



DATA SNAPSHOT

Global Study: What Happens After a Bad Experience, 2022

Moira Dorsey, XMP
Principal XM Catalyst

Talia Quaadgras
Senior Research Associate

Julia Chang
Senior Research Associate

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Executive Summary

KEY FINDINGS IN THIS REPORT

As part of our latest global consumer study, consumers from 29 countries told us whether they recently had a 'very poor experience' with an organization in any of the 20 industries surveyed, and how they changed their spending with the organization after that very poor experience. We also calculated a Sales at Risk Index to understand the percentage of sales at risk due to decreased spending after poor experiences. We found that:

- + **Organizations disappoint in more than 1 in 10 experiences.** On average, consumers report that 16% of their recent experiences were 'very poor,' ranging from 48% in India to 7% in Japan. Government agencies in South Africa provided the highest rate of poor experiences; 69% of people who had an experience in this industry reported having a 'very poor' experience.
- + **Consumers cut spending after bad experiences.** At least one-third of consumers reduced their spending after a bad experience with an organization, ranging from 36% of consumers cutting their spending after a bad public utility experience to 60% of consumers reducing their spending after a bad fast food experience. Chinese consumers have the least propensity to reduce their spending, while Colombian consumers are most likely to do so.
- + **Bad experiences put sales at risk.** On average, organizations risk losing 8% of their revenue due to very poor experiences. After government agencies, credit card providers have the highest percentage of sales at risk (10.8%), while supermarkets have the least sales at risk (3.3%). The risk is highest for Indian organizations and lowest for those in Japan.

STUDY KEY FACTS

- Global consumer study
- Online panel
- Conducted in Q3 2022
- 29 countries
- 20 industries
- 33,093 consumers

Global Study: What Happens After a Bad Experience, 2022

STUDY OVERVIEW

The data for this report comes from a global consumer study that Qualtrics XM Institute conducted in the third quarter of 2022. Using an online survey, XM Institute collected data from 33,093 consumers across 29 countries: Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Malaysia, Mexico, the Netherlands, New Zealand, the Philippines, Singapore, South Africa, South Korea, Spain, Taiwan, Thailand, the United Arab Emirates, the United Kingdom, the United States, and Vietnam.

XM Institute surveyed approximately 1,200 consumers from each of the countries except those listed below. To ensure that the data was reflective of the population within those countries, we set quotas for responses to match the gender, age, and income demographics of each country.

The following countries' sample sizes are as follows: Hong Kong, 693. Malaysia, 757. New Zealand, 983. Singapore, 1112. South Africa, 871. Taiwan, 1143.

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
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7. Bad Experiences by Country and Industry (Part 1)
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10. Bad Experiences by Country and Industry (Part 4)

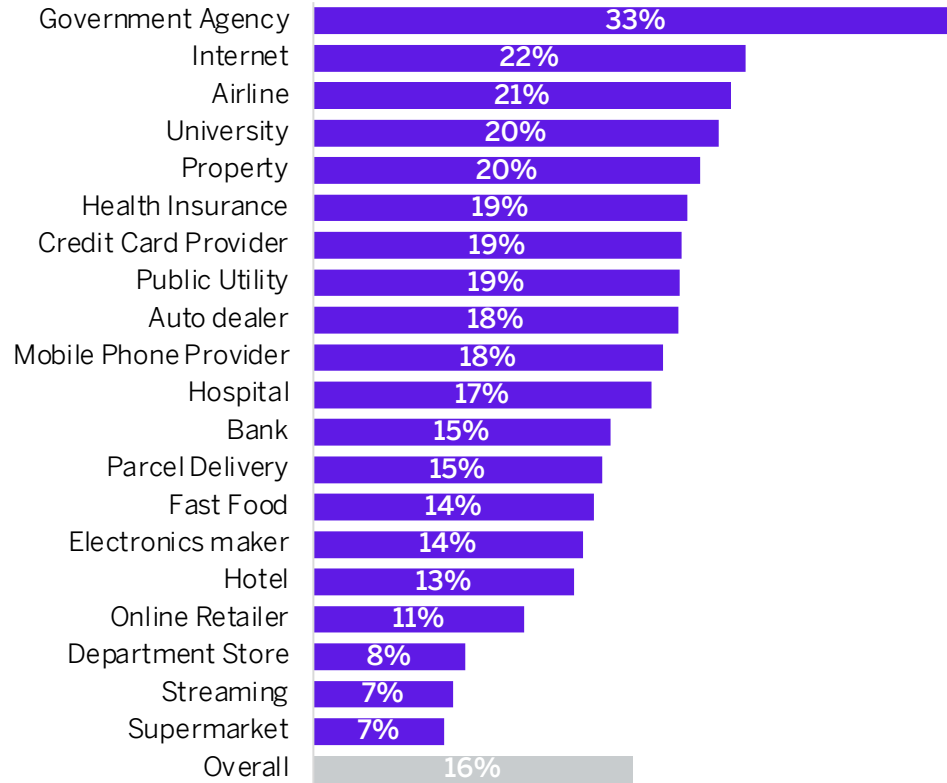
Methodology

Bad Experiences by Industry

KEY TAKEAWAYS

- + Across all industries and countries, organizations deliver 'very poor' experiences 16% of the time.
- + Consumers report having a bad experience with government agencies 33% of the time, more than 4 times the rate at which consumers report bad experiences with supermarkets, streaming, and department stores.

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



ABOUT

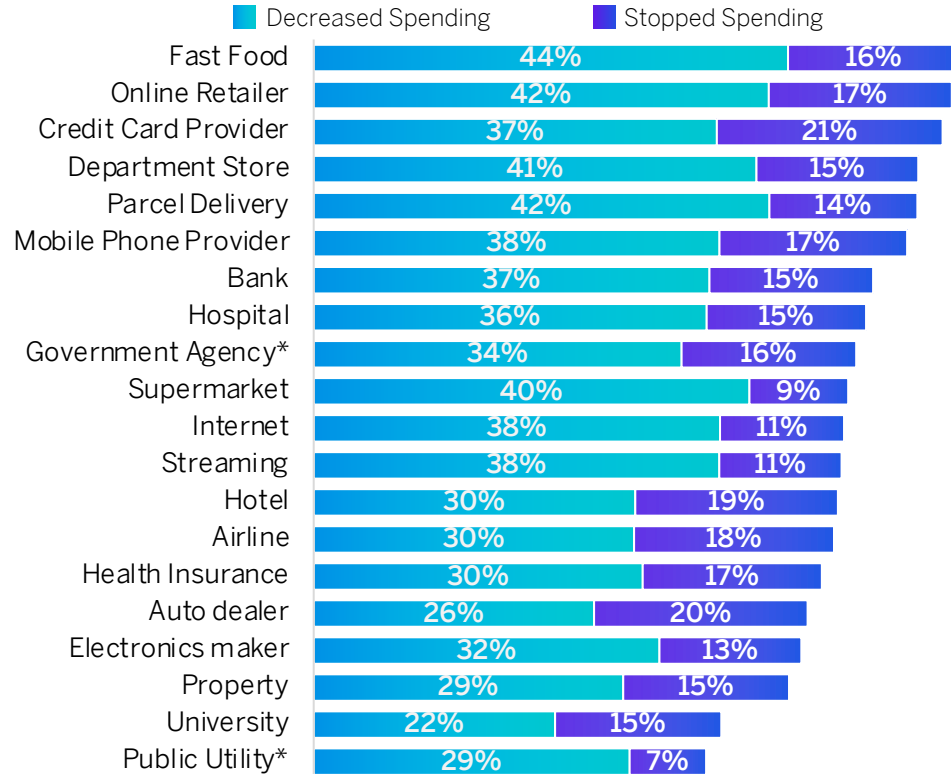
This chart shows the percentage of consumers who had experiences with each industry, and who also reported having a bad experience with an organization in that industry. Data includes consumer responses from all 29 countries.

How Consumers Cut Spending After a Bad Experience by Industry

KEY TAKEAWAYS

- + Consumers are most likely to stop or decrease spending after a bad fast food or online retail experience. They are most likely to stop spending entirely after a bad credit card provider experience.
- + At least 36% of consumers cut spending after a bad experience in any industry. Public utilities and universities are least at risk of reduced consumer spending after providing consumers with a very poor experience.

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.

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 29 countries.

Sales at Risk Due to Bad Experiences by Industry

KEY TAKEAWAYS

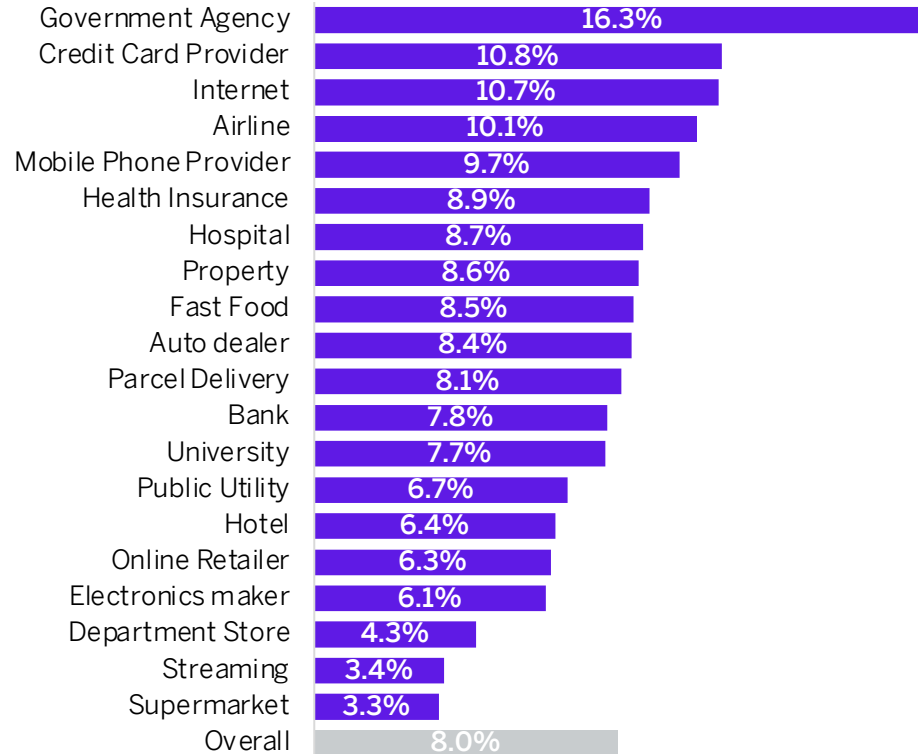
- + On average, organizations across all 20 industries risk losing 8% of their revenue by delivering bad experiences to consumers.
- + Government agencies have the highest Sales at Risk (16.3%), followed by credit card providers (10.8%) while streaming (3.4%) and department stores (4.3%) have the lowest.

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 result of bad consumer experiences. Data includes consumer responses from all 29 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 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.

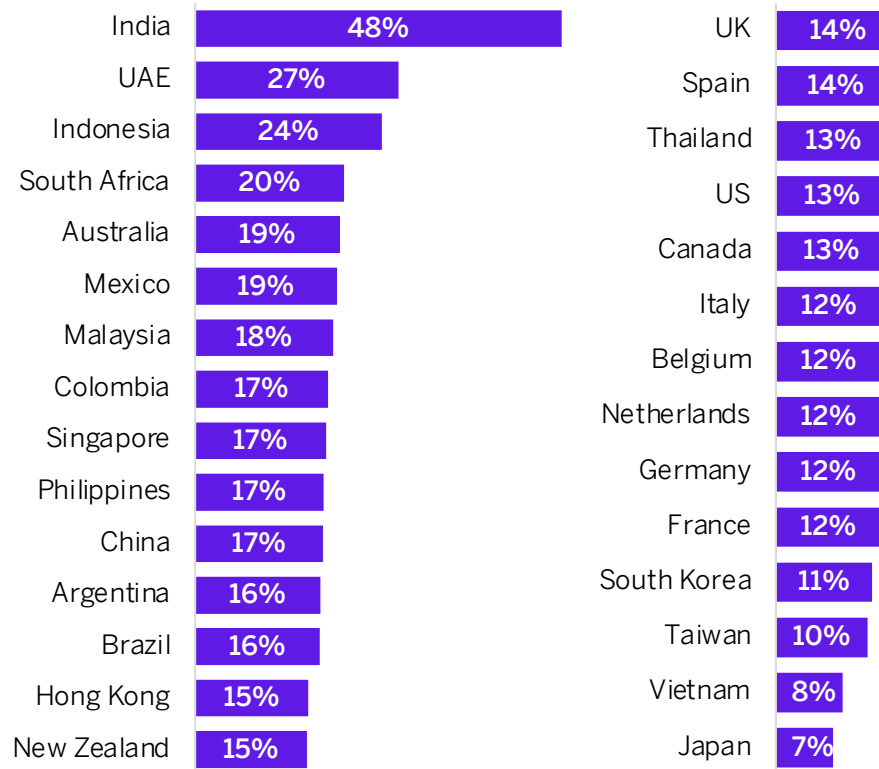
Percentage of Bad Experiences by Country

KEY TAKEAWAYS

- + Indian consumers report having very poor experiences the most frequently, at 48% of all experiences they had. They're followed by Emiratis (27%) and Indonesians (24%).
- + Japanese and Vietnamese consumers are least likely to report having a bad experience, at 7% and 8%, respectively.

Percentage of 'very poor' experiences by country

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



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.

How Consumers Cut Spending After a Bad Experience by Country

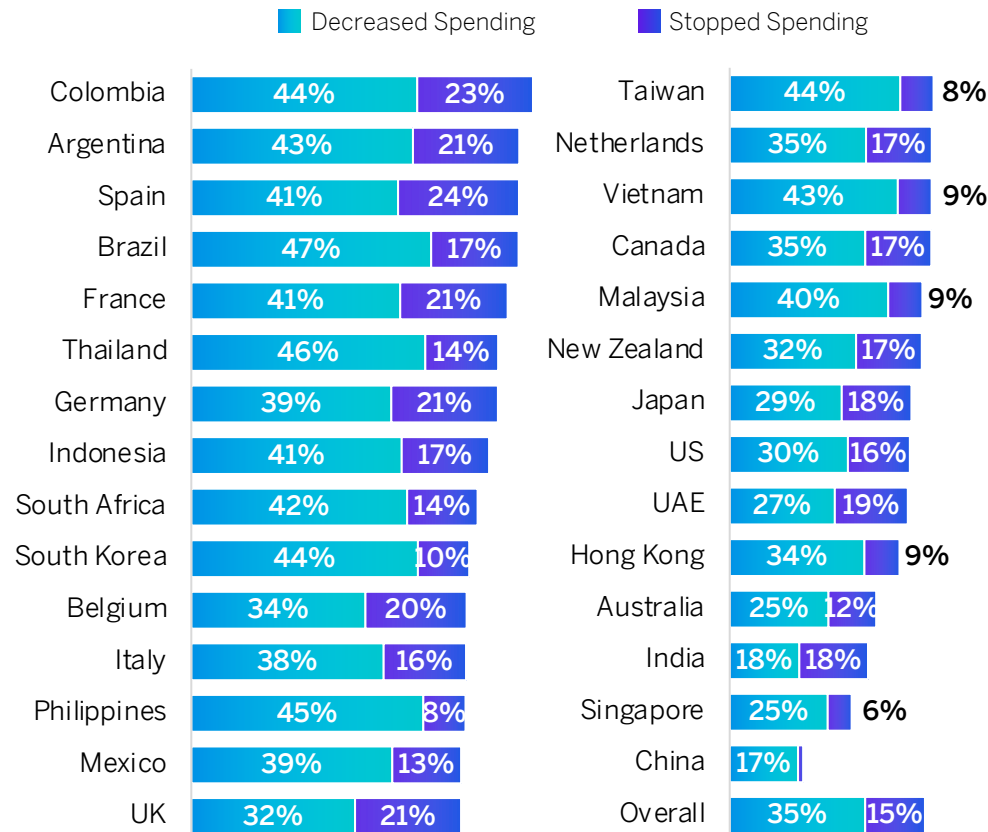
KEY TAKEAWAYS

- + On average, 50% of bad experiences led consumers to cut their spending with an organization.
- + Colombian consumers are most likely to cut spending with an organization after a very poor experience.
- + Chinese consumers are least likely to decrease or completely stop spending after a very bad experience (19%) – under half of the average across all countries.
- + After a bad experience, consumers from Brazil are most likely to reduce spending with an organization (47%), while consumers from Spain are most likely to stop spending altogether (24%).

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 20 industries included in this study.

Percentage of 'very poor' experiences resulting in spending cuts



Sales at Risk From Bad Experiences by Country

KEY TAKEAWAYS

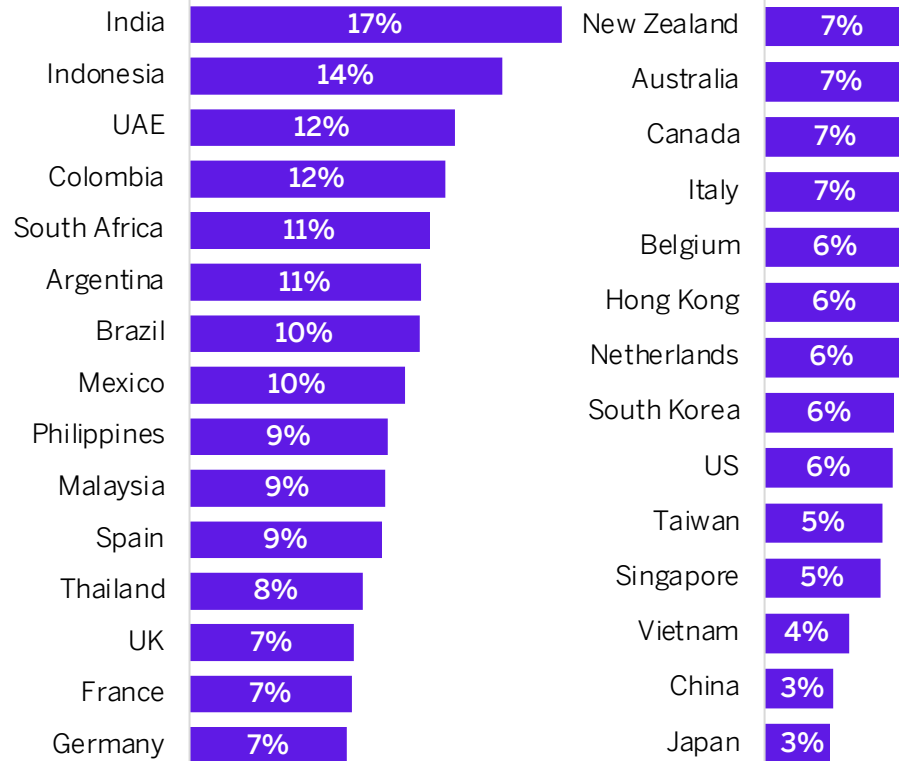
- + On average, across all 29 countries, organizations risk losing 8% of their revenue by delivering bad experiences to consumers.
- + Organizations in India have the highest Sales at Risk Index. They are more than twice as likely to lose revenue due to poor experiences compared to the cross-country average.
- + Organizations in Japan and China have the least Sales at Risk. They are less than half as likely to lose revenue from poor experiences.

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 result of bad consumer experiences. Data includes consumer responses about 20 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 By Country and Industry (Part 1)

KEY TAKEAWAYS

- + Indian consumers report bad experiences most frequently with all five industries listed. Chinese consumers had bad experiences with supermarkets and department stores second most frequently.
- + Germans had poor experiences with electronics makers least frequently (7%), creating a 31-point gap between Indian consumers' rate of poor experiences.
- + Consumers most frequently had bad experiences with fast food in India, and least frequently with Argentinian department stores.

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 by industry

	Department store	Fast food restaurant	Online retailer	Electronics maker	Supermarket
Argentina	2%	11%	9%	8%	9%
Australia	7%	22%	12%		6%
Belgium	5%	11%	7%	13%	5%
Brazil	7%	10%	10%	13%	7%
Canada	6%	11%	6%		4%
China	18%	17%	13%	17%	17%
Colombia	6%	8%	15%	9%	4%
France	5%	11%	9%		4%
Germany	4%	13%	5%	7%	8%
Hong Kong	8%	14%	11%	14%	7%
India	42%	50%	43%	38%	32%
Indonesia	17%	13%	16%	32%	7%
Italy	2%	10%	4%	8%	3%
Japan	3%	7%	6%		5%
Malaysia	10%	13%	22%	25%	8%
Mexico	8%	14%	10%	20%	5%
Netherlands	7%	10%	10%	10%	4%
New Zealand	3%	18%	6%		8%
Philippines	5%	8%	16%	9%	9%
Singapore	7%	14%	13%	36%	7%
South Africa	10%	15%	10%	11%	11%
South Korea	6%	9%	11%	16%	6%
Spain	4%	10%	8%		4%
Taiwan	10%	13%	14%	7%	5%
Thailand	8%	14%	14%	9%	9%
UK	6%	20%	6%		6%
United Arab Emirates	15%	22%	27%	20%	15%
US	7%	16%	9%		6%
Vietnam	6%	8%	7%	10%	3%

Bad Experiences By Country and Industry (Part 2)

KEY TAKEAWAYS

- + Filipino consumers report bad experiences with internet service providers 45% of the time, creating a 38 percentage-point gap between the rate of Vietnamese consumers' poor ISP experiences (7%).
- + Consumers provided the highest rate of poor experiences for banks in India, and the lowest rate for streaming services in Spain.

Percentage of consumers who have recently had a 'very poor' experience by industry

	Bank	Credit Card Provider	Mobile Phone Provider	ISP	Streaming Media
Argentina	18%	20%	19%	33%	7%
Australia	19%	20%	20%	18%	6%
Belgium	8%	15%	16%	17%	6%
Brazil	18%	25%	31%	27%	5%
Canada	8%	11%	16%	19%	6%
China	19%	18%	13%	11%	10%
Colombia	23%	23%	27%	31%	5%
France	12%	14%	17%	25%	3%
Germany	11%	10%	15%	11%	4%
Hong Kong	13%	17%	15%	19%	6%
India	60%	56%	48%	40%	39%
Indonesia	11%	36%	22%	29%	10%
Italy	15%	10%	17%	16%	4%
Japan	4%	5%	9%	8%	3%
Malaysia	14%	14%	16%	25%	14%
Mexico	18%	24%	17%	27%	9%
Netherlands	11%	10%	12%	13%	8%
New Zealand	16%	14%	8%	14%	5%
Philippines	17%	18%	12%	45%	7%
Singapore	8%	19%	16%	23%	10%
South Africa	13%	21%	18%	18%	11%
South Korea	9%	10%	13%	11%	4%
Spain	20%	20%	21%	17%	2%
Taiwan	12%	10%	10%	9%	8%
Thailand	16%	10%	9%	15%	3%
UK	13%	12%	10%	19%	4%
United Arab Emirates	29%	37%	29%	24%	14%
US	8%	11%	12%	18%	3%
Vietnam	4%	6%	7%	7%	6%

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 By Country and Industry (Part 3)

KEY TAKEAWAYS

- + There is a 54 percentage-point gap between the rate of poor experiences reported for airlines in India and airlines in Vietnam, the largest difference of all five industries.
- + Taiwanese consumers had bad experiences with auto dealers and property insurers the least frequently, across all countries.
- + Hotels provided bad experiences to Argentinians least frequently, and Indian consumers the most.

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 by industry

	Airline	Hotel	Auto Dealer	Parcel Delivery	Property insurer
Argentina	14%	3%	31%	9%	
Australia	38%	11%	22%	15%	35%
Belgium	17%	11%	14%	13%	
Brazil	13%	9%	8%	7%	14%
Canada	30%	10%	19%	12%	14%
China	24%	19%	18%	21%	21%
Colombia	15%	9%	13%	7%	
France	19%	11%	9%	20%	19%
Germany	22%	13%	10%	19%	17%
Hong Kong	25%	14%		10%	21%
India	57%	38%	50%	39%	45%
Indonesia	22%	25%	37%	23%	44%
Italy	15%	7%	15%	12%	11%
Japan	7%	4%	9%	7%	8%
Malaysia	18%	13%	23%	17%	23%
Mexico	18%	11%	26%	10%	36%
Netherlands	22%	9%	11%	18%	
New Zealand	25%	19%	19%	16%	23%
Philippines	11%	7%	13%	14%	13%
Singapore	16%	15%	50%	21%	38%
South Africa	10%	19%	14%	13%	21%
South Korea	10%	10%		10%	21%
Spain	17%	9%	16%	11%	22%
Taiwan	8%	8%	7%	12%	6%
Thailand	14%	9%	9%	15%	9%
UK	29%	13%		14%	
United Arab Emirates	23%	27%	40%	20%	38%
US	21%	11%	20%	11%	13%
Vietnam	3%	6%	16%	14%	7%

Base: 33,093 consumers across 29 countries

Source: Qualtrics XM Institute Q3 2022 Global Consumer Study

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Bad Experiences By Country and Industry (Part 4)

KEY TAKEAWAYS

- + Government agencies in South Africa provided poor experiences to consumers 69% of the time, 59 percentage-points more frequently than the rate of poor government agency experiences in Vietnam.
- + Chinese consumers had poor experiences with public utilities least frequently.

Percentage of consumers who have recently had a 'very poor' experience by industry

	College/ University	Government agency	Public Utility	Health insurer	Hospital/ Medical clinic
Argentina	9%	31%	29%	21%	16%
Australia	45%	33%	13%	18%	15%
Belgium	18%	21%	30%	10%	13%
Brazil	14%	31%	22%	24%	18%
Canada	19%	29%	8%	16%	18%
China	17%	24%	4%	14%	17%
Colombia	8%	30%	26%	26%	30%
France			15%	10%	15%
Germany		31%	22%	14%	17%
Hong Kong	20%	30%	9%	17%	13%
India	54%	54%	37%	46%	37%
Indonesia	36%	45%	14%	33%	33%
Italy	13%	32%	26%	17%	15%
Japan			6%	7%	10%
Malaysia	19%	41%	15%	17%	22%
Mexico	14%	56%	22%	25%	24%
Netherlands	18%	24%	14%	11%	10%
New Zealand	27%	30%	10%	21%	12%
Philippines	16%	39%	20%	9%	16%
Singapore	31%	21%	10%	29%	12%
South Africa	19%	69%	34%	21%	33%
South Korea		27%	6%	18%	14%
Spain	17%	23%	28%	14%	13%
Taiwan	10%	31%	8%	8%	8%
Thailand	14%	32%	8%	14%	23%
UK	13%	30%	30%		13%
United Arab Emirates	40%	29%	19%	33%	28%
US	16%	31%	13%	15%	18%
Vietnam	11%	10%	10%	6%	19%

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.

DATA CALCULATION

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 that 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 - 10**, 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 that 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.

AUTHORS

Moira Dorsey, XMP – Principal XM Catalyst
Talia Quaadgras – Senior Research Associate
Julia Chang – Senior Research Associate

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