



DATA SNAPSHOT

Global Study: What Happens After a Bad Experience

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Global Study: What Happens After a Bad Experience

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EXECUTIVE SUMMARY

This research is based on a study of 17,509 consumers from 18 countries: Australia, Brazil, Canada, France, Germany, Hong Kong, India, Indonesia, Japan, Malaysia, Mexico, the Philippines, Singapore, Spain, South Korea, Thailand, the UK, and the U.S. This study asked consumers whether they'd recently had a poor experience with an organization across 17 industries and, if so, how their spending changed as a result. Here are some highlights:

- + **Organizations disappoint in nearly 1 in 5 experiences.** On average, consumers report having a bad experience with 18% of experiences, ranging from a high of 34% in India down to a low of 10% in Japan. Mobile phone providers in Brazil and internet service providers in the Philippines produce the highest rates of very poor experiences; fifty percent of people that had experiences in these industries reported having a bad experience.
- + **Consumers cut spending after bad experiences.** Across all industries and countries, slightly more than half of consumers said they either decreased or stopped spending with an organization after a recent bad experience. Spanish customers are the most likely to reduce or stop spending after a very poor experience, while Indian customers are the least likely.
- + **Bad experiences put sales at risk.** On average, organizations risk losing 9.5% of their revenue due to very poor experiences. Internet service providers have the highest percentage of sales at risk due to very poor experiences (14.7%), while supermarkets had the lowest (4.7%). The risk is highest for organizations in Brazil and the lowest for those in Japan.

FIGURES IN THE REPORT

1. Bad Experiences – by Industry
2. How Consumers Cut Spending After a Bad Experience – by Industry
3. Sales at Risk Due to Bad Experiences – by Industry
4. Percentage of Bad Experiences – by Country
5. How Consumers Cut Spending After a Bad Experience – by Country
6. Sales at Risk From Bad Experiences – by Country
7. Bad Experiences in Industries – by Country (Part 1)
8. Bad Experiences in Industries – by Country (Part 2)
9. Bad Experiences in Industries – by Country (Part 3)

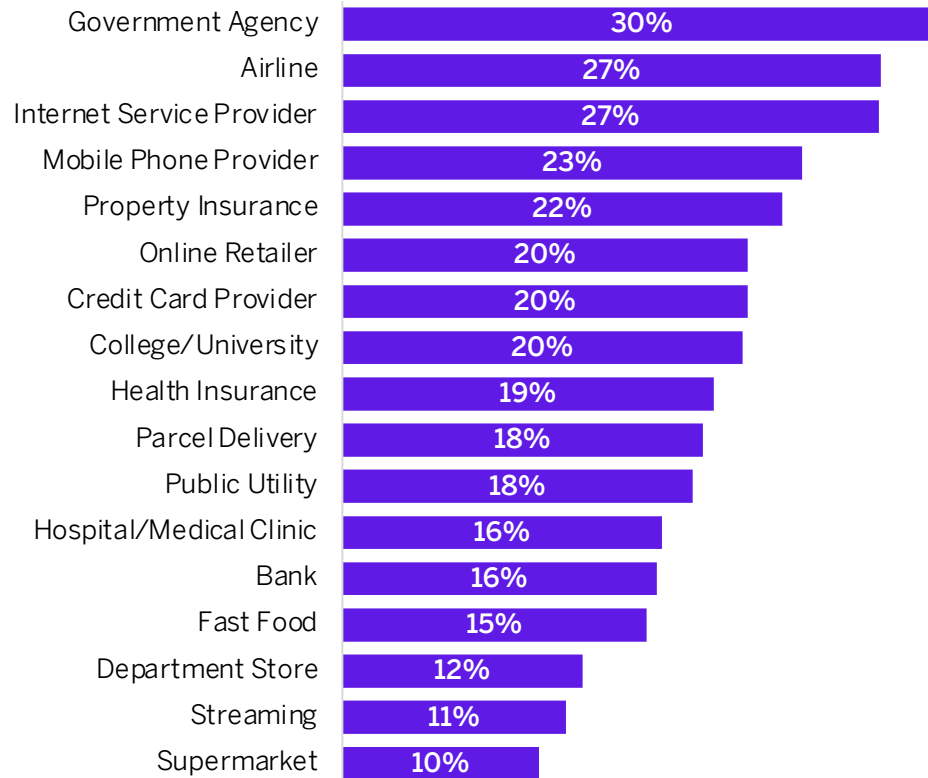
Methodology

Bad Experiences by Industry

KEY TAKEAWAYS

- + Across all industries, 18% of consumers who had experiences with these industries also reported having a recent bad experience with an organization.
- + Consumers who had experiences with government agencies are most likely to report having a bad experience, followed closely by consumers who had experiences with airlines and internet service providers.
- + Consumers who had experiences with supermarkets, streaming media services, and department stores are least likely to report a bad experience.

Percentage of consumers that reported having a 'very poor' experience



ABOUT

This chart shows the percentage of consumers who had experiences with each industry, who also reported having a bad experience with an organization in that industry. Data includes consumer responses from all 18 countries.

How Consumers Cut Spending After a Bad Experience by Industry

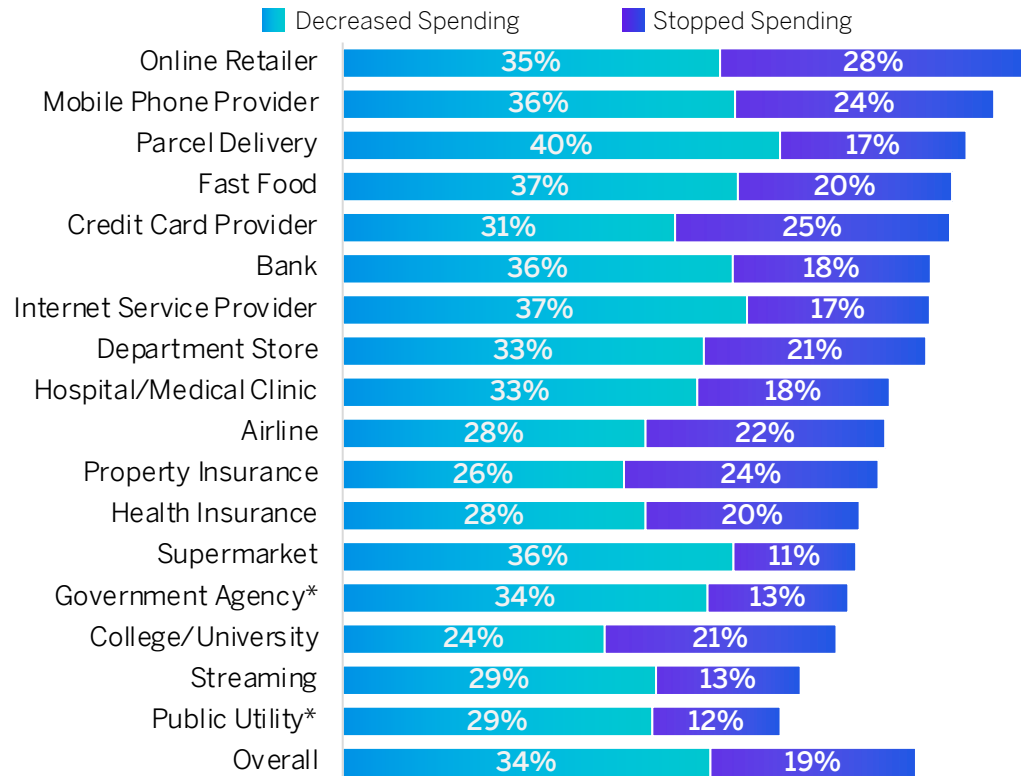
KEY TAKEAWAYS

- + On average, 53% of consumers reported decreasing or stopping their spending after a recent bad experience with an organization.
- + After a very bad experience, consumers are most likely to cut spending with an online retailer.
- + Consumers are least likely to decrease or completely stop spending with streaming media companies and public utilities following a very bad experience.
- + After a bad experience, consumers are most likely to reduce spending with a parcel delivery service (40%) and entirely stop spending with an online retailer (28%).

ABOUT

This chart shows, for each industry, the percentage of consumers who decreased or stopped spending with an organization after a very bad experience. Data includes consumer responses from all 18 countries.

Percentage of consumers who decreased or stopped spending after a 'very poor' experience



* Although Government Agencies and Public Utilities may not have revenue at risk due to bad experiences, there are likely latent loyalty issues that could manifest in other areas.

Sales at Risk Due to Bad Experiences by Industry

KEY TAKEAWAYS

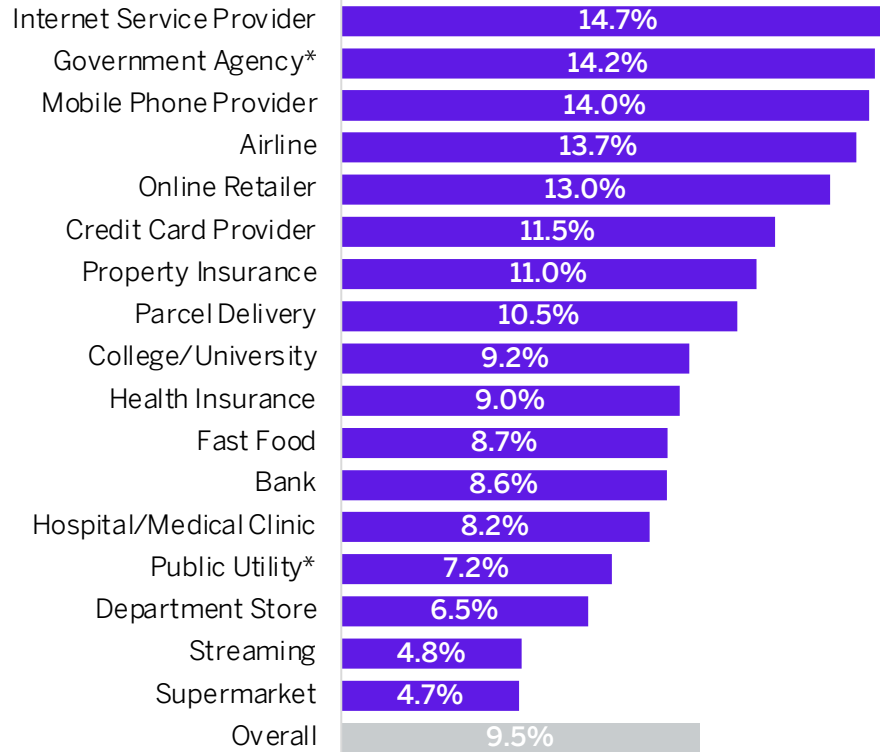
- + On average, organizations across all 17 industries risk losing 9.5% of their revenue by delivering bad experiences to consumers.
- + Internet service providers have the highest Sales at Risk Index, while supermarkets have the lowest.

ABOUT

This chart shows the Sales at Risk Index for each industry. The Sales at Risk Index is a measure of how much revenue organizations could lose as a consequence of bad consumer experiences. Data includes consumer responses from all 18 countries.

Sales at Risk Index =

(Percentage of consumers who had an experience in the industry reporting a very poor experience) x
(Percentage of consumers who decreased or stopped spending after a bad experience)



* Although Government Agencies and Public Utilities may not have revenue at risk due to bad experiences, there are likely latent loyalty issues that could manifest in other areas.

Percentage of Bad Experiences by Country

KEY TAKEAWAYS

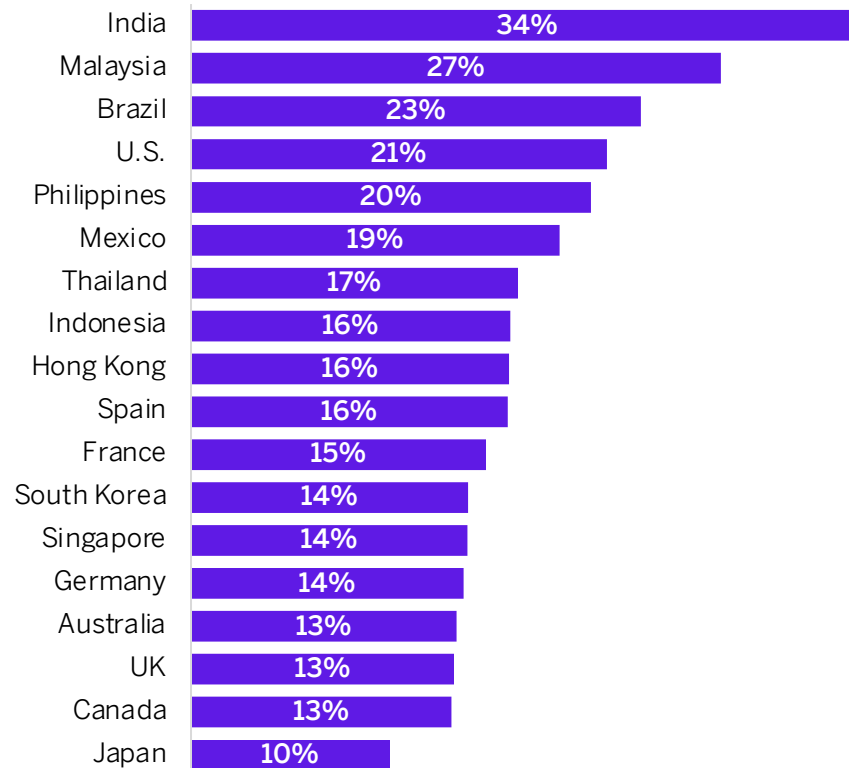
- + Across all countries and industries, consumers reported having 'very poor' experiences with 18% of experiences.
- + Consumers in India reported having a bad experience with 34% of experiences. This is not only the most from any country, but it is also almost twice the average across all countries.
- + Japanese consumers reported having bad experiences with 10% of experiences, nearly half the average of all countries.

ABOUT

This chart shows, for each country, the percentage of responses from consumers who had a 'very poor' experience out of the total number of experiences reported across all industries in the previous 90 days.

Percentage of 'very poor' experiences by country

(Total poor experiences reported divided by total reported experiences in each country)



How Consumers Cut Spending After a Bad Experience by Country

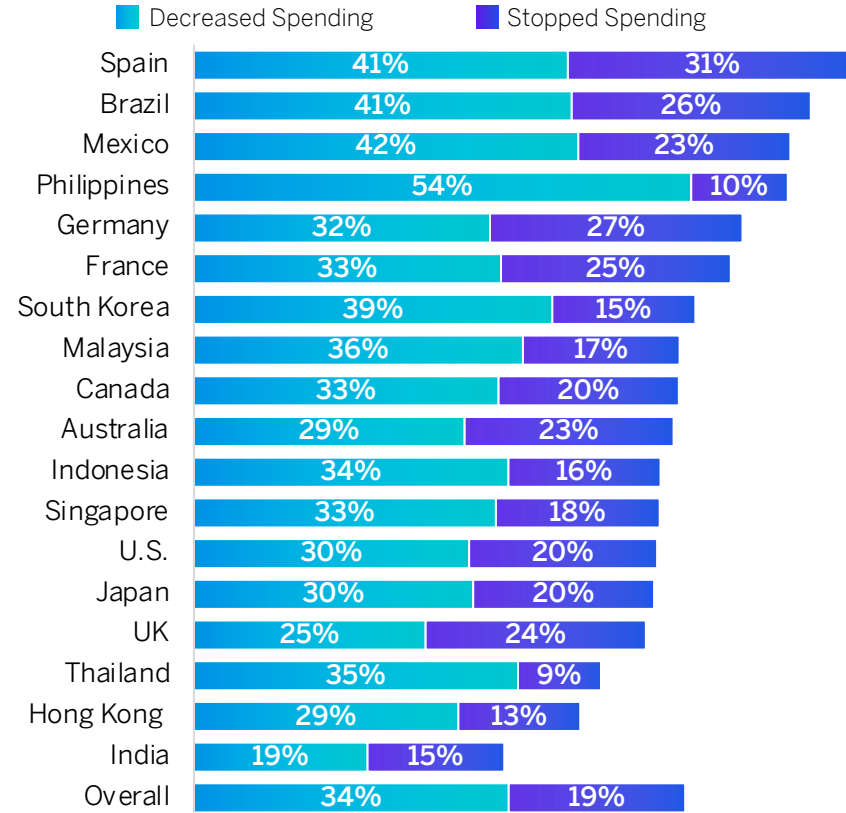
KEY TAKEAWAYS

- + On average, 53% of bad experiences led consumers to cut their spending with an organization.
- + Spanish consumers are most likely to cut spending with an organization after a very poor experience.
- + Indian consumers are least likely to decrease or completely stop spending after a very bad experience – one-third less likely than the average across all countries.
- + After a bad experience, consumers from the Philippines are most likely to reduce spending with an organization (54%), while consumers from Spain are most likely to stop spending altogether (31%).

ABOUT

This chart shows, for each country, the percentage of poor experiences after which consumers decreased or stopped spending with an organization in one of the 17 industries included in this study.

Percentage of poor experiences resulting in spending cuts



Sales at Risk From Bad Experiences by Country

KEY TAKEAWAYS

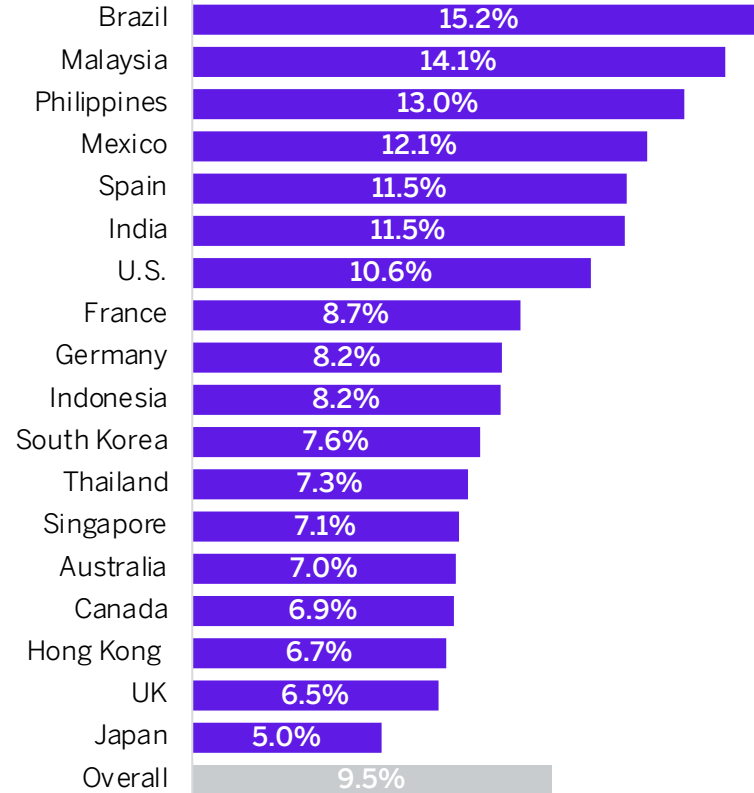
- + On average, across all 18 countries, organizations risk losing 9.5% of their revenue by delivering bad experiences to consumers.
- + Organizations in Brazil have the highest Sales at Risk Index. They are 1.5x more likely to lose revenue due to poor experiences compared to the over country average.
- + Organizations in Japan have the lowest Sales at Risk Index. They are nearly 2x less likely to lose revenue due to poor experiences compared to the over country average.

ABOUT

This chart shows the Sales at Risk Index for each country. The Sales at Risk Index is a measure of how much revenue organizations could lose as a consequence of bad consumer experiences. Data includes consumer responses about all 17 industries.

Sales at Risk Index =

(Percentage of poor experiences of total reported experiences) x
(Percentage of poor experiences after which consumers decreased or stopped spending)




Bad Experiences in Industries by Country (Part 1)

KEY TAKEAWAYS

- + Indian consumers reported the highest rate of very poor experiences in all five of these industries.
- + Consumers in Spain report the lowest rate of poor experiences in three of these five industries.
- + 4% of Spanish consumers that had an experience with a supermarket report having a bad experience, which creates a 29-point gap between the 33% of Indian consumers that reported the same. This is the largest variation of these five industries.

Percentage of consumers who have recently had a 'very poor' experience with an organization in these industries

 Highest rate of poor experiences  Lowest rate of poor experiences

	Department store	Fast Food restaurant	Online retailer	Parcel delivery service	Supermarket
Australia	9%	16%	17%	16%	7%
Brazil	14%	16%	18%	15%	13%
Canada	8%	14%	19%	17%	8%
France	9%	10%	17%	21%	8%
Germany	13%	9%	16%	23%	7%
Hong Kong	11%	16%	19%	19%	14%
India	30%	31%	38%	35%	33%
Indonesia	8%	11%	23%	16%	8%
Japan	6%	12%	12%	8%	6%
Malaysia	19%	19%	34%	31%	14%
Mexico	13%	14%	19%	17%	10%
Philippines	8%	11%	29%	18%	9%
Singapore	11%	11%	20%	14%	9%
South Korea	11%	10%	21%	12%	10%
Spain	5%	14%	11%	12%	4%
Thailand	12%	14%	18%	19%	10%
UK	13%	17%	16%	17%	8%
U.S.	20%	25%	23%	21%	14%

ABOUT

This table shows, for each country, the percentage of respondents who recently had a 'very poor' experience with an organization, out of the total reported experiences in an industry. Data is reported only for countries with 100+ respondents reporting an experience with an industry in the previous 90 days.

Bad Experiences in Industries by Country (Part 2)

KEY TAKEAWAYS

- + Consumers in India are the most likely to report having a very poor experience in four of these six industries.
- + With 50% each, Mobile phone providers in Brazil and internet service providers in the Philippines deliver the highest rates of very poor experiences across all industries and countries.
- + 10% of UK consumers that had an experience with a mobile phone provider report having a bad experience, which creates a 40-point gap between the 50% of Brazilian consumers that reported the same. This is the largest variation of these six industries.

Percentage of consumers who have recently had a 'very poor' experience with an organization in these industries

N/A Sample size too small Highest rate of poor experiences Lowest rate of poor experiences

	Airline	Bank	Credit card Provider	Internet service provider	Mobile phone provider	Streaming media service
Australia	N/A	12%	N/A	21%	21%	7%
Brazil	N/A	25%	29%	35%	50%	8%
Canada	N/A	12%	13%	20%	13%	8%
France	N/A	16%	N/A	23%	26%	8%
Germany	N/A	12%	N/A	18%	18%	4%
Hong Kong	N/A	12%	N/A	21%	11%	11%
India	45%	28%	18%	38%	37%	28%
Indonesia	11%	10%	44%	21%	20%	11%
Japan	N/A	10%	10%	15%	18%	N/A
Malaysia	N/A	21%	30%	39%	26%	19%
Mexico	N/A	24%	23%	32%	21%	4%
Philippines	N/A	15%	26%	50%	19%	15%
Singapore	N/A	12%	16%	18%	17%	9%
South Korea	N/A	9%	10%	21%	19%	9%
Spain	N/A	24%	15%	20%	29%	11%
Thailand	N/A	10%	23%	20%	15%	13%
UK	N/A	12%	12%	17%	10%	7%
U.S.	N/A	16%	19%	24%	25%	17%

ABOUT

This table shows, for each country, the percentage of respondents who recently had a 'very poor' experience with an organization, out of the total reported experiences in an industry. Data is reported only for countries with 100+ respondents reporting an experience with an industry in the previous 90 days.

Bad Experiences in Industries by Country (Part 3)

KEY TAKEAWAYS

- + Consumers in India are the most likely to report poor experiences in three of these six industries.
- + Consumers reported the highest rates of poor experiences for government agencies in Mexico and the lowest rates for public utilities in Canada.
- + 14% of Singaporean consumers that had an experience with a government agency report having a bad experience, which creates a 33-point gap between the 47% of Mexican consumers that reported the same. This is the largest variation of these six industries.

ABOUT

This table shows, for each country, the percentage of respondents who recently had a 'very poor' experience with an organization, out of the total reported experiences in an industry. Data is reported only for countries with 100+ respondents reporting an experience with an industry in the previous 90 days.

Percentage of consumers who have recently had a 'very poor' experience with an organization in these industries

N/A Sample size too small Highest rate of poor experiences Lowest rate of poor experiences

	College or university	Government agency	Health insurer	Hospital or medical clinic	Property insurer	Public utility
Australia	N/A	18%	11%	12%	N/A	15%
Brazil	24%	N/A	28%	15%	N/A	22%
Canada	N/A	24%	N/A	10%	N/A	6%
France	N/A	N/A	16%	8%	N/A	16%
Germany	N/A	N/A	15%	11%	N/A	10%
Hong Kong	N/A	N/A	N/A	17%	N/A	17%
India	29%	40%	31%	35%	40%	29%
Indonesia	12%	27%	20%	22%	20%	20%
Japan	N/A	N/A	N/A	9%	N/A	8%
Malaysia	33%	38%	33%	27%	N/A	20%
Mexico	8%	47%	N/A	19%	N/A	23%
Philippines	18%	41%	14%	20%	N/A	21%
Singapore	N/A	14%	14%	16%	N/A	11%
South Korea	N/A	23%	N/A	9%	24%	15%
Spain	N/A	N/A	N/A	17%	N/A	18%
Thailand	N/A	35%	17%	20%	14%	14%
UK	N/A	19%	N/A	7%	N/A	18%
U.S.	N/A	31%	21%	19%	N/A	19%

Base: 17,509 consumers across 18 countries
Source: Qualtrics XM Institute Q1 2021 Global Consumer Study

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Methodology

DATA SOURCE

The data for this report comes from a global consumer study that Qualtrics XM Institute conducted in the first quarter of 2021. Using an online survey, XM Institute collected data from 17,509 consumers across 18 countries: Australia, Brazil, Canada, France, Germany, Hong Kong, India, Indonesia, Japan, Malaysia, Mexico, the Philippines, Singapore, South Korea, Spain, Thailand, the UK, and the U.S.

XM Institute surveyed 1,000 consumers from each of the countries, except for Hong Kong (556 respondents) and South Korea (952 respondents). To ensure that the data was reflective of country populations, we set quotas for responses to match the gender, age, and income demographics of each country.

DATA CALCULATIONS

In Figures **1** and **4**, we calculated the percentage of bad experiences in each industry or country by taking the number of responses reporting a 'very poor' recent experience and dividing by the total number of responses that reported an experience in that industry or an industry within that country in the previous 90 days.

In Figures **2** and **5**, we calculated the percentage of bad experiences after which consumers cut spending within each country or industry by taking the number of responses within each industry or country that reported either stopping or decreasing spending after a recent poor experience and dividing by the total number of reported poor experiences for that given industry or country.

In Figures **3** and **6**, we calculated the Sales at Risk Index by multiplying the percentage of bad experiences (as calculated in Figures 1 and 4) by the total percentage of bad experiences after which consumers decreased and stopped spending (as calculated in Figures 2 and 5).

In Figures **7-9**, we calculated the percentage of poor experiences within each country and industry by taking the number of consumers from each country who recently had a bad experience with an organization in a given industry and dividing by the total number of consumers from each country who reported a recent interaction in that industry. For these figures, we only presented data for countries with 100+ respondents who said they had an experience with an organization in an industry in the previous 90 days.

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