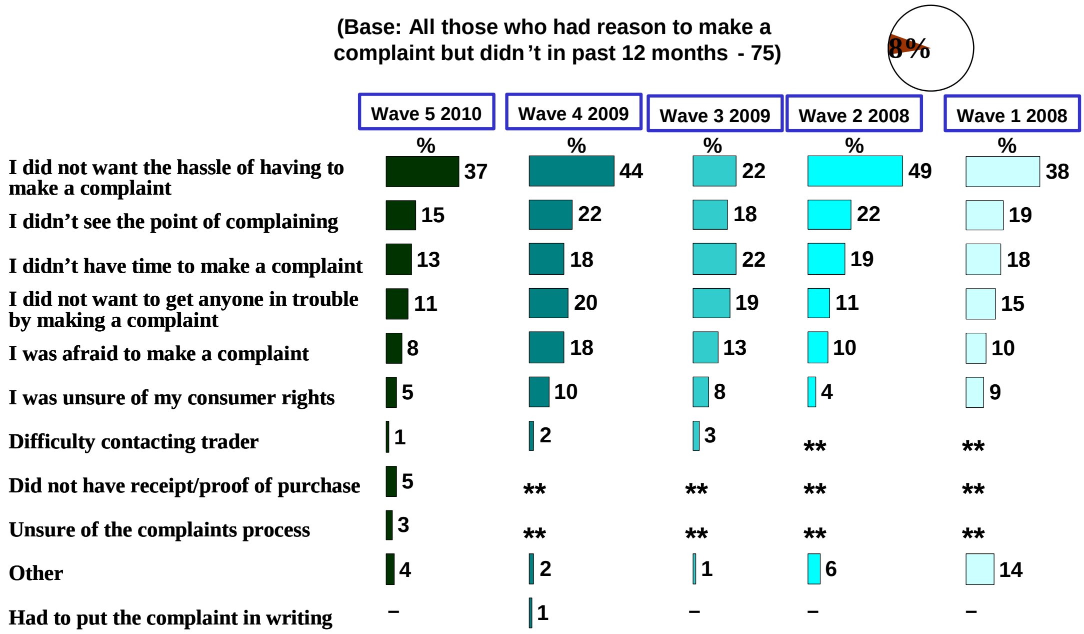
Shown in Figure 11 is the data recorded relating to the assessment of the complaints process. The number stating they found the complaints process easy has dropped from 69% to 63% from the last wave; with over 1 in 4 (26%) saying that it was very easy. Unhelpful staff continues to be the number one difficulty experienced with the figure recorded previously increasing from 55% to 63%.

Figure 11 ***Assessment of the Complaints Process***



The reasons for not complaining when there was cause to do are shown in Figure 12 for each of the five surveys to date. Those citing "I did not want the hassle of making a complaint" as the reason for not complaining dropped back from 44% to 37% since the last wave to a figure consistent with the August 2008 wave of research.

Figure 12 ***Reasons for Not Complaining***



It can also be seen that there has been noticeable decreases in the areas of "I didn't see the point of complaining" (-7%), "I didn't have time to make a complaint" (-5%), "I did not want to get anyone in trouble by making a complaint" (-9%), "I was afraid to make a complaint" (-8%) and "I was unsure of my consumer rights" (-5%).

Figure 13 illustrates the resolution status for complaints made within the last twelve months with just over 7 in 10 (71%) having had their complaint completely resolved, a slight decrease (3%) on the previous wave. However a greater proportion than the previous wave cited that the complaint was partly resolved (17% versus 13%).

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

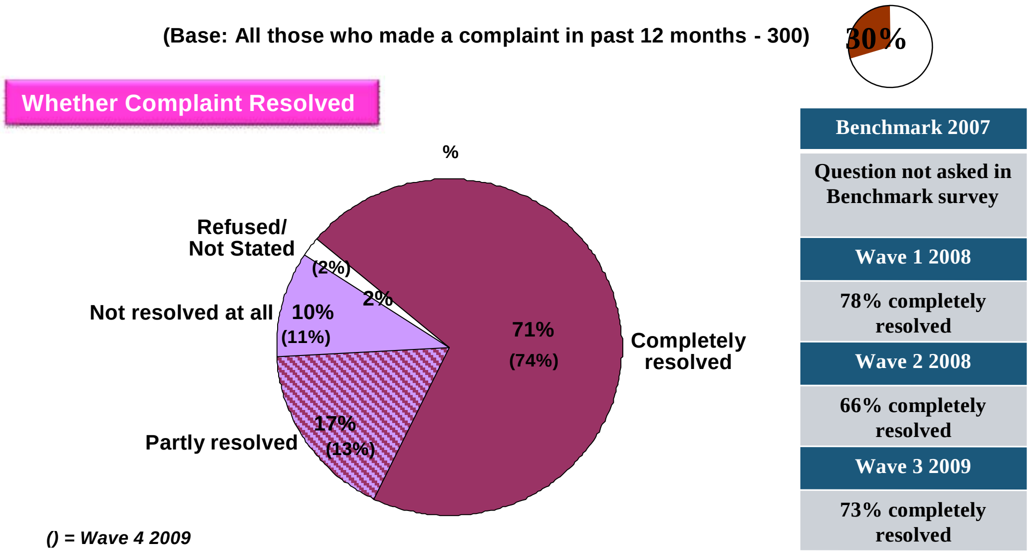


Figure 14 details the level of satisfaction with the way the complaint was handled. 70% claimed to be happy with the way in which their complaint was handled, a decrease of 3% from the previous wave. Over 2 in 5 (44%), consistent with previous wave, would be likely to do nothing following the conclusion of their complaints process. There has been a decrease of 7% in the numbers recorded who would be likely to tell other people about a positive complaints experience.

Figure 14 ***Satisfaction with the Way Complaint was Handled***

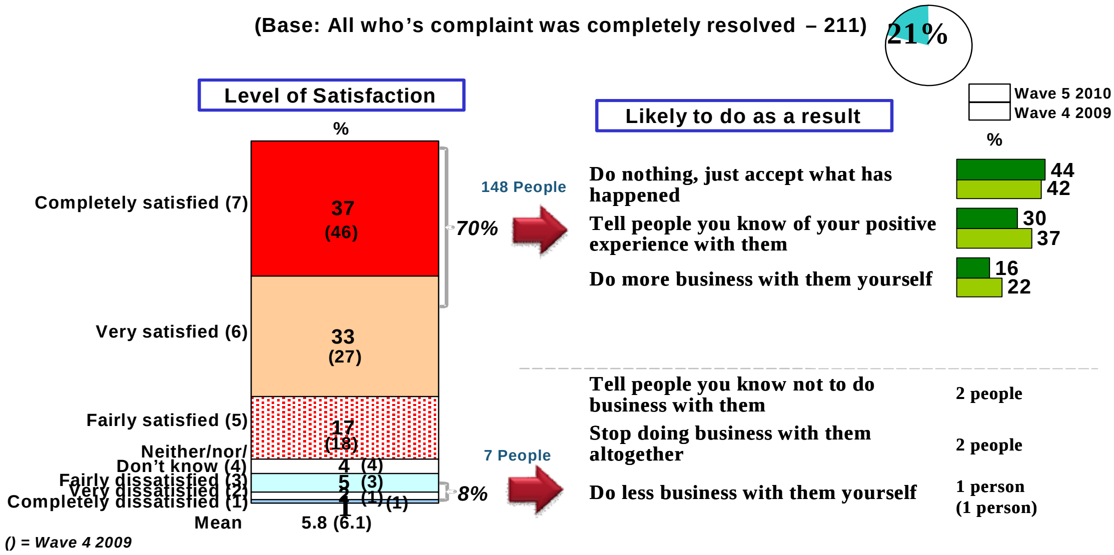
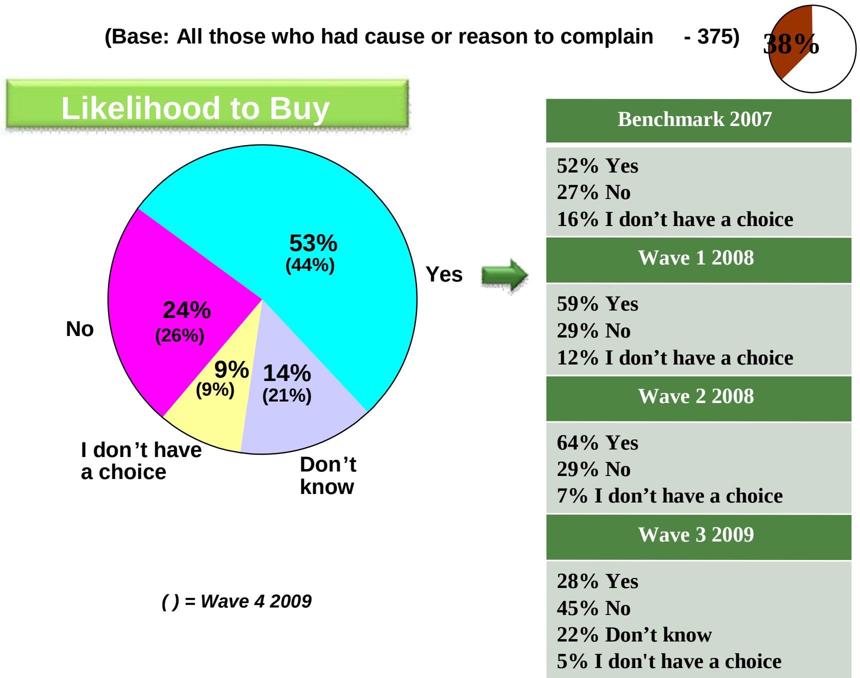


Figure 15 presents data relating to the likelihood of buying again from the business where there was a complaints issue, for all those who had cause to complain in the last twelve months. Over half (53%), an increase of 9% from the previous wave, claim that they will continue to buy from the business that they had cause or reason to complain about.

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

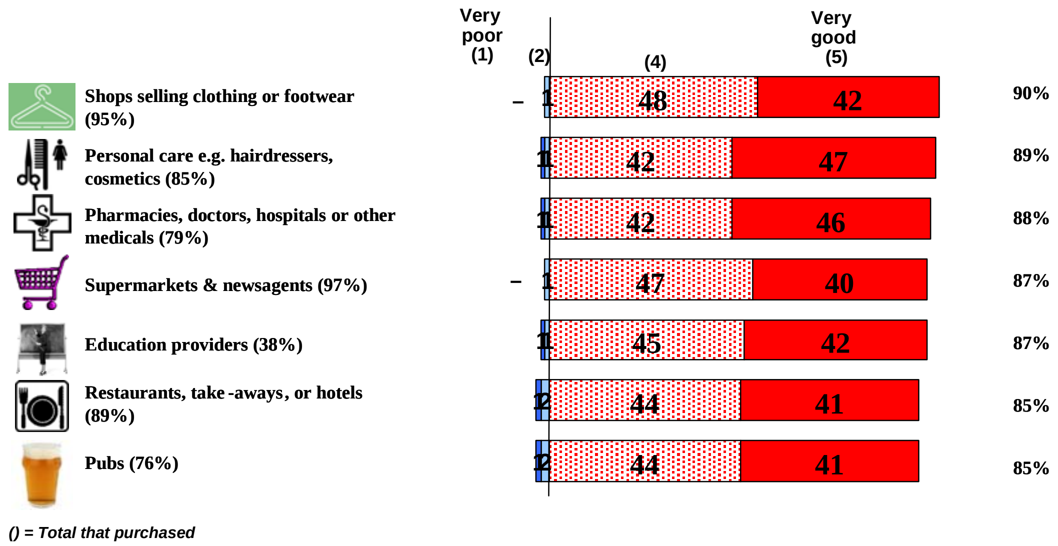


Figures 16, 17 and 18 illustrate the level of customer service experienced by those surveyed that have bought goods/service in the past twelve months. Note that this is a new question for this iteration of research.

With particular regard to Figure 16, it can be seen that high levels of customer service were experienced across each of the categories. Shops selling clothing or footwear scored particularly well with 90% followed closely by the areas of personal care (89%) and pharmacies, doctors, hospitals or other medicals (88%).

Figure 16 ***Level of Customer Service – Experienced – I***

(Base: All who have bought goods/services in past 12 months)



Figures 17 and 18, below, detail the level of customer service experienced in other areas with all areas scoring relatively high.

Figure 17 ***Level of Customer Service – Experienced – II***

(Base: All who have bought goods/services in past 12 months)

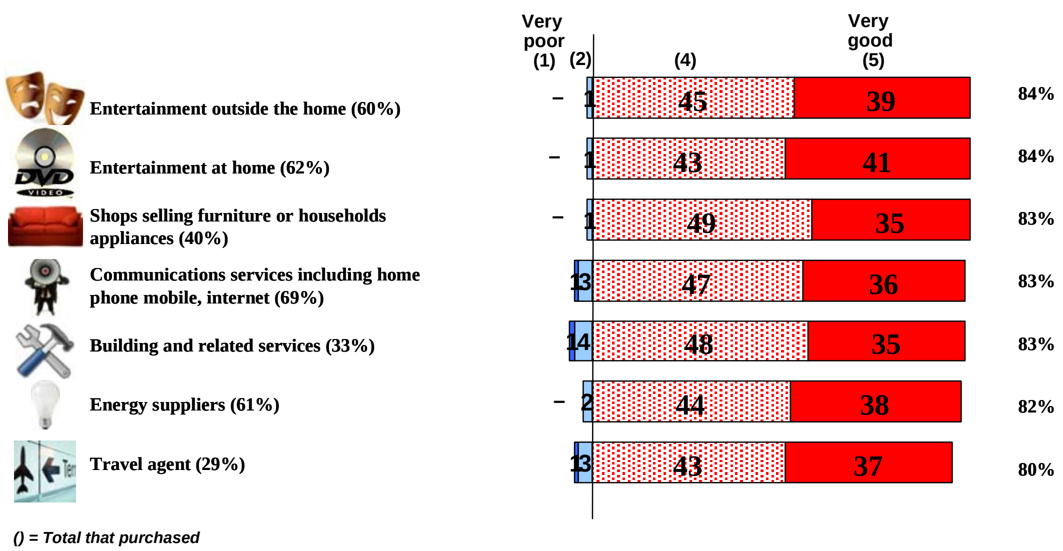
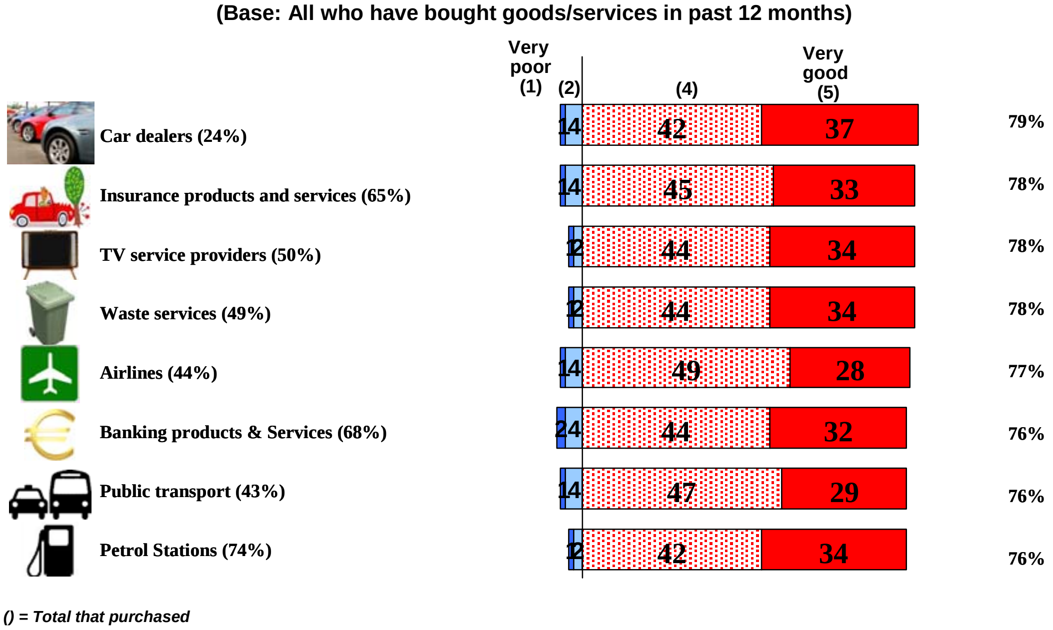


Figure 18 ***Level of Customer Service – Experienced – III***



4 Key Points

The latest market research conducted in June 2010 reveals that the numbers of consumers who feel confident (73%), knowledgeable (67%) and protected (64%) in respect of their consumer rights remain consistent with the previous wave of research conducted in November/December 2009, with those declaring themselves “knowledgeable” remaining the same and “confident” and “protected” dropping by 1%.

Turning to the complaints process, 4 out of 5 (80%) consumers would be prepared to complain if a problem had occurred or they are dissatisfied with a good or service purchased. Consistent with previous waves of research, having reason to complain/return an item from a supermarket or newsagent continues to be cited the most frequently as grounds for a complaint, slight increases were recorded in the areas of TV service providers, airlines and car dealers.

In the past 12 months, of those who reason to complain, 4 out of 5 consumers actually did so, the highest level recorded to date. The majority of complaints continue to be in relation to a product being faulty or a product/service not living up to expectations. There was however a noticeable increase, up 5%, from the previous wave, in the category “product/service didn't do what it said it would do”.

A total of 63% of consumers who complained found the complaints process somewhat easy, a slight decrease from the previous wave. Unhelpful staff continues to be the number one difficulty experienced.

Of those who made a complaint in the last 12 months, 71% reported that they have had their complaint completely resolved, while over 2 in 5 (44%), consistent with previous wave, would be likely to do nothing following the conclusion of their complaints process. 53% of consumers claim that they will continue to buy from the business that they had cause or reason to complain about, an increase of 9% from the previous wave.

Finally, in relation to customer service, consumers were asked about the level of customer service they experienced when buying goods/services across 22 key sectors. All categories scored high ranging from 76% to 90%. Shops selling clothing or footwear scored highest with 90% of consumers reporting that they had experienced good or very good customer service followed closely by the areas of personal care (89%) and pharmacies, doctors, hospitals or other medicals (88%).