

A Forrester Consulting Thought Leadership Paper Commissioned By Adobe Systems

# Customer Experience Is An International Challenge

Dissatisfaction Varies Across Countries, As Do The Business Consequences

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FORRESTER

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## Table Of Contents

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Customer Experiences Varies Globally But Are Never Great.....	2
Customers Are Not Asking For Much .....	3
Poor Customer Experiences Hurt The Bottom Line Everywhere .....	3
National Differences In Customer Experiences Are Significant .....	4
European Vendors Need To Pay Special Attention To Customer Experience .....	6
Vendors Must Address Customer Service Differently In Each Country .....	8
Key Recommendations .....	9
Appendix A: Methodology.....	10
Appendix B: Supplemental Material.....	10
Appendix C: Demographics/Data.....	10
Appendix D: Endnotes.....	12

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### About Forrester Consulting

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## Customer Experiences Varies Globally But Are Never Great

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Across the globe, the demand for a better customer experience is a universal constant. People have very specific expectations about their human, paper, and electronic interactions with companies that vary from country to country. For companies operating internationally, these expectations resemble the vocabulary and syntax of a foreign language: The better you master them, the more the other person in the conversation feels as though you are listening to and understanding him.

Companies often lack the resources, skill, or understanding needed to become fluent in addressing the expectations of each national market. Lack of fluency has substantial costs: From word of mouth to social media, customers have an expanding number of channels for voicing their satisfaction or dissatisfaction. Companies that fail the fluency test not only lose business, but they also lose a sense of how badly they are doing in a national market.

In May 2010, Adobe Systems commissioned Forrester Consulting to evaluate how consumers' and business buyers' opinions of online customer experiences compared with vendors' perceptions of their own online presence. To explore this topic, Forrester conducted three online surveys: a consumer study of 2,793 US and European Union (EU) financial services, electronics, or mobile phone customers; a business study of 628 US and EU business financial services, IT hardware, or mobile phone buyers; and a vendor study of 405 US and EU sales, marketing, and customer service professionals at firms selling the aforementioned offerings.

### Key Findings

Forrester's study yielded three key findings:

- **Across the globe, companies are losing business because of bad customer experiences.** The pattern of customer dissatisfaction identified in other Forrester Thought Leadership Papers in this series holds true across geographic boundaries. Consumers are dissatisfied, and business buyers are even more so. Both types of customers are unwilling to continue doing business with vendors who give a bad customer experience or to recommend the vendor to someone else.
- **Both expectations and satisfaction differ across markets.** While the general pattern holds true, customer dissatisfaction varies from one country to another. Customer expectations vary across countries, as does the ability of vendors to meet these expectations.
- **European companies are especially out of touch.** In the United States, a significant gap exists between the satisfaction customers report (particularly business buyers) and the satisfaction companies believe they are delivering. In Europe, this gap is even wider between companies and both consumers and business buyers.

## Customers Are Not Asking For Much

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Customer dissatisfaction is always unfortunate, but it is especially so because customers are not asking for anything special. When indicating where companies might make improvements, our survey respondents asked for the most basic elements of transacting business to improve:

- **Finding things.** Companies frequently make it difficult for customers to find important information. A British financial services consumer requested that companies “allow an easier search [for] all available options,” a common complaint resonating from our study. A German investment manager added, “I would like to find more comprehensive information for my requirements quickly and easily.”
- **Receiving complete information.** Customers expect that once they find information, it will answer their questions. One German consumer electronics customer complained that “information [is] insufficiently explicit; several sites must be visited (manufacturer, retailer, etc.) to obtain product specifications.”
- **Not wasting time.** A UK consumer financial services customer put this request succinctly: “Make things a bit clearer, or make it easier to speak to a real person when you are confused.”
- **Communicating clearly.** Lack of fluency in the customer’s language is not, from the customer’s perspective, as much a sign of disrespect as a major reason for wasted time. As a French consumer mobile phone customer put it, “Speak French well, respect clients, be effective in problem resolution, and keep things moving.”
- **Getting help.** Lack of information is as frustrating as lack of fluency. A British business buyer of financial services voiced a common and seemingly simple request that “staff [be] aware of the products they are selling!”
- **Avoiding the hard sell.** Aggressive selling tactics annoy customers, even in the best of circumstances. When the customer is wrestling with a problem, sales efforts can be deeply offensive. For example, a British business buyer of financial services asked for “ease at navigating to the products you want and not trying to be sold add-ons!” A business buyer of mobile phones added, “[I want] less of the sales talk; stick to what the customer wants, not what they want to sell you.”

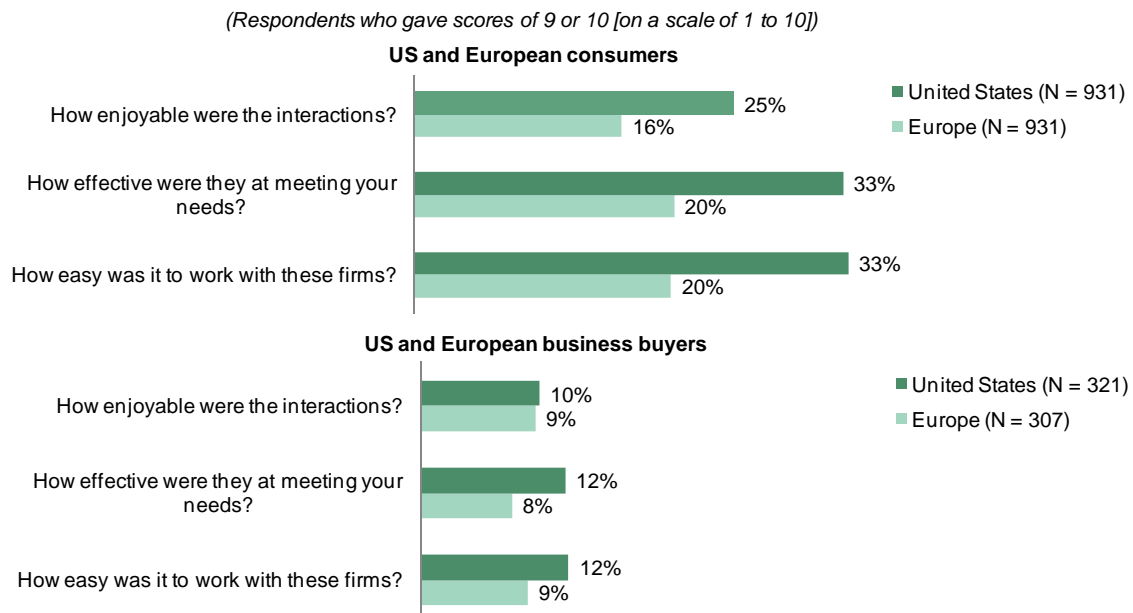
## Poor Customer Experiences Hurt The Bottom Line Everywhere

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As we have seen in other white papers in this series, poor customer experience is a serious issue that affects the bottom line for vendors. Consumers are unhappy with their experience, and business buyers are even more dissatisfied. Poor customer experience has direct consequences, since unhappy customers take their business elsewhere.<sup>1</sup>

Dissatisfaction is not the same in every industry. Across the three industries covered in our research, customers were unhappier with financial services companies than with telecommunications providers and high-tech manufacturers.

Differences also exist across geographies: On both sides of the Atlantic, consumers frequently don't get the treatment they expect from companies, but even fewer European customers are happy with online interactions, compared with their American cousins (see Figure 1). Business buyers are more dissatisfied across the board, but again, European vendors get the weakest scores.

**Figure 1****Customers Are Unhappy On Both Sides Of The Atlantic**

Base: US and European customers who have researched, purchased, and/or managed relationships with financial services, mobile phone, or electronics/hardware products vendors online

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

## National Differences In Customer Experiences Are Significant

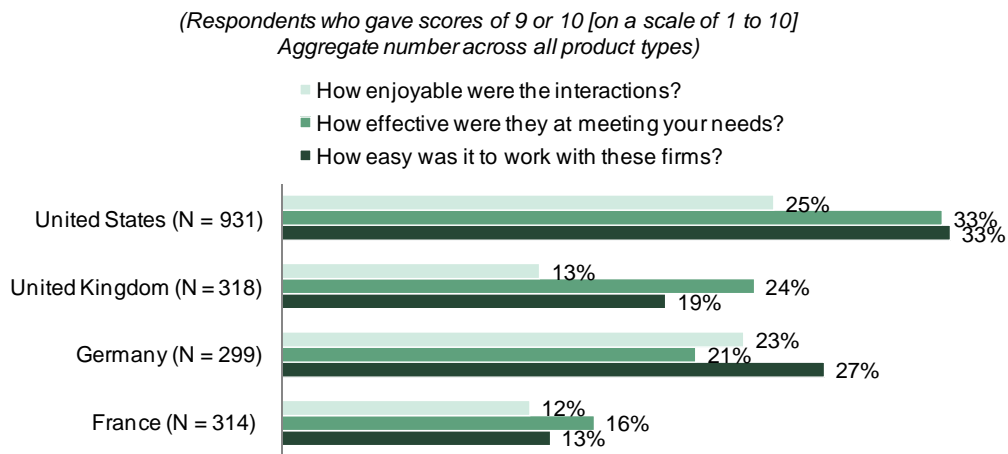
The regional differences between the United States and Europe are dramatic. However, the geographic differences in customer experience do not stop there. If we dig a level deeper, into customer experience in individual European countries, we also find substantially different levels of satisfaction (see Figure 2).

While levels of dissatisfaction with customer experience are not the same in every country, the relationship between customer experience and future business holds true in every case. The more unhappy the customer, the less likely that person is to do business with the vendor in the future or to recommend the vendor to someone else. The business impact of research and purchase experiences on future purchase and recommendations shows the result of consumer dissatisfaction in each of these national markets (see Figure 3).

Many believe that customer service can improve these odds, but that's not always the case. For some countries, willingness to recommend based on customer service alone is just slightly higher than the comparable statistics

for the customer research and purchase processes. In other countries, however, it's lower (see Figure 3). Customer service is important, particularly if customers can't get it. For example, a British consumer financial services customer voiced a very common desire for mechanisms to make it "easier to speak to a person if necessary." However, customer service is never more than a Band-Aid for the larger overall experience issues.

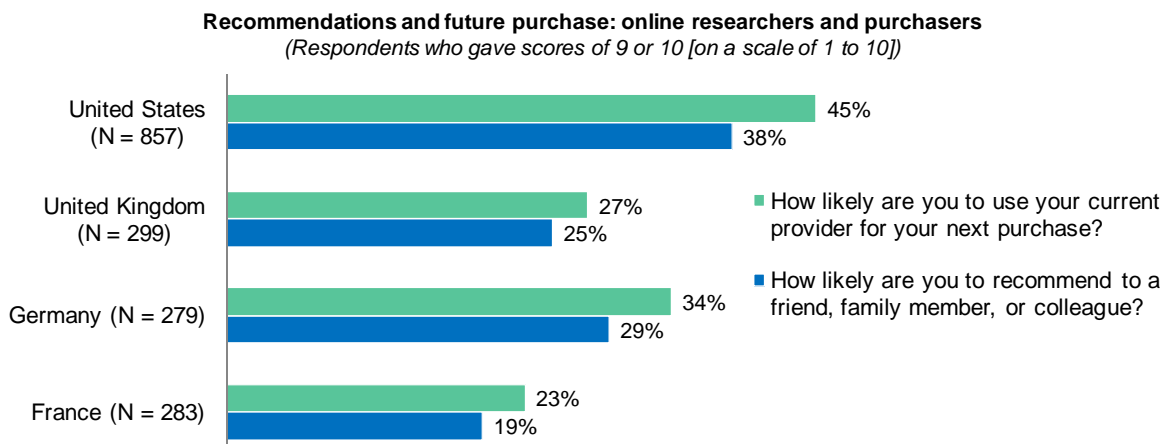
**Figure 2**  
Consumer Experience With Financial Services Varies Across Countries



Base: Consumers in each region who have researched, purchased, and/or received customer service for a financial service offering, mobile phone, or electronic device in the last 90 days

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

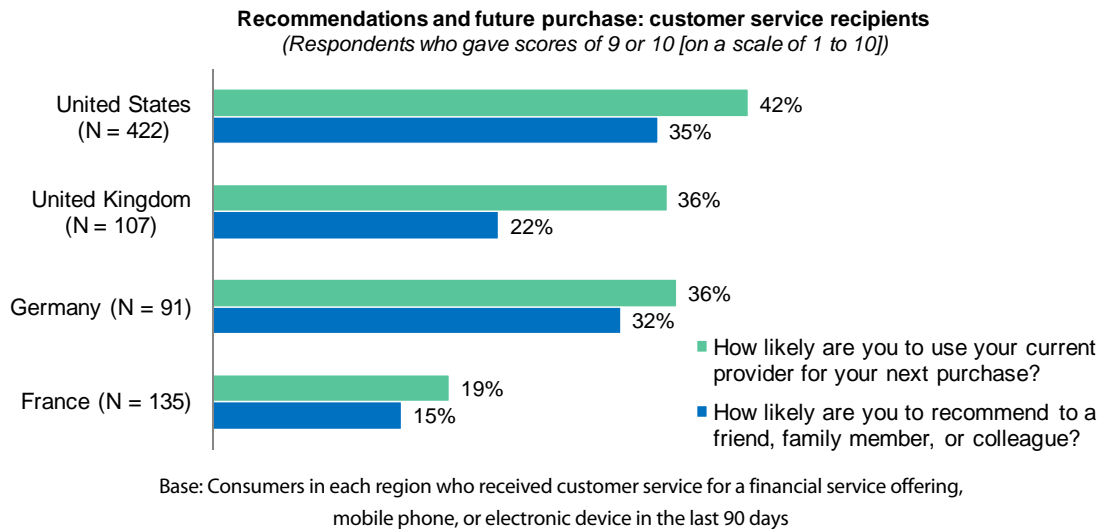
**Figure 3**  
Across Countries, The Business Impacts Vary



Base: Consumers in each region who researched or purchased a financial service offering, mobile phone, or electronic device in the last 90 days

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

**Figure 4**  
Customer Service Cushions The Impact Slightly



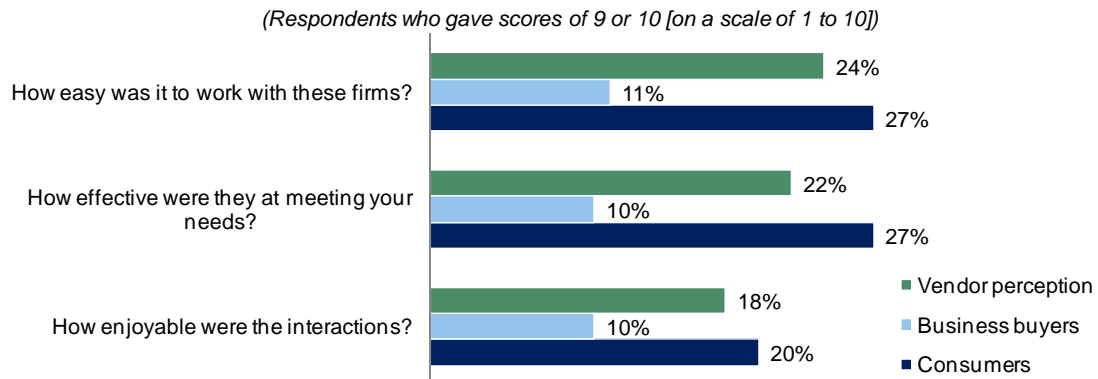
Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

In their answers, our survey respondents hinted at the differing customer expectations across national borders. For example, German customers frequently asked for a greater depth of information. (In the most extreme case, a German consumer electronics customer requested “even more detailed descriptions, and if needed get circuit diagrams for the electronics to test!”) British customers stressed the quality of communications; one consumer financial services customer stated, “There is always the odd question that is not covered in the material and sometimes there is little response to any emails sent; [I] would like this to be more efficient.” French customers focused on the long-term relationship with the company, such as one consumer financial services customer who wanted “for there not to be a consultant at the other end of the world, [giving you] the feeling that it is too far for your request to be dealt with seriously.”

## European Vendors Need To Pay Special Attention To Customer Experience

In this study of US and European financial services, mobile phone, and electronics customer experiences, we identified a gap between the grade that vendors would give the customer experience they provide and the quality of the experience that customers actually report. Figure 5 illustrates that gap: Across all regions, customers tend to be more forgiving than the vendors themselves, but business buyers are far unhappier than vendors realize.

**Figure 5**  
Vendors Don't Understand The Customer Service They Provide

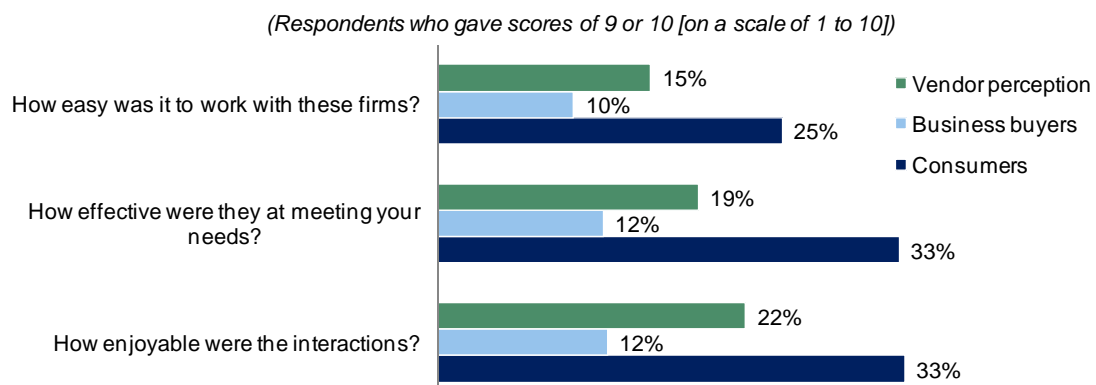


Base: 1,862 US and EU consumers and 628 business buyers who have researched, purchased, or received customer service for a financial service offering, mobile phone, or electronic device; 405 US and EU sales, marketing, and customer service professionals at financial services, mobile phone, or electronics firms

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

If we look at these ratings of customer experience at a regional level, we see that, in fact, this pattern describes the American market better than the European one. Figure 6 shows that, in the United States, business buyers give harsher judgments of customer experience than vendors, while consumers are more satisfied than vendors may realize. However, Figure 7 tells an alarmingly different story for Europe, where vendors give themselves better grades for customer experience than both consumers and business buyers.

**Figure 6**  
In The United States, Vendors Are Most Out Of Touch With Business Buyers

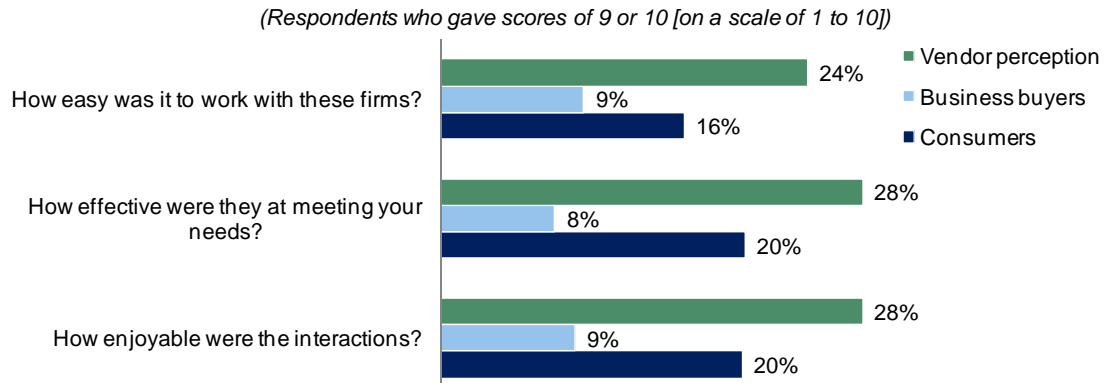


Base: 931 US consumers and 321 US business buyers who have researched, purchased, or received customer service for a product; 264 US sales, marketing, and customer service professionals

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

**Figure 7**

In Europe, Vendors Are Out Of Touch With Customers, Period



Base: 931 EU consumers and 307 EU business buyers who have researched, purchased, or received customer service for a product; 141 EU sales, marketing, and customer service professionals

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

## Vendors Must Address Customer Service Differently In Each Country

Customer experience varies by country throughout Europe, but overall, satisfaction is lower than in the United States. Meanwhile, vendors are drastically more out of touch with their European customers than their American ones. How can we explain both of these results? Three forces are at work in this situation:

- **“One size fits all” approaches cannot succeed.** Vendors may be tailoring their customer experience to fit one market without regard to differences among customers in different countries. We may be seeing the result of large, multinational companies building a customer experience for American consumers without realizing that it will not work for business buyers in every country and consumers outside the United States.
- **Vendors have failed to address each national market equally well.** We may also be seeing different levels of investment in customer experience by country, or different degrees of skill at addressing the building of a good customer experience for each national audience. The customer satisfaction ratings for the United States may be higher because vendors spend more resources on this larger market or because they have customer experience professionals who understand American customers better.
- **Standards of customer service vary from country to country.** There are real differences making customer experience more challenging in certain countries without resorting to laughable stereotypes such as “Americans and Germans are happier people than the French and British.” For example, financial services companies doing business in Europe face more challenging compliance requirements than in the United States. Juggling these constraints with the experience that customers want is an inherently more difficult task.

## KEY RECOMMENDATIONS

Providing a good customer experience across multiple countries is a complex problem. Fortunately, what customers want, in every case, is fairly basic. While tuning customer experience to a specific country may take more investment than your company has made to date, the initial goals are simple and definitely attainable:

- **Increase speed of information delivery.** One major issue across every country is time wasted finding information. Measure any improvements to the Web site, product collateral, or other ways of communicating with customers by the amount of time needed to find a specific piece of information — all of it, not a piece of it.
- **Understand local customer experience requirements.** Our research shows the importance of designing a customer experience to fit the expectations of local markets. The starting point must be the local customer's expectations, which will take time and effort to fully understand. Plan to tune customer experience in a series of iterations, in which you incorporate new insights about these customers into the experience you build for them.
- **Measure the gaps continually.** The most alarming result of our research was the wide gap between European companies and their customers. It's unlikely that the gap exists only in the three European countries included in this survey. To keep their bearings while navigating international business waters, companies must take regular measurements to see how far they are from meeting their customers' expectations in each national market.

## Appendix A: Methodology

In this study, Forrester Consulting conducted a consumer study of 2,793 US and European Union (EU) financial services, electronics, or mobile phone customers; a business study of 628 US and EU business financial services, IT hardware, or mobile phone buyers; and a vendor study of 405 US and EU sales, marketing, and customer service professionals at firms selling the aforementioned offerings. These studies were intended to evaluate customer satisfaction levels across research, purchase, and customer service activities, as well as vendor perceptions on the same. The study began in June 2010 and was completed in July 2010.

## Appendix B: Supplemental Material

### Related Forrester Research

“Experiences Across The Customer Life Cycle,” Forrester Research, Inc., February 11, 2010

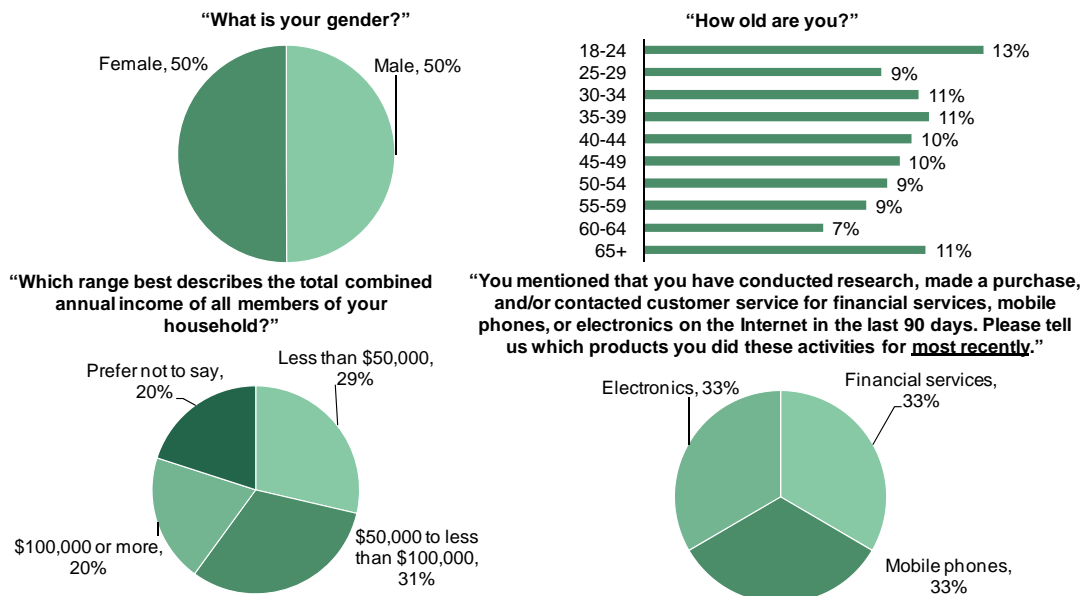
“Emotional Experience Design,” Forrester Research, Inc., October 26, 2009

“Customer Experience Boosts Revenue,” Forrester Research, Inc., June 22, 2009

## Appendix C: Demographics/Data

**Figure C1**

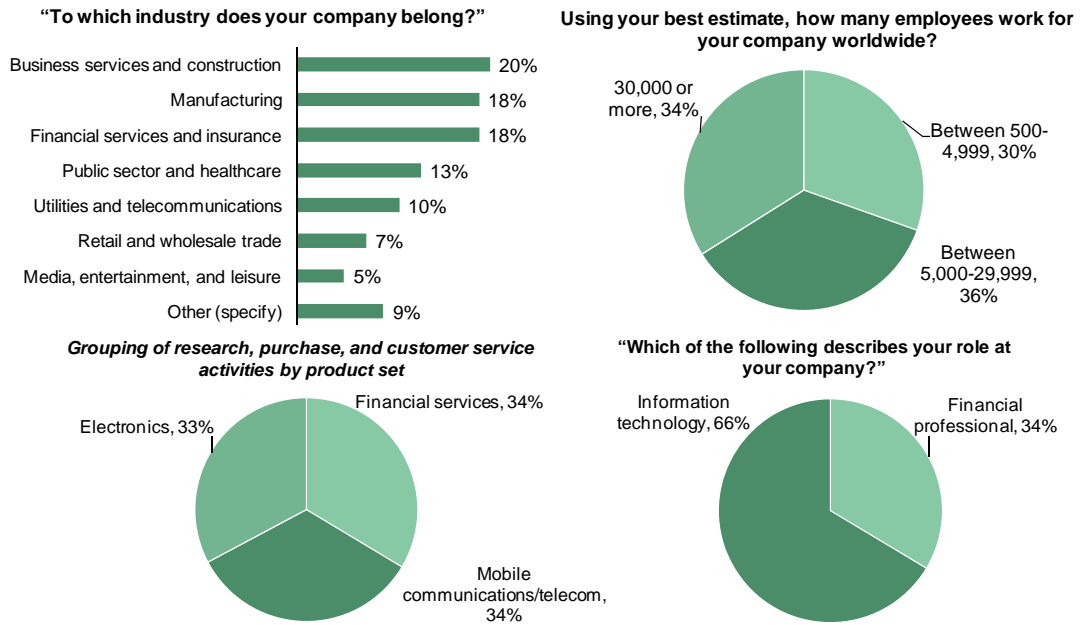
Consumer Survey Demographics



Base: 1,862 consumers involved in research or purchase of financial services, mobile devices, or electronics for their household

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

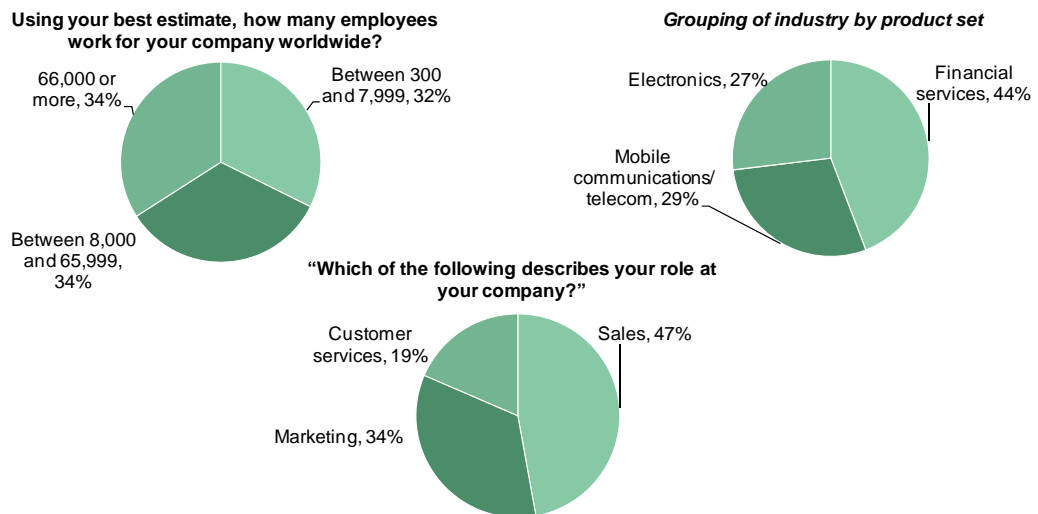
**Figure C2**  
Business Buyer Survey Demographics



Base: 628 enterprise professionals involved in research or purchase decisions for financial services, mobile devices, or IT hardware

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

**Figure C3**  
Vendor Survey Demographics



Base: 405 sales, marketing, and customer service decision-makers for financial services, mobile phone, or electronics/hardware firms

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010

## Appendix D: Endnotes

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<sup>1</sup> See the remaining three documents in Adobe’s Thought Leadership Paper series, authored by Forrester Consulting: “Poor Online Customer Experience Creates Disloyal Customers,” “Poor Customer Experience Hurts The Bottom Line For Financial Services Companies,” and “Customer Experience Lies Beyond Service Improvements,” each based on results and analysis of a commissioned study conducted by Forrester Consulting on behalf of Adobe Systems, July 2010.