

Despite months of recession and unemployment, many feel that the worst is over - but remember consumers still insist on a fair deal, writes **Fiona Moss**

Customers take the positive path

UNDENIABLY, 2009 was a tough year; tougher, in fact, than many expected, and certainly tougher than customers in early 2009 were lead to believe. But what impact has the credit crunch, followed by months of recession and rising unemployment, had on the customer?

Perhaps inspired by the arrival of a new year, today's customers have some hope for the British economy: our January political monitor reveals that 44% believe the general economic condition of the country will improve over the next 12 months, compared to lows of around 10% through most of 2008. While this doesn't tell a story of unrivalled optimism (we must bear in mind that 28% think the economy will stay the same and 24% think it will get worse) - it does say that many feel the worst has now passed.

Indeed, although the economy was seen as the most important issue facing Britain throughout last year, 49% believed this in November compared to a high of 70% in January 2009. And customers' perceptions of living standards remain positive: 71% say they are satisfied with their standard of living - a figure that has stayed fairly stable since we first asked it in 1988. However, concerns about unemployment continue to rise. And a comparison of this recession against the last two suggests this may be the case for some time.

What does this mean for today's customers? Well, 2009 customer confidence in various markets was on a par with 2008. In research combining indicators such as choice; meeting expectations; protecting customer rights; trustworthiness of advertising/marketing; and ease of comparing quality/prices to create an overall consumer confidence index (CCI), the 2009 CCI was 72 while the 2008 figure was 71 out of 100.

Subsequent analysis revealed 'meeting expectations' to be the primary driver of customer confidence. This is no surprise - and certainly does not differ from what we have been hearing for years now: when things go wrong (or if they simply don't match expectations), the feeling that the company has let them down is most likely to make customers defect.



The customers' desire for a fair exchange of value - in other words, getting what they think they paid for - remains as important as ever.

Customers still want a fair deal, but the package it is wrapped in is evolving. Customer service - the most frequently cited criterion used to judge companies in 2008 - retained its crown, but tumbled 14 percentage points to 31% in 2009.

Honesty and integrity and quality of products/services continue to occupy second and third place, but also saw large drops and, despite the economy, 'competitive prices' fell by 17 percentage points to 9%. Conversely, concerns about people and the workforce rose substantially: working conditions reached 12%, treatment of staff 11% and involvement in the community 8%.

Consequently, the areas that customers think companies should focus on have shifted: caring for customers (25%) and keeping prices reasonable (24%) both fell by over 10 percentage points, while caring for employees (38%), investing for the future (27%), providing more jobs (26%) and training the workforce (26%) all increased significantly.

How do we explain this? Well, simply that the old priorities have become givens: customers are confident they will happen

"The customers' desire to get what they think they paid for remains as important as ever"

whatever the economic climate (without the need for customer or corporate focus on them) and are dissatisfied when they do not. And encouragingly perhaps for philanthropists, what emerges from 2009 is that it is the human price of recession that preoccupies customers now. ■

Fiona Moss is Senior Research Executive, Loyalty at Ipsos MORI www.ipsos-mori.com

