

Service now trumps price for Asian consumers: survey

HONG KONG - Consumers in Asia are fed up with poor service and are willing to pay more for a good customer experience, according to a survey which punctures the received wisdom that "price is king" in the region.

Decades of economic growth in the Asia-Pacific region have heightened people's taste for services, but a majority of companies are failing to deliver, according to the survey conducted for analytics firm Verint.

With few exceptions, Asian companies are portrayed as having rude staff and inflexible procedures, and are unresponsive to service requests, all of which are "frustrating clients".

"It's no longer the question of having access to goods and services, now they have choice and disposable income... so service becomes the new differentiator," Wilson Chin, Verint's marketing vice president for Asia Pacific said.

"Asian consumers feel customer representatives do not try to help beyond their normal support guidelines and procedures. Personalised support and finding creative solutions are still very much the exception," he said.

Less than a quarter of those surveyed valued price highest

The survey, conducted by market research firm Ipsos, polled more than 5,800 people from Australia, China, Hong Kong, India, Indonesia, and Japan. Financial services, utilities, hotel and travel, retail and telecom sectors were scrutinised.

The survey found that only 24% of respondents valued prices over services, while 45% were willing to pay a premium for a higher-quality experience.

Chin said the results shattered the notion, particularly prevalent in developing economies, that consumers value price above all.

More than 50% of respondents in all the industries covered in the survey said they had been frustrated by poor consumer standards such as rude staff, slow service, and red tape.

"With more economic stability and growth, consumers are moving from a subsistence focus, to ones of reward and enjoyment.

"Having worked so hard for so long, Asian consumers also want to enjoy themselves, so they want to be treated well," Chin said.

The exception to the general rule was Japan, where there are high expectations of service quality and only 11% of respondents experienced problems with utilities, which are of a high standard in the country.

Consumers are also increasingly willing to share their experiences with wider audiences on social media, with 53% saying they post their customer service stories online.

Source: AFP, via I-Net Bridge

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