

Ctrl-Shift Briefing Paper, December 2009

Do Consumers Really Feel Empowered?

If consumers really felt empowered when they dealt with an industry, they would feel they were getting good value from the relationship. If they weren't getting good value and felt they had an alternative option, they would go elsewhere.

However, recent research, conducted for Ctrl-Shift by Lightspeed Research in November 2009, shows that consumers feel they are getting poor value from many industries. In 14 out of the 17 product/service categories we investigated, a majority of consumers feel they are getting poor value.

Table 1: Percentage of consumers saying they feel they are 'really being ripped off' or "not really getting good value"

Petrol	93
Electricity	79
Printer inks	76
Credit cards	74
Water	69
Car insurance	66
New cars	63
Mobile phone contracts	63
Flights	61
Home insurance	59
Current accounts	56
High street fashion	55
Second hand cars	53

Source: Ctrl-Shift/Lightspeed November 2009

In only three categories did they say they were getting good value.

Table 2: Percentage of consumers saying they feel there are getting “quite fantastic value” or “quite good value”.

Groceries	62
Electrical goods	61
Gas	54

Source: Ctrl-Shift/Lightspeed November 2009

To gauge the strength of consumers’ feeling we asked an emotive question: do they ever feel they are ‘really being ripped off’ by a company? The answers are quite disconcerting, with consumers identifying five ‘rip off villains’: petrol, electricity, credit cards, printer inks, and new cars.

Table 3: Percentage of consumers saying they feel they are “really being ripped off” by the industry concerned.

Petrol	70
Electricity	43
Credit cards	42
Printer inks	42
New cars	36

Source: Ctrl-Shift/Lightspeed November 2009

Consumers' view of companies' intentions and attitudes are also far from positive – though here some 'villains', such as utilities and banks, stand out.

Table 4: Percentage of consumers agreeing with the statement “They are far more interested in their own convenience/profits than they are in their customers”.

Utilities	52%
Banks	46%
Big brands *	32%
Public service **	19%
High street stores	17%
Supermarket	17%
Local tradesman	12%

* “such as mobile phone, car, or electrical goods” ** “such as local government or NHS”
Source: Ctrl-Shift/Lightspeed November 2009

To further test consumer perceptions of these organisations we also asked whether consumers feel organisations are really committed to ‘walking the talk’ when they talk about being customer friendly. Here, there is much broader agreement – though ‘big brands’ come out as the worst hypocrites.

Table 5: Percentage of consumers agreeing with the statement “They talk about being customer friendly but it’s much more talk than action”.

Big brands *	39%
Public service **	37%
Banks	33%
High street stores	33%
Utilities	32%
Supermarket	27%
Local tradesman	19%

* “such as mobile phone, car, or electrical goods” ** “such as local government or NHS”
Source: Ctrl-Shift/Lightspeed November 2009

We asked consumers whether they feel big organisations really want to listen to what they have to say. The news is not good, with very high proportions feeling it will be ‘a major hassle’ to get themselves heard.

Table 6: Percentage of consumers agreeing with the statement “When I really want to get my needs met, when dealing with these organisations I’ll probably be ignored and it will be a major hassle to get them to listen” or “... I’ll probably be ignored and I feel there’s nothing I can do about it”.

Utilities	57%
Big brands *	47%
Public service **	44%
Banks	38%
High street stores	27%
Supermarket	24%
Local tradesman	16%

* “such as mobile phone, car, or electrical goods” ** “such as local government or NHS”
Source: Ctrl-Shift/Lightspeed November 2009

We also tested out consumer perceptions that while organisations might *intend* to do the right thing, their execution is poor. Here, public services and retailers come out as trying hardest ... thought still failing to live up to their promises. Big brands, utilities and banks are hardly credited with even trying.

Table 7: Percentage of consumers agreeing with the statement “They try to listen to, and treat their customers well, but they don’t succeed that often”.

High street stores	36%
Public service **	35%
Supermarket	32%
Local tradesman	29%
Big brands *	23%
Utilities	13%
Banks	12%

So is anybody treating customers well, from the customer's point of view? Well, here it seems that 'small is beautiful'. Local tradespeople easily come out on top. For the rest, the figures are truly disappointing, though supermarkets are getting more than twice as high a score as most of the rest.

Table 8: Percentage of consumers agreeing with the statement "They really try hard to treat their customers well, and it shows".

Local tradesman	40%
Supermarket	24%
High street stores	13%
Public service **	9%
Banks	9%
Big brands *	6%
Utilities	3%

* "such as mobile phone, car, or electrical goods"

** "such as local government or NHS"

Source: Ctrl-Shift/Lightspeed November 2009

Ctrl-Shift comment

The *reality* of consumer/citizen 'empowerment' is advancing unevenly across different industries and contexts. However, consumers are applying broadly similar levels of *expectations* across the board. The sense of empowerment they get from some areas, such as the Internet and social media, is 'rubbing off' on their expectations of big brands and institutions.

Big brands and institutions may sometimes feel that they are immune to the trend towards consumer empowerment. We would warn against complacency however. There are clearly high levels of resentment against some companies/industries. And the research does suggest that consumers will reward organisations (such as supermarkets) that they perceive as genuinely 'trying harder'.