



DATA SNAPSHOT

What Happens After a Bad Experience, 2024

James Scutt, XMP

XM Catalyst

Bruce Temkin, CCXP, XMP

Head of Qualtrics XM Institute

Talia Quaadgras

Research Program Manager

January 2024

Executive Summary

KEY FINDINGS IN THIS REPORT

As part of Qualtrics XM Institute's 2023 Global Consumer Study, more than 28,000 consumers told us about their recent bad experiences with organizations across 20 industries and how they changed their spending after that bad experience. To understand year-over-year changes in customer perception and behavior, we compared these results to our findings in the Q3 2022 Global Consumer Study. We found that:

- + **Organizations disappoint in more than 1 in 10 experiences.** Consumers reported that 14% of recent experiences were 'very poor,' ranging from 26% in India to 6% in Japan. Government agencies in Mexico provided the highest rate of poor experiences; 43% of people who had an experience with this industry reported having a poor experience.
- + **The frequency of bad experiences declined.** Compared to 2022, organizations delivered poor experiences 2.2 percentage points less frequently. The rate of bad experiences declined for 17 of 20 industries and in 16 of 23 countries. Thai consumers reported the greatest increase in bad experiences (+6.1 points).
- + **Consumers cut spending after bad experiences.** More than one-third of consumers reduce or stop spending after a poor experience with an organization, ranging from 37% of consumers cutting spending after a bad public utility experience to 64% after a poor fast food experience. French consumers have the highest propensity to cut spending, while New Zealanders are least likely to do so.
- + **Bad experiences put sales at risk.** Organizations risk losing 7% of their revenue due to poor experiences. After government agencies (13.2%), mobile phone providers have the highest percentage of sales at risk (9.9%), while supermarkets have the least sales at risk (2.9%). Risk is highest for Thai organizations and lowest for those in Japan.

STUDY KEY FACTS

- Global consumer study
- Online panel study
- Conducted in Q3 of 2023
- 26 countries
- 28,400 consumers

What Happens After a Bad Experience, 2024

STUDY OVERVIEW

The data for this report comes from a global consumer study that Qualtrics XM Institute conducted in the third quarter of 2023. Using an online survey, XM Institute collected data from 28,400 consumers across 26 countries/regions: Argentina, Australia, Brazil, Canada, China, Colombia, Finland, France, Germany, Hong Kong (China), India, Indonesia, Italy, Japan, Mexico, the Netherlands, New Zealand, the Philippines, Singapore, South Korea, Spain, Sweden, Thailand, the United Arab Emirates, the United Kingdom, and the United States.

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: 400. Finland & New Zealand: 600. Singapore and the UAE: 800.

FIGURES IN THE REPORT

1. Bad Experiences by Industry
2. Change in Bad Experiences by Industry
3. How Consumers Cut Spending After a Bad Experience by Industry
4. Sales at Risk Due to Bad Experiences by Industry
5. Bad Experiences by Country
6. Change in Bad Experiences by Country
7. How Consumers Cut Spending After a Bad Experience by Country
8. Sales at Risk by Country
9. Bad Experiences by Country/Region and Industry (Part 1)
10. Bad Experiences by Country/Region and Industry (Part 2)
11. Bad Experiences by Country/Region and Industry (Part 3)
12. Bad Experiences by Country/Region and Industry (Part 4)

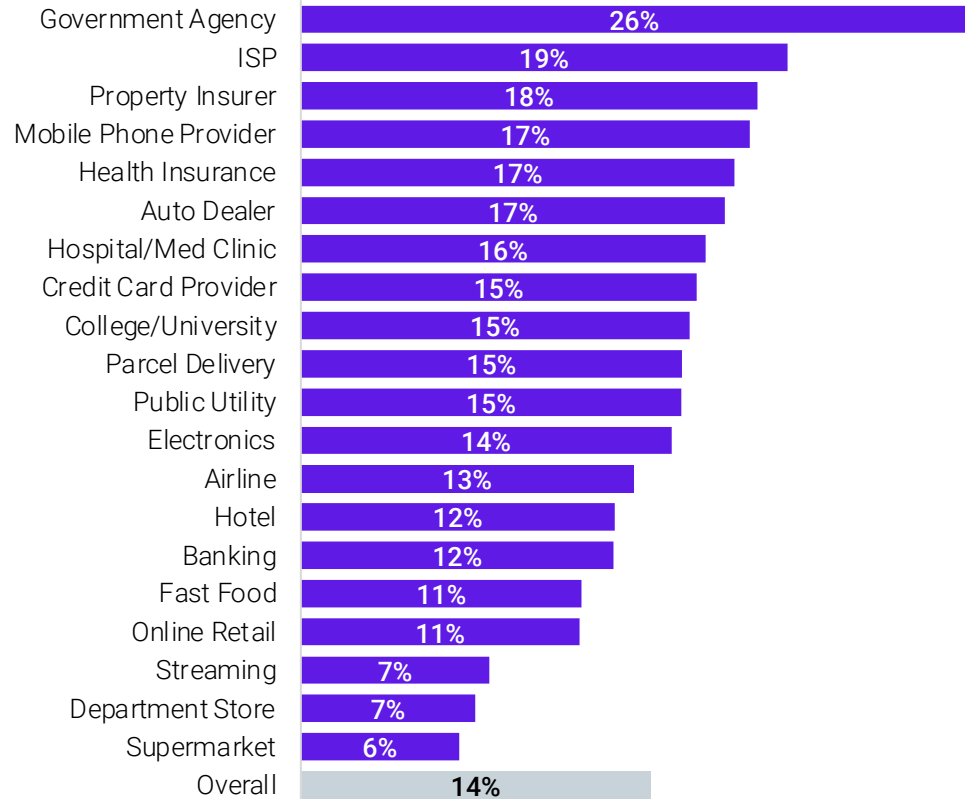
Methodology

Bad Experiences by Industry

KEY TAKEAWAYS

- + Across all industries and countries, organizations deliver 'very poor' experiences 14% of the time.
- + Consumers most frequently reported very poor experiences with government agencies (26%), more than 4 times the rate of poor experiences with supermarkets (6%).

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



ABOUT

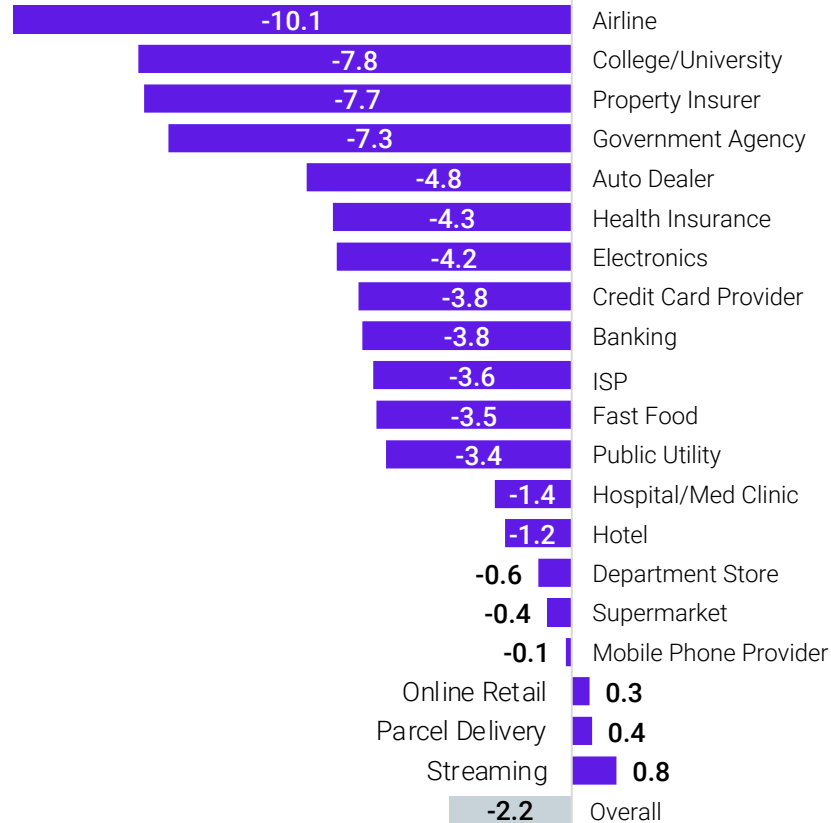
This chart shows the percentage of consumers who reported having a very poor experience with each industry.

Change in Bad Experiences by Industry

KEY TAKEAWAYS

- + Across all industries and countries, organizations delivered bad experiences 2.2 points less frequently than in 2023.
- + Consumers reported poor experiences with airlines 10 points less frequently than in 2023, the greatest decline in bad experiences across all 20 industries.
- + Only the streaming, parcel delivery, and online retail industries increased their rate of poor experiences since 2023.

Change in percentage of consumers that reported having a 'very poor' experience
(Percentage point change from 2023)



ABOUT

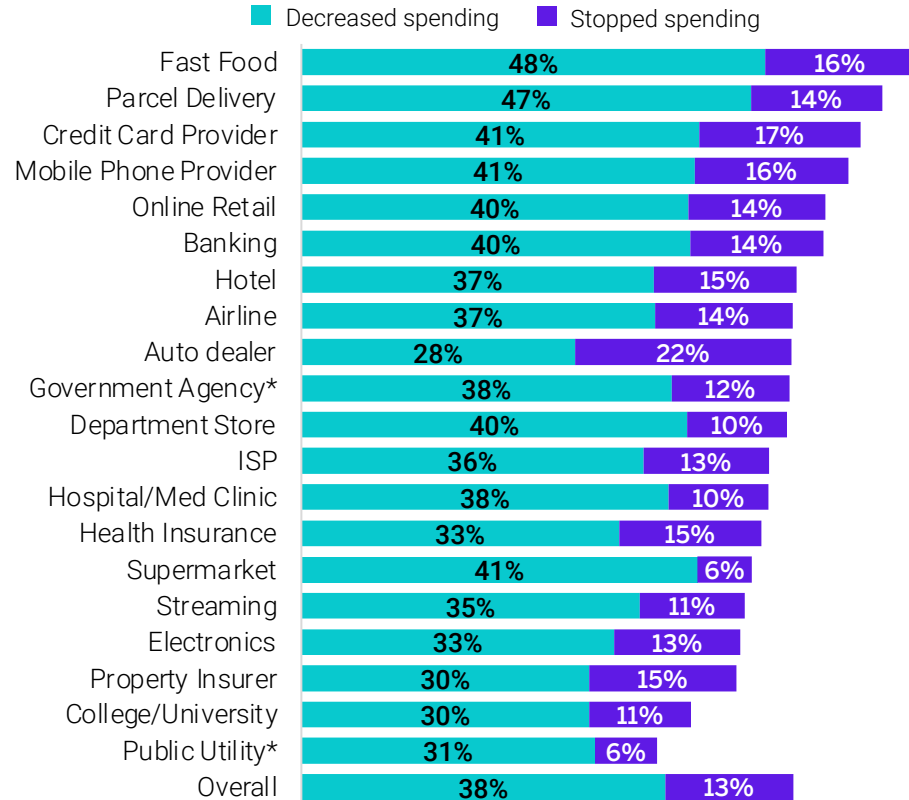
This chart shows the percentage point change in consumers that report having a bad experiences with each industry from 2023 to 2024.

How Consumers Cut Spending After a Bad Experience by Industry

KEY TAKEAWAYS

- + Across all industries and countries, 51% of poor experiences with organizations resulted in consumers decreasing or cutting their spending entirely.
- + Sixty-four percent of consumers decreased or stopped spending with a fast food restaurant after a bad experience, the greatest spending cut across industries.
- + Consumers most frequently stopped spending after poor experiences with auto dealers.

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 the percentage of consumers who decrease or stop spending after a very poor experience with each industry.

Sales at Risk Due to Bad Experiences by Industry

KEY TAKEAWAYS

- + Across all industries and countries, 7% of all consumer sales are at risk due to poor customer experiences.
- + Government agencies have the most at stake due to bad customer experiences, with a total of 13.2% of their sales at risk.
- + Supermarkets have the fewest sales at risk, with just 2.9% jeopardized due to bad experiences.

ABOUT

This chart shows the revenue at risk due to bad experiences for each industry.



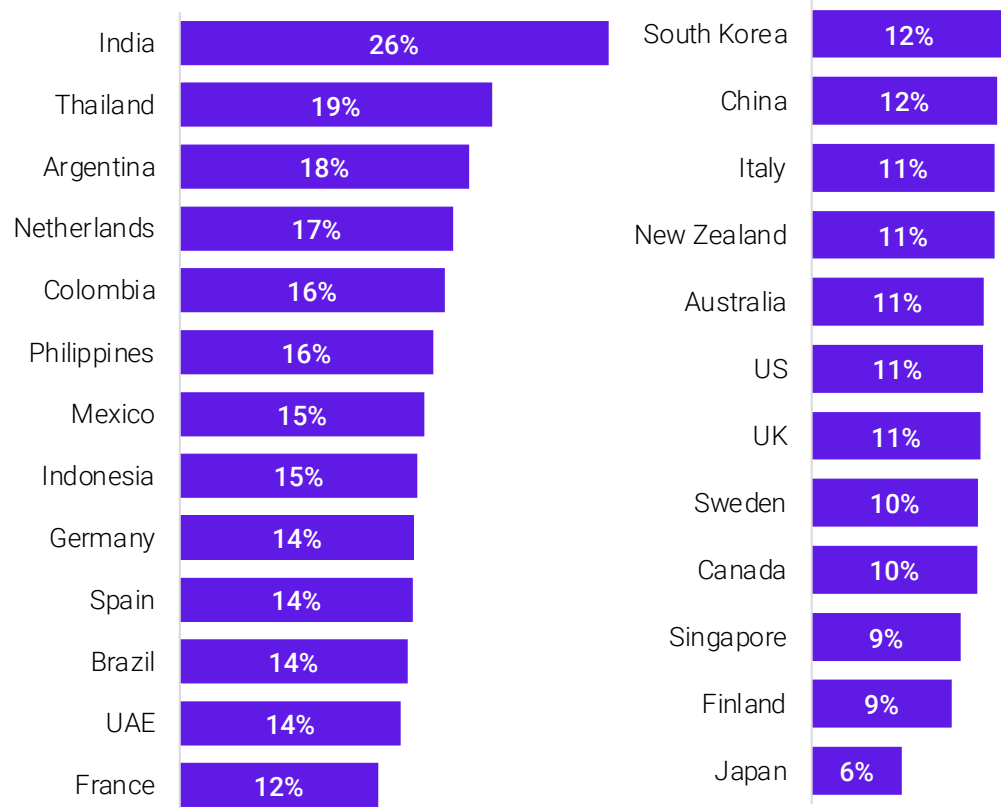
**Although Government Agencies and Public Utilities may not have revenue at risk due to bad experiences, there are likely latent loyalty issues that could manifest in other areas.*

Bad Experiences by Country

KEY TAKEAWAYS

- + Organizations in India have the highest reported rate of poor experiences, at 26%, followed by Thailand (19%) and Argentina (18%).
- + Japanese organizations have the lowest rate of poor customer experiences, at just 6%.

Percentage of 'very poor' experiences by country
(Total poor experiences divided by total experiences reported in each country)



ABOUT

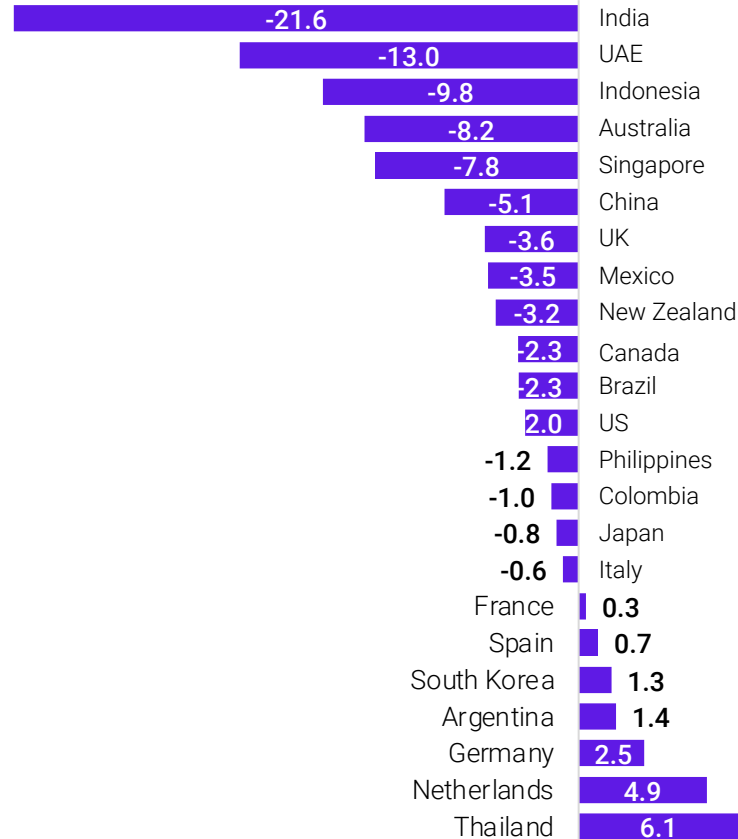
This chart shows the percentage of very poor experiences reported by consumers in each country.

Change in Bad Experiences by Country

KEY TAKEAWAYS

- + Since 2023, organizations in India received a decrease in reported bad experiences of over 21 points.
- + Organizations in just 7 of 23 countries saw an increase in reports on poor experiences, with Thailand leading at +6.1 points, followed by the Netherlands (+4.9 points).

Change in percentage of 'very poor' experiences reported by country
(Percentage point change from 2023)



ABOUT

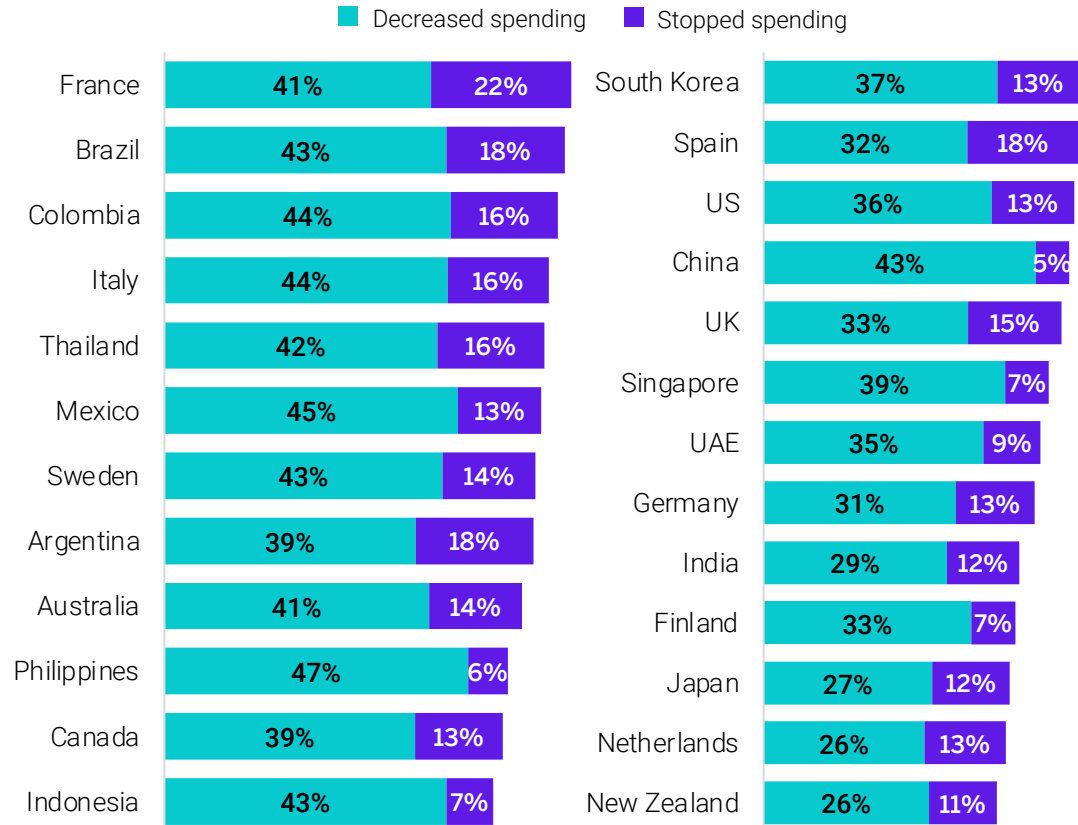
This chart shows the percentage point change in reported bad experiences from 2023 to 2024 from each country.

How Consumers Cut Spending After a Bad Experience by Country

KEY TAKEAWAYS

- + Consumers in France most frequently stopped or decreased spending with organizations after poor experiences, at 63%.
- + New Zealanders are least likely to stop or decrease spending after a bad customer experience, at just 37%.
- + After a poor experience, Filipinos are most likely to reduce their spending with an organization (47%), while the French are most likely to stop spending entirely.

Percentage of 'very poor' experiences resulting in spending cuts



ABOUT

This chart shows the percentage of poor experiences that resulted in consumers decreasing or stopping spending in each country.

Sales at Risk by Country

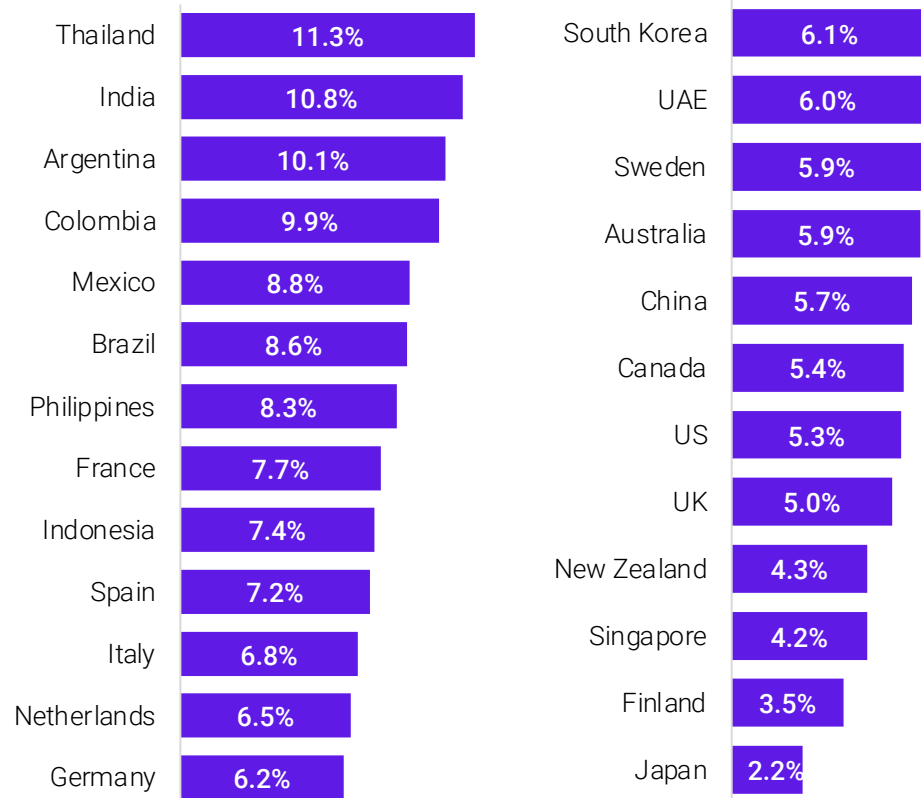
KEY TAKEAWAYS

- + Organizations in Thailand have the highest sales at risk index. They are more than twice as likely to lose revenue as a result of poor customer experiences than organizations in 6 other countries analyzed.
- + Organizations in Japan and Finland have the lowest sales at risk index. They are three times less likely than Thai organizations to lose revenue from poor experiences.

ABOUT

This chart shows the revenue at risk as a result of poor customer experiences in each country.

Sales at Risk Index =
(% of poor experiences of total reported experiences) x
(% of poor experiences after which consumers stopped or decreased spending)



Bad Experiences By Country/Region and Industry (Part 1)

KEY TAKEAWAYS

- + Dutch consumers report very poor experiences with department stores most frequently, while Indian consumers most frequently report bad experiences across the other four industries listed.
- + Just 2% of Japanese consumers reported bad experiences with supermarkets, and 5% with fast food restaurants – the lowest rates for these industries across all 26 countries.

Consumers who have recently had a 'very poor' experience by industry

	Department store	Fast food restaurant	Online retailer	Electronics maker	Supermarket
Argentina	7%	11%	7%	15%	6%
Australia	4%	12%	6%	7%	5%
Brazil	6%	7%	6%	11%	5%
Canada	4%	8%	5%	N/A	5%
Colombia	5%	8%	13%	9%	4%
China	9%	16%	16%	8%	14%
Finland	4%	9%	11%	N/A	4%
France	7%	10%	13%	15%	3%
Germany	11%	10%	9%	11%	10%
Hong Kong (China)	14%	10%	N/A	N/A	N/A
India	16%	19%	23%	30%	18%
Indonesia	10%	15%	18%	12%	12%
Italy	4%	6%	6%	13%	4%
Japan	1%	5%	5%	N/A	2%
Mexico	7%	12%	20%	15%	9%
Netherlands	20%	16%	15%	19%	9%
New Zealand	5%	12%	8%	N/A	9%
Philippines	4%	9%	18%	7%	7%
Singapore	7%	8%	13%	11%	4%
South Korea	8%	10%	15%	15%	3%
Spain	7%	9%	8%	20%	5%
Sweden	3%	13%	10%	6%	4%
Thailand	11%	13%	17%	23%	12%
United States	4%	16%	5%	N/A	3%
United Kingdom	5%	11%	3%	N/A	3%
United Arab Emirates	9%	13%	15%	15%	11%

ABOUT

This chart shows the frequency of bad experiences for each industry in each country.

Bad Experiences By Country/Region and Industry (Part 2)

KEY TAKEAWAYS

- + Poor experiences were least common among Japanese credit card, internet service, and streaming media providers. Mobile phone providers in Finland and Singaporean banks also infrequently disappointed.
- + Banks shared equally poor reviews from Brazilian and Spanish consumers (20%), 16 points higher than Singaporean consumers (4%).

Consumers who have recently had a 'very poor' experience by industry

	Bank	Credit Card Provider	Mobile Phone Provider	ISP	Streaming Media
Argentina	15%	15%	26%	30%	6%
Australia	9%	8%	15%	17%	3%
Brazil	20%	19%	30%	18%	4%
Canada	9%	10%	14%	16%	4%
Colombia	19%	22%	28%	30%	9%
China	9%	13%	15%	11%	12%
Finland	9%	7%	7%	6%	6%
France	11%	22%	19%	24%	5%
Germany	13%	18%	13%	15%	8%
Hong Kong (China)	11%	13%	N/A	N/A	N/A
India	19%	33%	30%	24%	20%
Indonesia	8%	18%	12%	18%	8%
Italy	14%	10%	21%	14%	4%
Japan	5%	5%	11%	4%	2%
Mexico	18%	19%	21%	24%	6%
Netherlands	16%	21%	21%	14%	14%
New Zealand	12%	13%	15%	14%	12%
Philippines	10%	18%	16%	38%	8%
Singapore	4%	9%	10%	12%	7%
South Korea	8%	12%	18%	15%	6%
Spain	20%	22%	16%	16%	6%
Sweden	12%	13%	10%	15%	4%
Thailand	18%	25%	18%	17%	14%
United States	7%	11%	11%	12%	6%
United Kingdom	7%	7%	11%	13%	5%
United Arab Emirates	9%	18%	15%	18%	10%

ABOUT

This chart shows the frequency of bad experiences for each industry in each country.

Bad Experiences By Country/Region and Industry (Part 3)

KEY TAKEAWAYS

- + Organizations in four of five industries in India have the greatest rate of poor experiences.
- + French consumers reported poor experiences with hotels least frequently, while consumers in India provided the highest rate of poor experiences.
- + Dutch consumers were most dissatisfied with their parcel delivery organizations, while Japanese parcel delivery had the lowest rate of poor experiences.

Consumers who have recently had a 'very poor' experience by industry

	Airline	Hotel	Auto Dealer	Parcel Delivery	Property insurer
Argentina	11%	10%	21%	18%	29%
Australia	13%	10%	14%	12%	15%
Brazil	13%	9%	7%	9%	N/A
Canada	21%	14%	14%	9%	12%
Colombia	11%	10%	16%	15%	15%
China	3%	13%	10%	13%	11%
Finland	9%	7%	N/A	9%	N/A
France	12%	5%	12%	15%	21%
Germany	18%	17%	19%	18%	20%
Hong Kong (China)	11%	N/A	N/A	N/A	N/A
India	25%	24%	30%	23%	34%
Indonesia	9%	15%	16%	19%	17%
Italy	14%	8%	11%	10%	13%
Japan	7%	7%	5%	4%	12%
Mexico	13%	11%	17%	14%	N/A
Netherlands	12%	21%	15%	26%	19%
New Zealand	10%	10%	7%	11%	10%
Philippines	14%	10%	N/A	17%	15%
Singapore	8%	8%	16%	12%	15%
South Korea	12%	12%	26%	13%	23%
Spain	13%	11%	20%	16%	31%
Sweden	9%	7%	13%	12%	N/A
Thailand	14%	22%	30%	24%	13%
United States	16%	11%	19%	8%	17%
United Kingdom	15%	7%	24%	17%	13%
United Arab Emirates	12%	15%	21%	18%	10%

ABOUT

This chart shows the frequency of bad experiences for each industry in each country.

Bad Experiences By Country/Region and Industry (Part 4)

KEY TAKEAWAYS

- + Mexican consumers provided the highest rate of bad experiences to government agencies, (43%), a rate more than 30 points higher than that provided by Singaporeans and Emiratis (10%).
- + Swedish and Chinese consumers least frequently report poor experiences with universities (8%), at just ¼ the rate reported by Indian consumers (32%).

Consumers who have recently had a 'very poor' experience by industry

	College/ University	Government agency	Public Utility	Health Insurer	Hospital/ Medical clinic
Argentina	12%	42%	24%	29%	22%
Australia	9%	21%	15%	12%	12%
Brazil	16%	33%	15%	24%	15%
Canada	13%	24%	9%	16%	10%
Colombia	9%	27%	24%	24%	25%
China	8%	14%	8%	10%	17%
Finland	N/A	24%	13%	N/A	15%
France	15%	14%	13%	21%	14%
Germany	25%	20%	16%	15%	18%
Hong Kong (China)	N/A	N/A	N/A	N/A	N/A
India	32%	40%	25%	28%	26%
Indonesia	13%	31%	15%	11%	21%
Italy	11%	23%	20%	15%	19%
Japan	N/A	N/A	3%	8%	11%
Mexico	10%	43%	16%	11%	23%
Netherlands	24%	21%	13%	17%	13%
New Zealand	12%	13%	N/A	18%	17%
Philippines	16%	36%	14%	9%	20%
Singapore	10%	10%	6%	15%	8%
South Korea	14%	25%	7%	16%	11%
Spain	21%	30%	19%	15%	13%
Sweden	8%	24%	7%	20%	14%
Thailand	20%	39%	16%	19%	21%
United States	16%	28%	8%	12%	13%
United Kingdom	18%	20%	20%	19%	15%
United Arab Emirates	14%	10%	13%	16%	11%

Base: 28,400 consumers across 26 countries
Source: Qualtrics XM Institute Q3 2023 Global Consumer Study

www.xminstitute.com
Copyright © 2024 Qualtrics®. All rights reserved.

ABOUT

This chart shows the frequency of bad experiences for each industry in each country.

DATA CALCULATION

Data is reported only for countries with 100+ consumers who reported having an experience with an organization in that industry within the previous 90 days.

In **Figures 1** and **5**, 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 **6**, we calculated the change in the percentage of consumers having a bad experience by taking the percentage of bad experiences had by industry or country in 2023 and subtracting them from the percentage of bad experiences had by industry or country in 2024. Calculations were only performed using data from the 23 countries for which we collected data in both 2023* and 2024*+.

In **Figures 3** and **7**, 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 4** and **8**, 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 9 - 12**, 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.

*2023 data comes from the Qualtrics XM Institute Q3 2022 Global Consumer Study.

+Year-over-year calculations were not performed for Hong Kong (China) due to the small number of industries that qualified for reporting in this country in 2024.

+Data threshold (100+ responses) was not achieved in both years for the following industries/countries: Electronics makers: France & Spain, Auto dealers: South Korea & UK, Health insurers: UK, Property insurers: Brazil & Argentina & Colombia, Government agencies: France, Public utilities: New Zealand, College/Universities: France, Germany, South Korea.

AUTHORS

James Scutt, XMP – XM Catalyst
Bruce Temkin, CCXP, XMP – Head of Qualtrics XM Institute
Talia Quaadgras – Research Program Manager

PUBLICATION DATE

January 2024