

[24]7 UK Customer Engagement Index

The definitive guide to customer preferences and pathways
in customer care

Daniel Hong
Sr. Director Product Marketing Strategy
Published 2015

Preface

[24]7's Customer Engagement Index is based on a survey of more than 3,500 consumers from the US, UK and Australia. Studies from all three of these countries have been published as part of the report series.

This report provides analysis of survey responses from 1,200 UK consumers across a variety of age groups. Respondents took part in a web-based survey hosted by a third party company, ResearchNow. The survey asked 14 questions ranging from customer journey paths, to preferences in customer service interactions and online purchasing, to general attitudes towards business across an array of vertical industries.

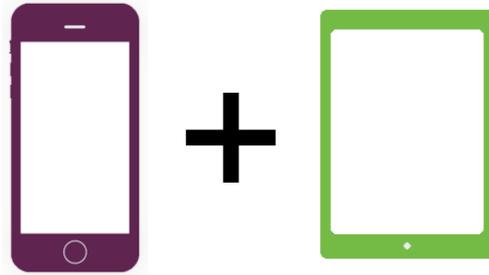
The following age groups are represented in this report:

- Millennials (ages 18-30)
- Gen X (ages 31-49)
- Baby Boomers (ages 50-69)
- Greatest Gen (ages 69 and older)

Key findings

- Customers are channel shifting and device jumping frequently throughout a customer service journey
- The phone channel remains the most frustrating channel for customer service. The IVR is still broken! Being trapped in an IVR is the leading cause of customer frustration and churn as it relates to customer service
- Poor customer service experiences and churn plague utility, investment and securities, and retail banking industries
- The majority of customers will take their business to a competitor with a week if price points are matched
- Customers want to engage through the channels they want with more intelligent (predictive) interactions across self- and assisted-service
- Mobile chat is how the younger generation wants to engage with businesses
- Customers are more open to sharing data if they understand what benefits come with it

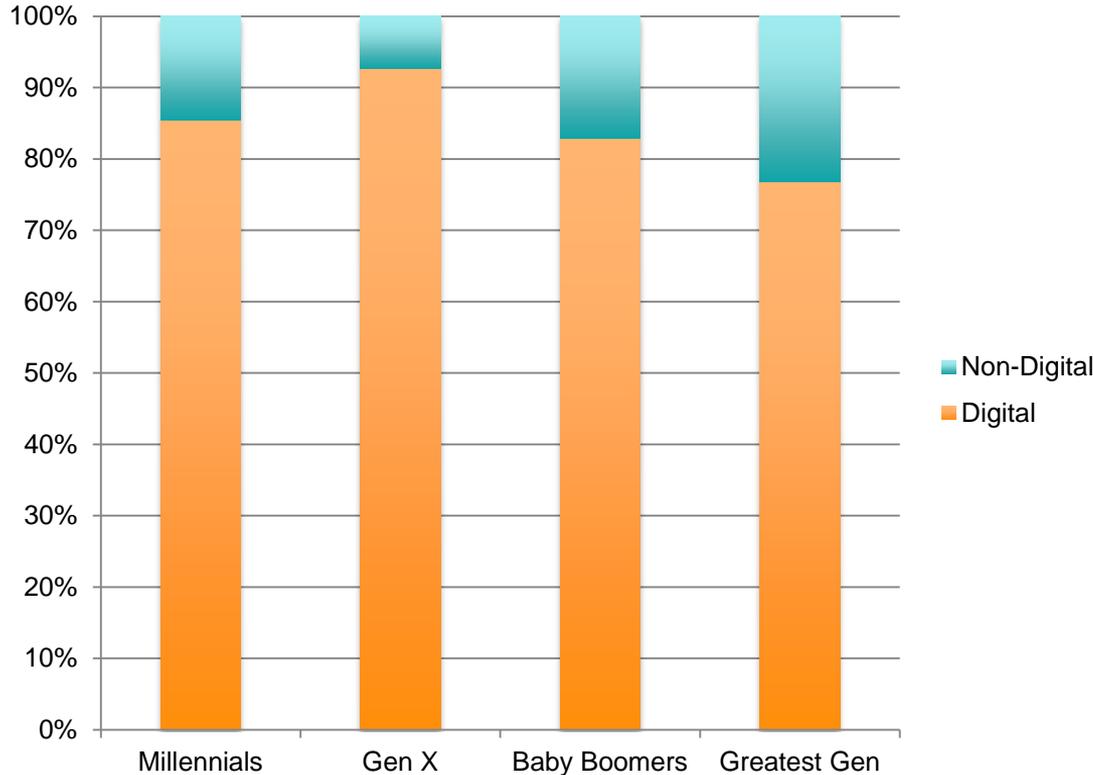
UK customers are digital and connected



9 out of 10 customers

86% of UK respondents own both a smartphone and a tablet.

Gen X leads the way in multi smart device ownership

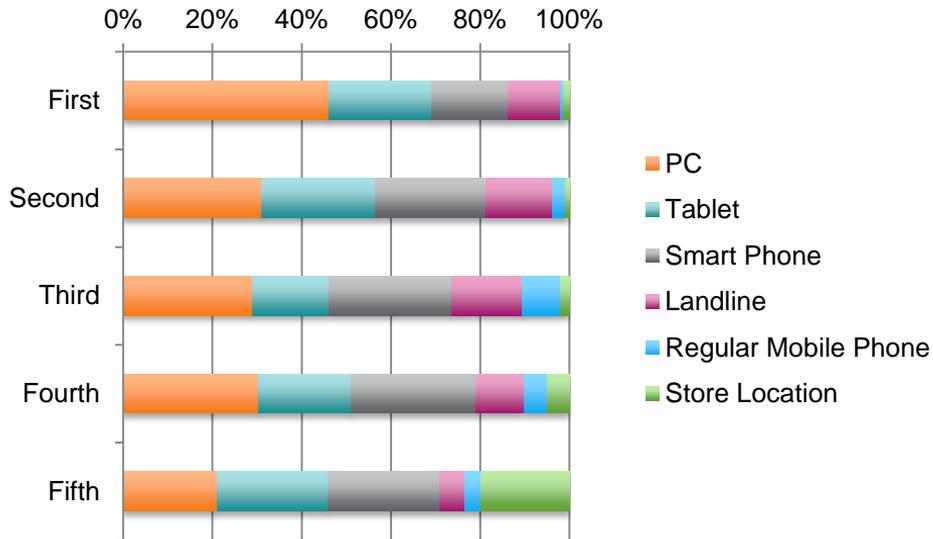


Gen X has the highest percentage of respondents that own both a smartphone and a tablet. This is likely due to higher disposable incomes and a greater acceptance of technology when compared to older age groups.

Surprisingly, the Greatest Gen also has a high proportion of respondents that are considered “digital”, owning both smart phone and tablet devices.

Despite all the hype, customer service is still a PC-first world...but moving towards mobile-first

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.



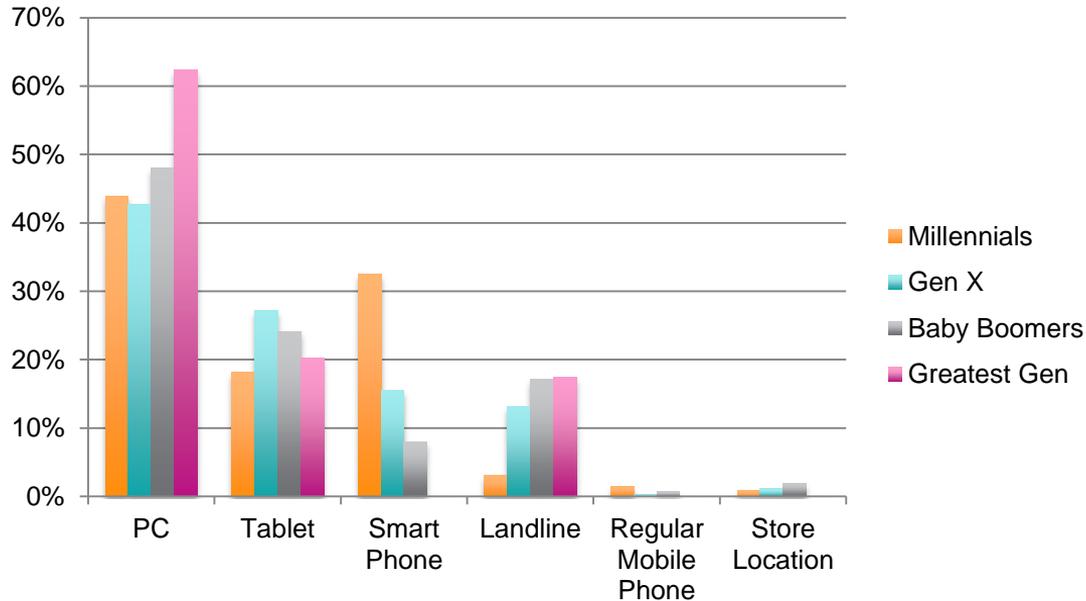
As a digitally inclined and connected population, UK consumers exhibit a strong tendency to start their customer service journeys on corporate websites accessed via PCs, laptops, smartphones and tablets. In fact, 67% of customer service journeys begin on the website as the first channel of choice. Although there's been a lot of buzz around a mobile-first world, the study shows that 46% of consumers start their customer service journeys on the PC or laptop as their device of choice. This is followed by tablets at 23% and smartphones at 17%. It seems we still live in a PC first – but not quite mobile first – world at the moment when it comes to customer service.

Store locations are more prominently used after respondents start their customer journeys on smartphones, tablets and PCs.

96% of respondents use at least three channels (and or devices) to engage with customer service. 84% use up to five channels (and or devices).

PCs and tablets are the preferred devices for customer service across age groups with the exception of Millennials

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.



First device used for customer service journeys

Surprisingly over 60% of the Greatest Gen use PCs as the first device for customer service.

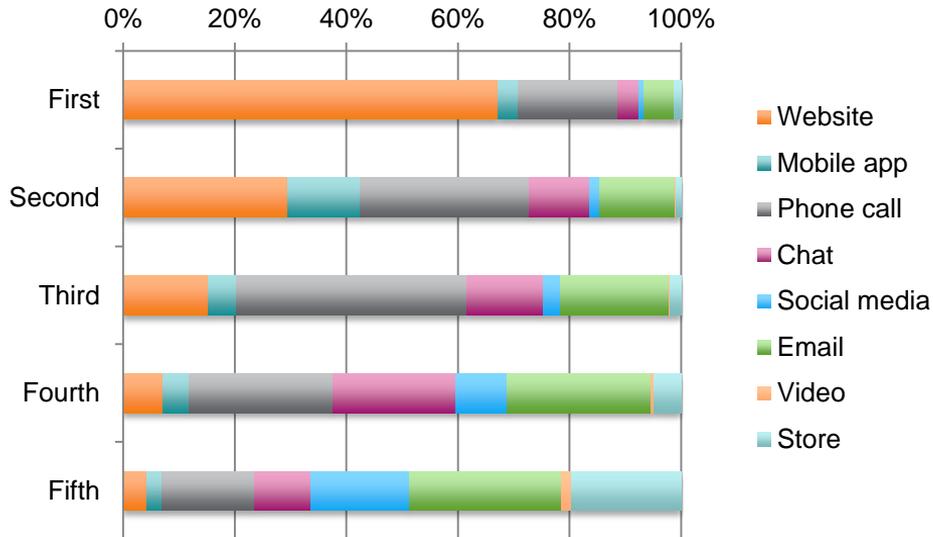
Over 30% of Millennials use smartphones as their first device of choice, almost twice as much as that of Gen X.

Tablet usage is higher among Gen X, Baby Boomers and Greatest Gen over that of Millennials.

Nine out of ten consumers will use three channels to resolve an issue during a customer service journey. Consumers have no problem crossing channels if they cannot complete their task in their first *channel* of choice. 78% of consumers will cross channels and 68% will change devices if they cannot complete their task on their first *channel* and *device* of choice. 65% will then, as a second port of call, seek live agent assistance to help them, turning first to a phone call to talk to an agent (33%), secondly to chat (15%) and thirdly to email (15%).

Most customer service journeys begin on the website

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.



67% of total UK respondents begin their customer service journeys on the company website. This is followed by phone call (18%) and email (5%).

When issues cannot get resolved in the first channel:

30% will pick up the phone and call

30% will go to the website

14% will go to email

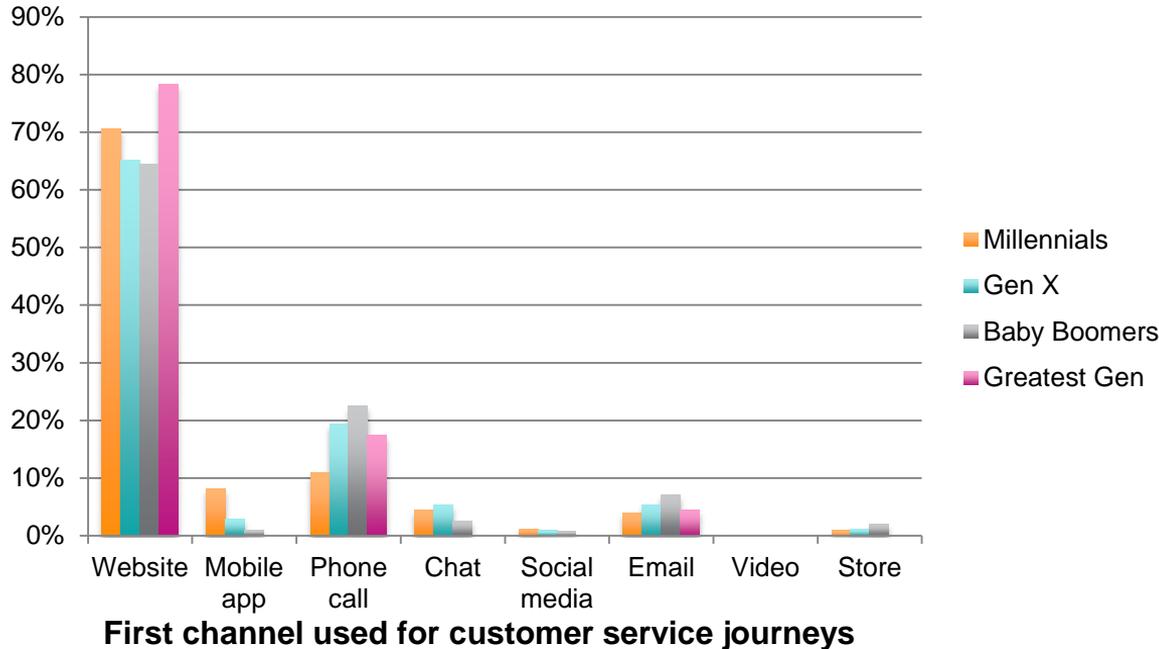
13% will access the mobile app

By the time respondents are crossing to a third channel 77% are seeking agent assistance, mostly through a phone call (41%).

96% of respondents use at least three channels (and or devices) to engage with customer service. 84% use up to five channels (and or devices).

Websites are preferred across all age groups as the first channel for customer service

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.



Company websites, overwhelmingly, are the first channels of choice across all age groups.

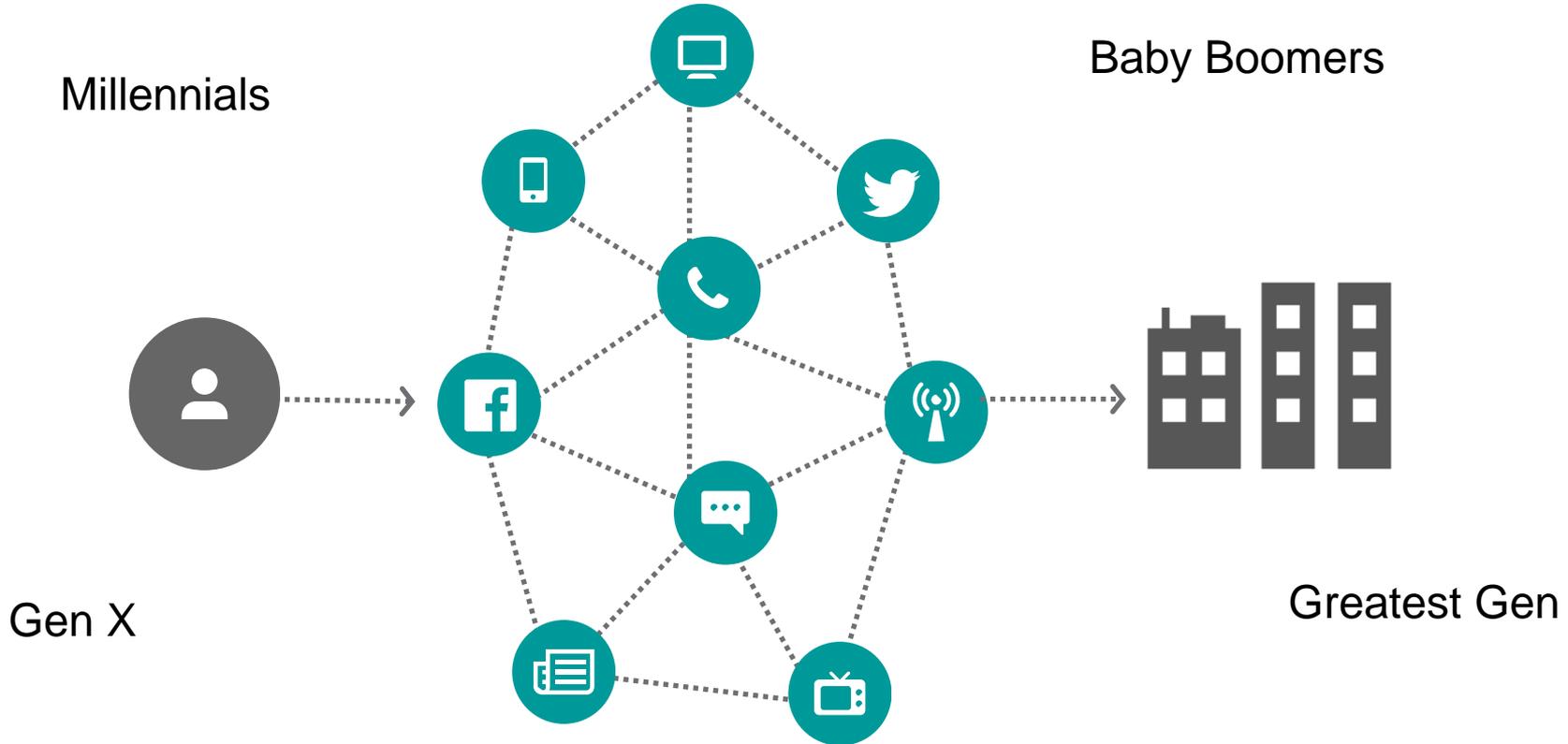
Millennials prefer using mobile apps more so than any other age group.

Baby boomers, Gen X and the Greatest Gen are more likely than Millennials to pick up the phone to begin a customer service journey.

Chat and email are not commonly used as the first channel of interaction

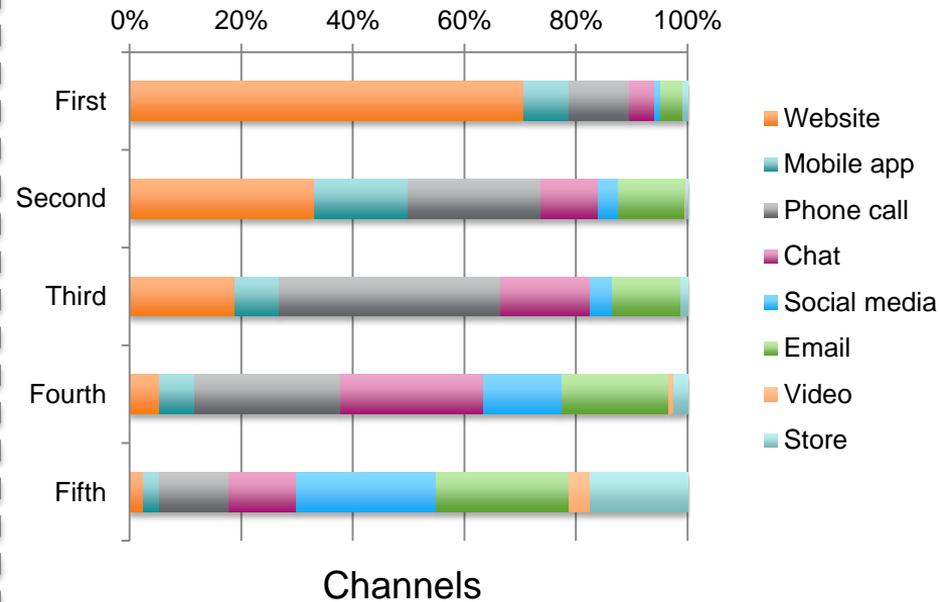
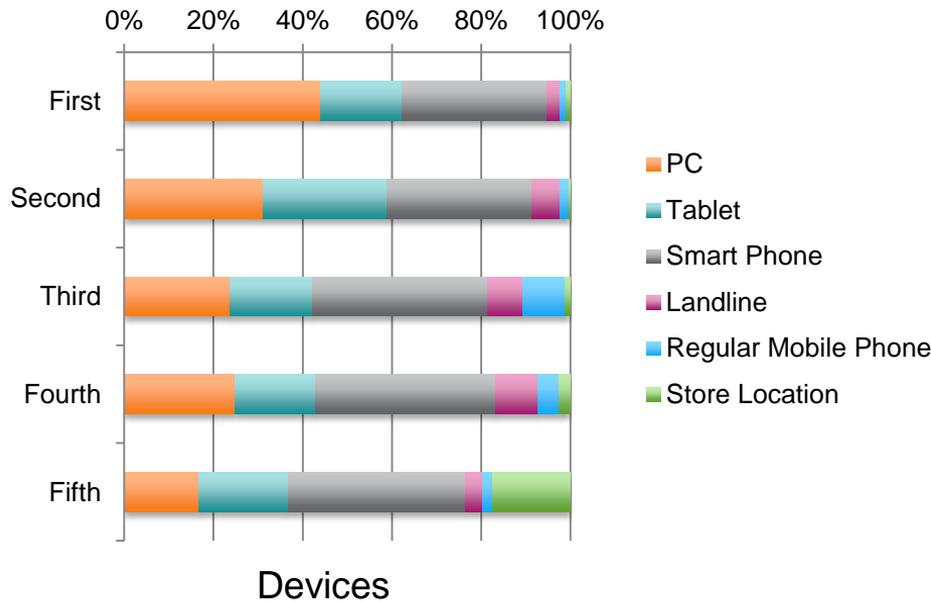
Social media, video and stores are seldom used as the first channel of interaction for customer service

Channel and device usage vary by age groups



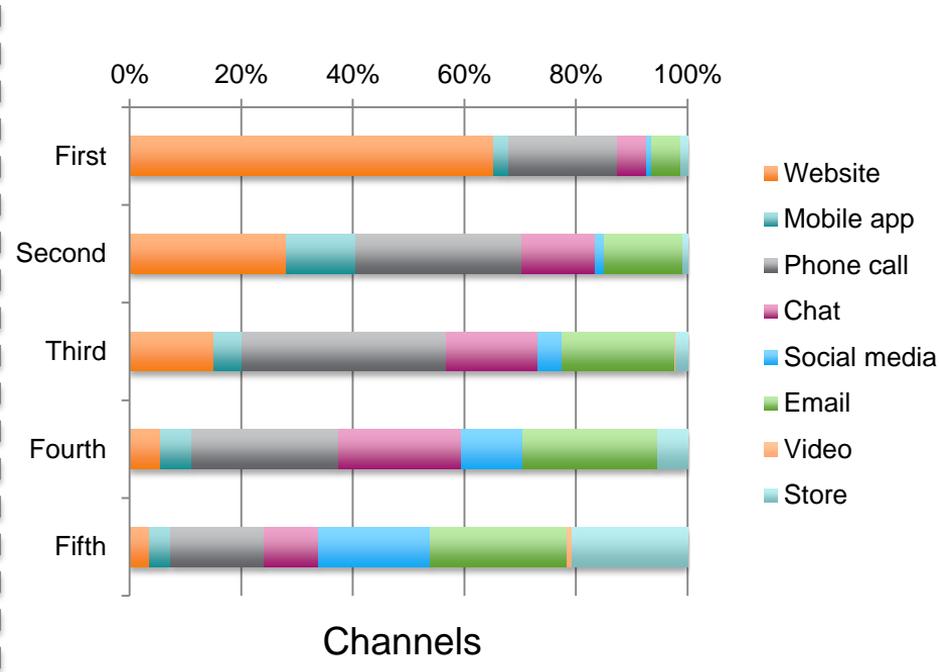
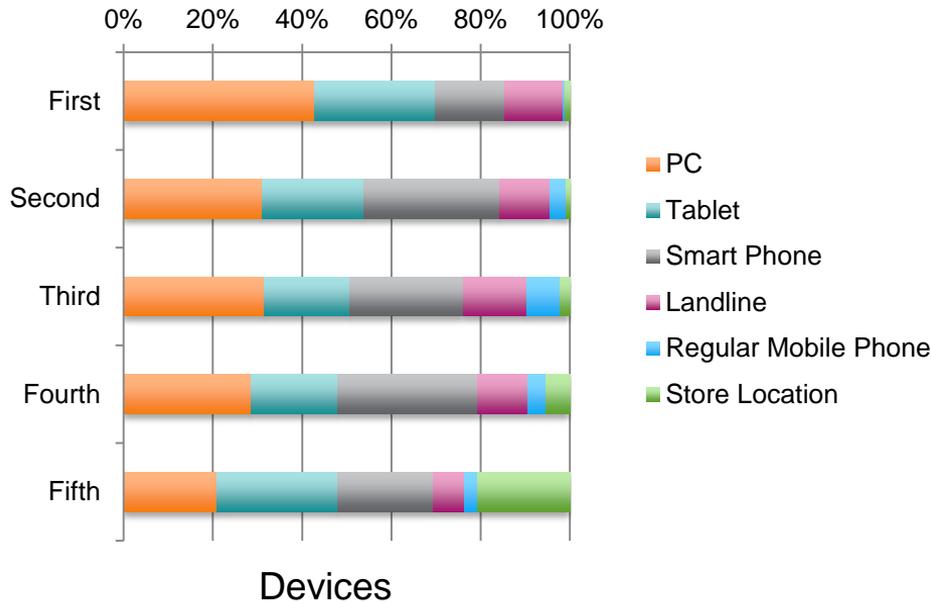
Millennials prefer websites accessed via PCs and smartphones for customer service

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.



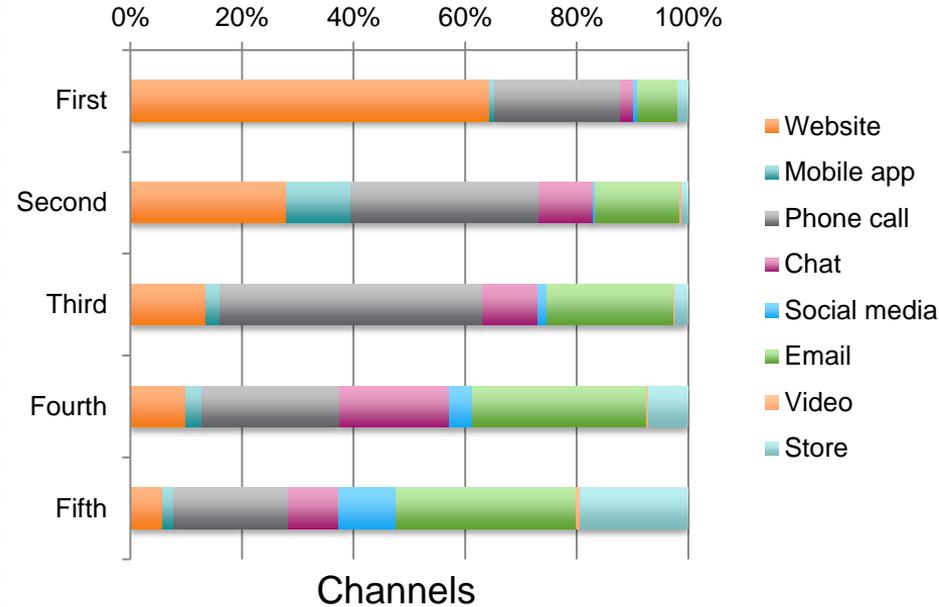
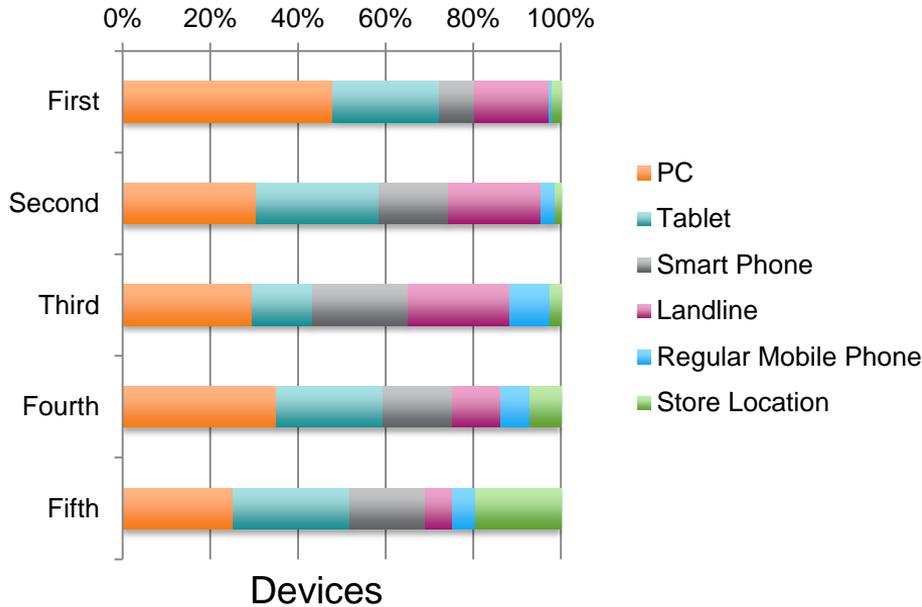
Gen Xers prefer websites accessed via PCs and tablets for customer service

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.



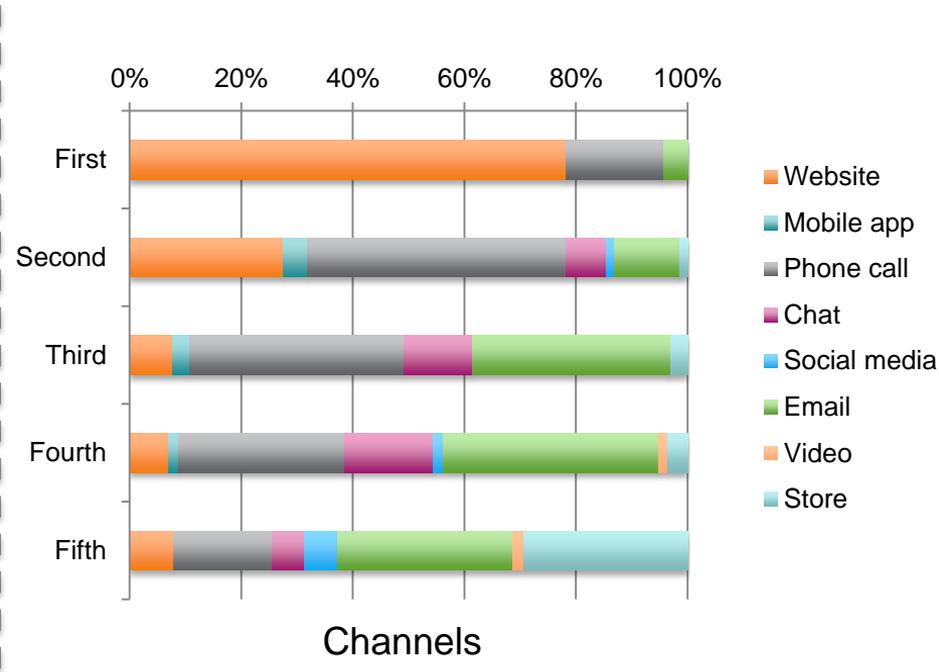
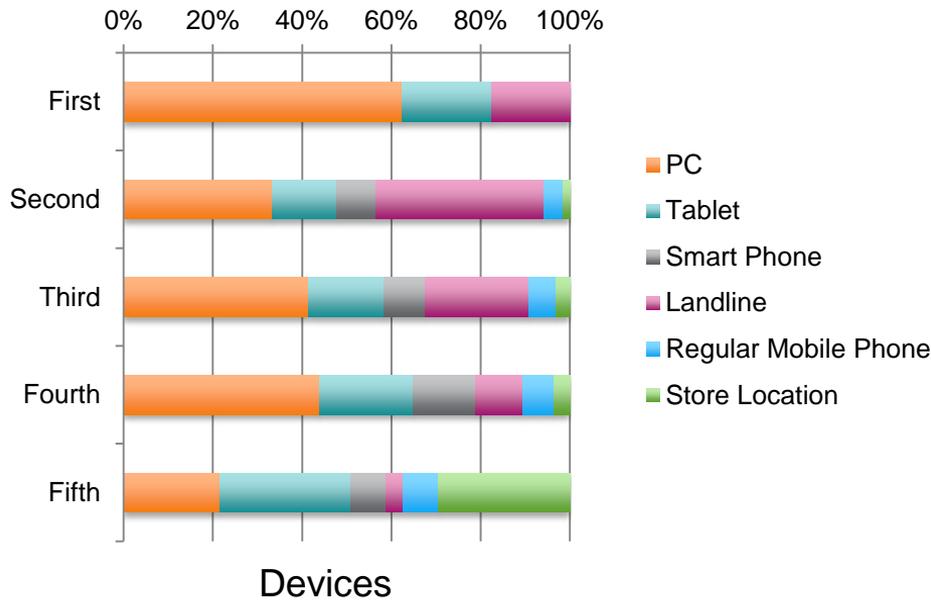
Baby Boomers prefer websites accessed via PCs and tablets for customer service

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.



Greatest Gen prefer to go to websites first via PC and tablet and seek out voice and email as second channels of interaction for customer service

What is the order of channels and devices you typically use today for customer service interactions because your issue cannot get resolved in the first channel you use.





The company anticipates my needs

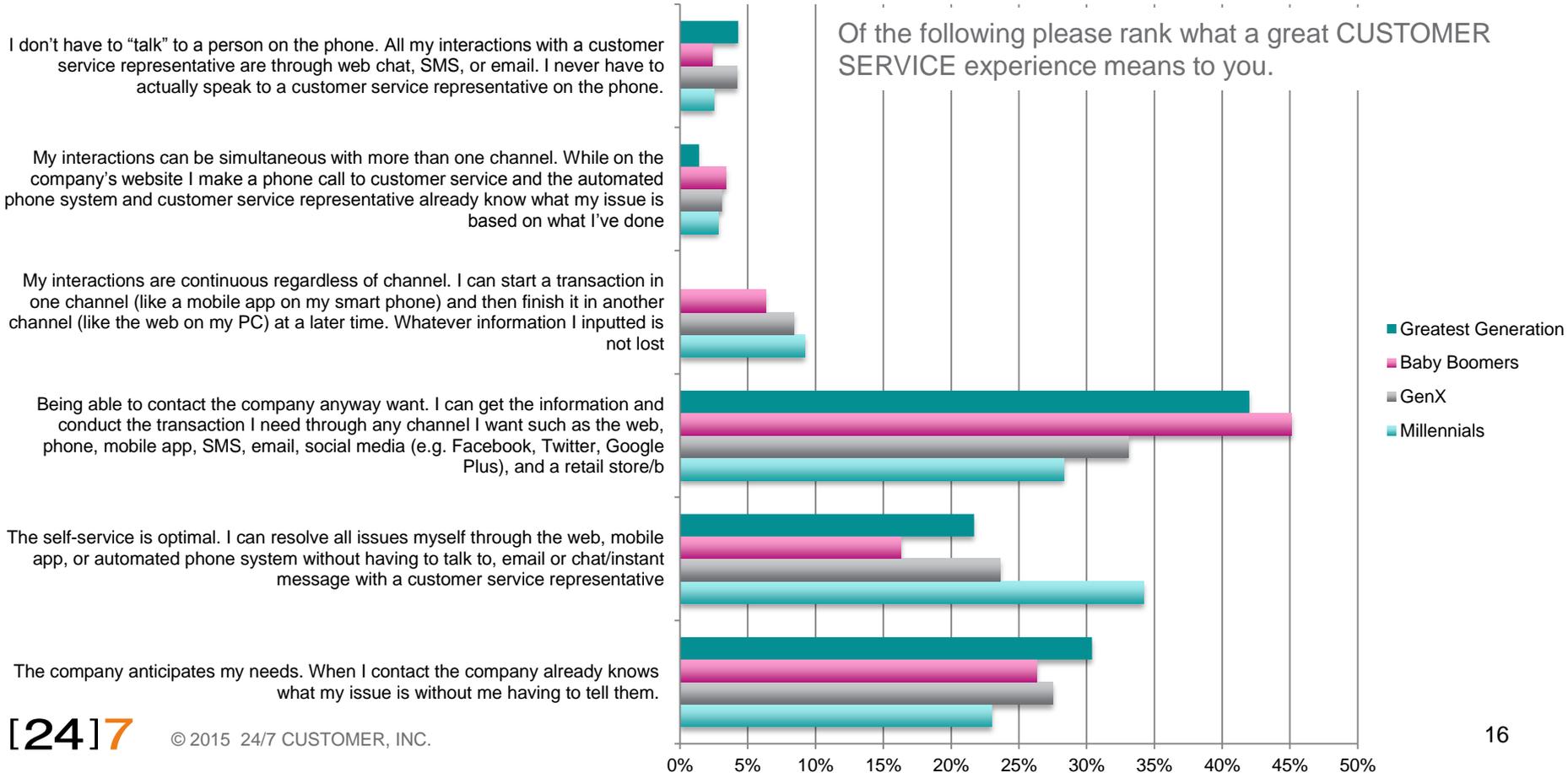
The self-service is optimal

Being able to contact the company any way I want

86%

What's a great customer service experience?

Consumers want choice, empowerment in self-service, and the ability for a company to anticipate their needs for customer service





The self-service is optimal

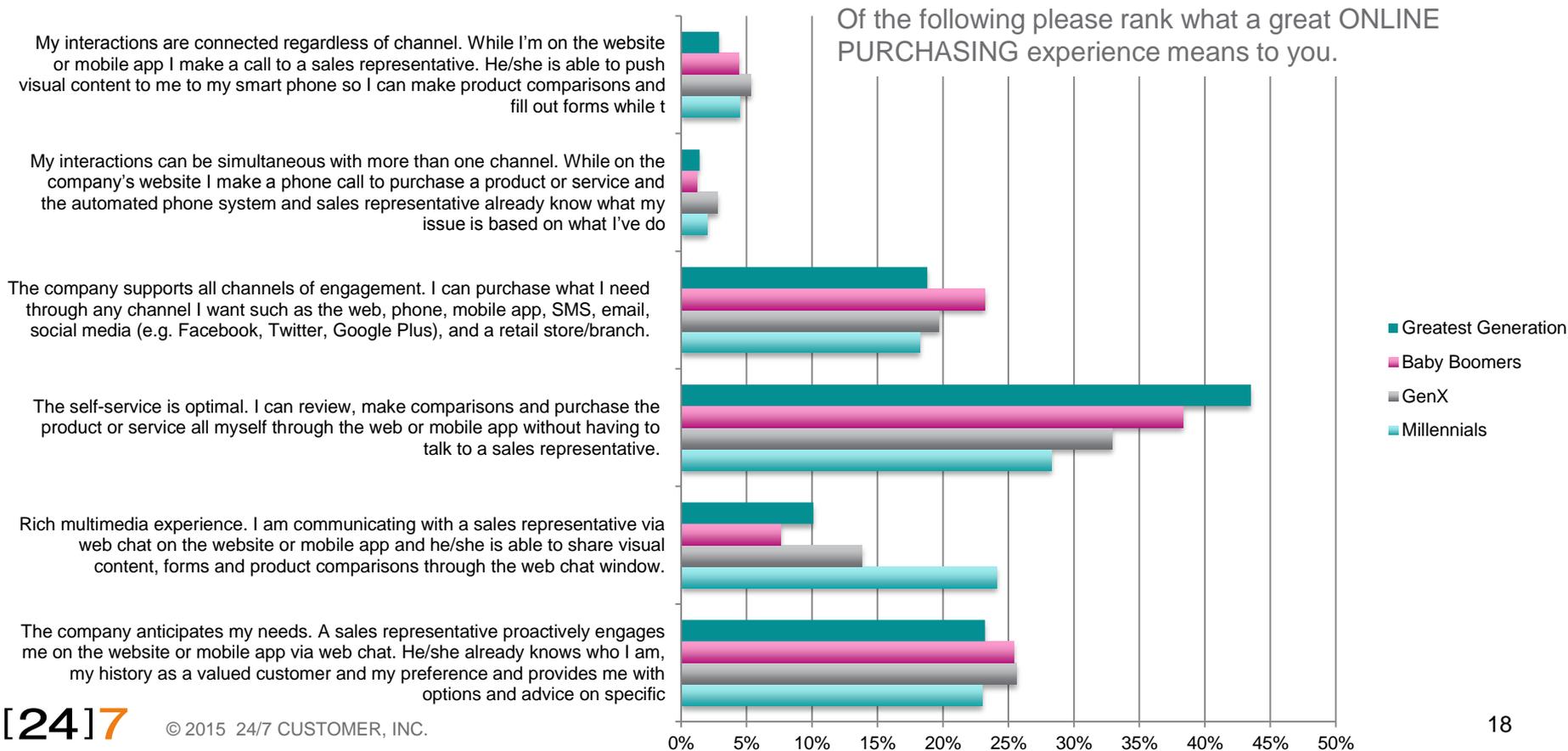
The company anticipates my needs

Being able to contact the company any way I want

79%

What's a great online purchasing experience?

Consumers want to self-serve, have choices, and the ability for a company to anticipate their needs when it comes to online purchasing

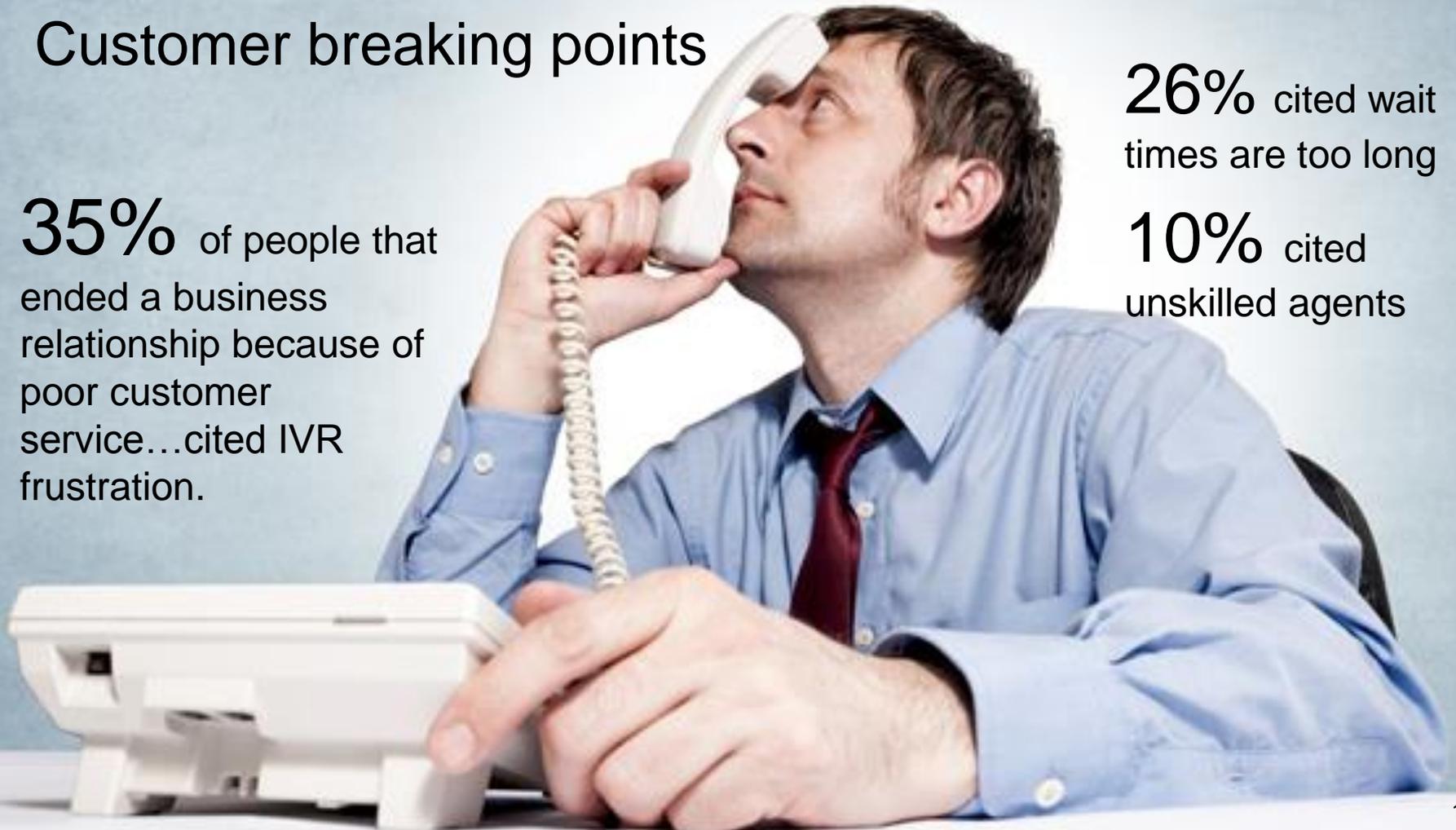


Customer breaking points

35% of people that ended a business relationship because of poor customer service...cited IVR frustration.

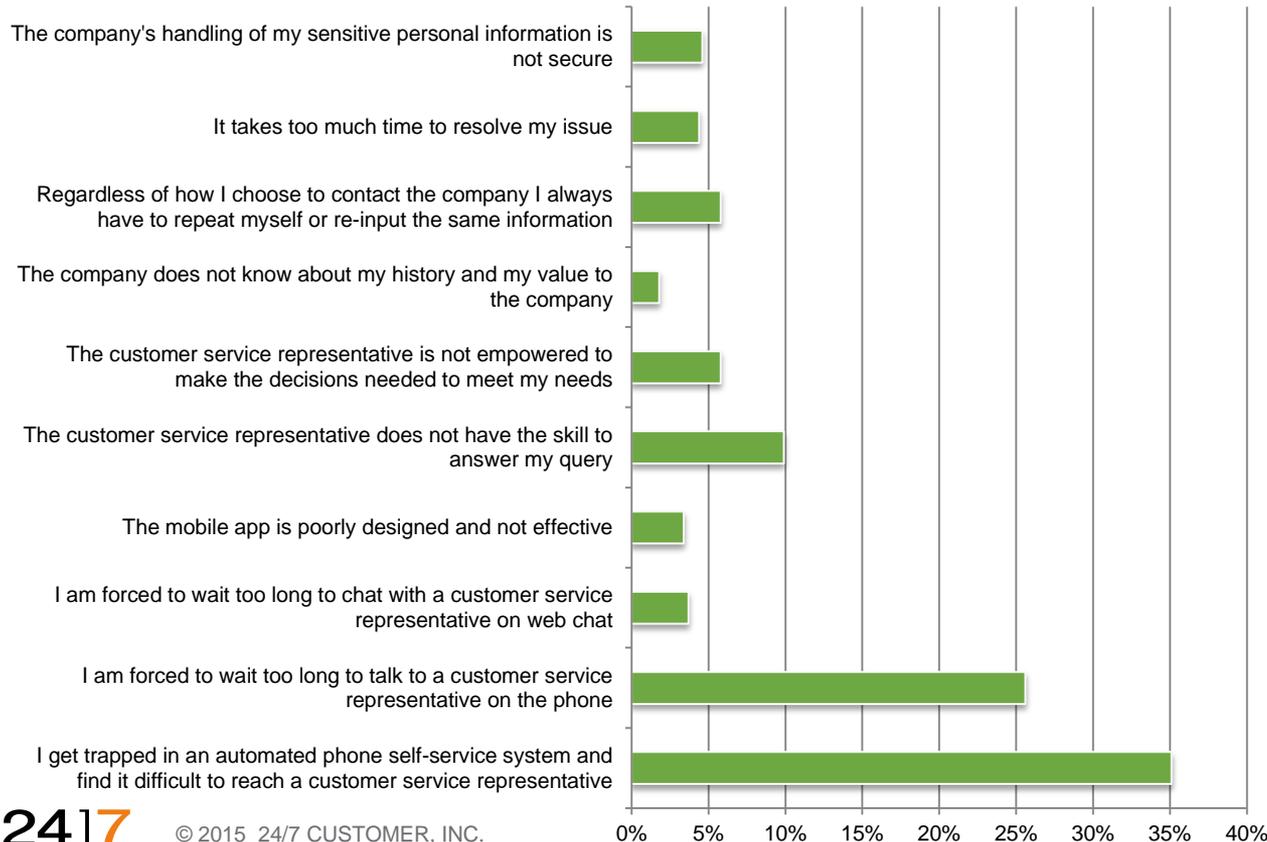
26% cited wait times are too long

10% cited unskilled agents



Total respondents: Phone self-service ranks #1 in customer frustration

If you ended a business relationship with a company because of a poor CUSTOMER SERVICE experience, can you pick the top 5 reasons.



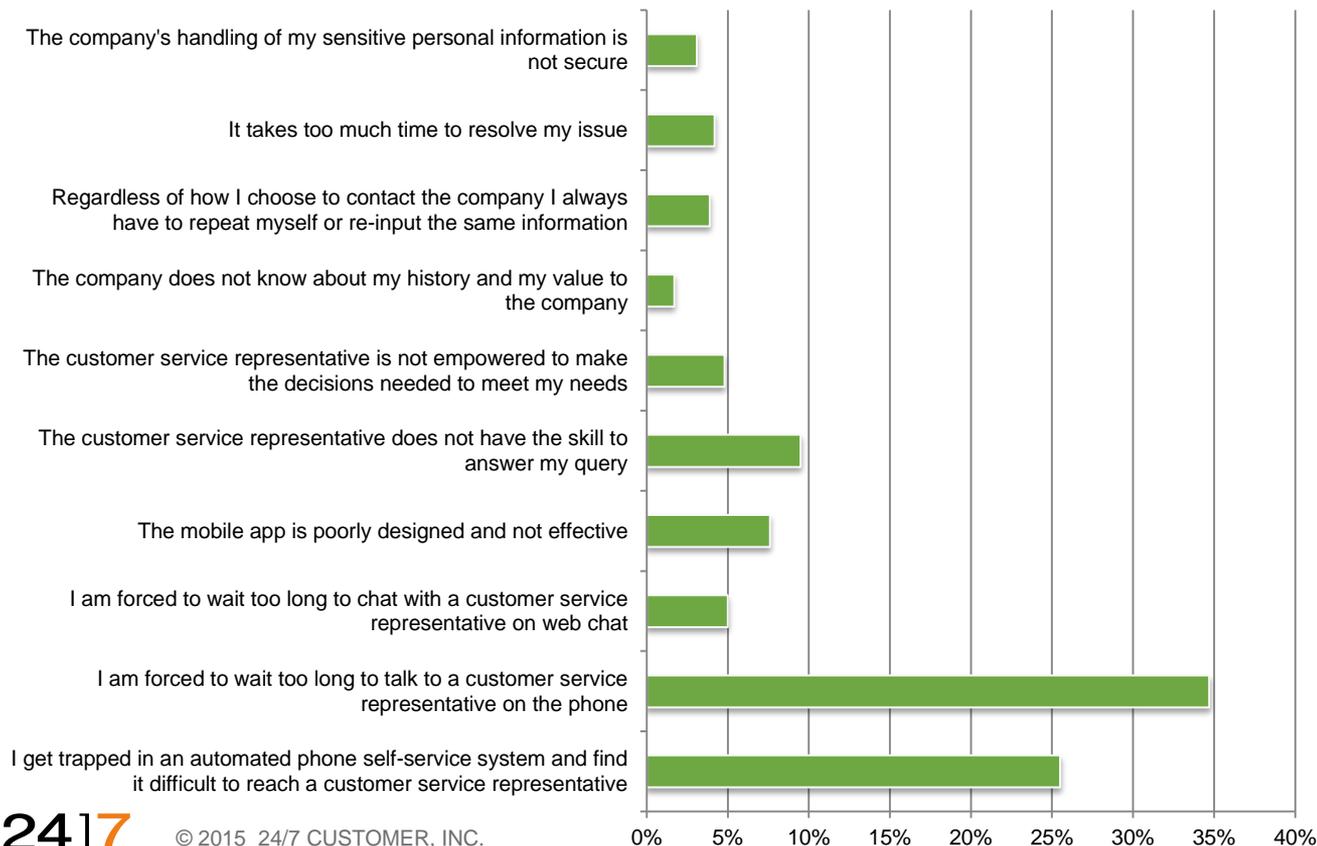
Frustrations with the phone channel about:

35% of total respondents that ended a business relationship because of poor customer service...cited phone self-service (or IVR) frustration.

26% of respondents thought they were forced to wait too long to talk to an agent

Millennials: Being forced to wait too long ranks #1 in customer frustration

If you ended a business relationship with a company because of a poor CUSTOMER SERVICE experience, can you pick the top 5 reasons.



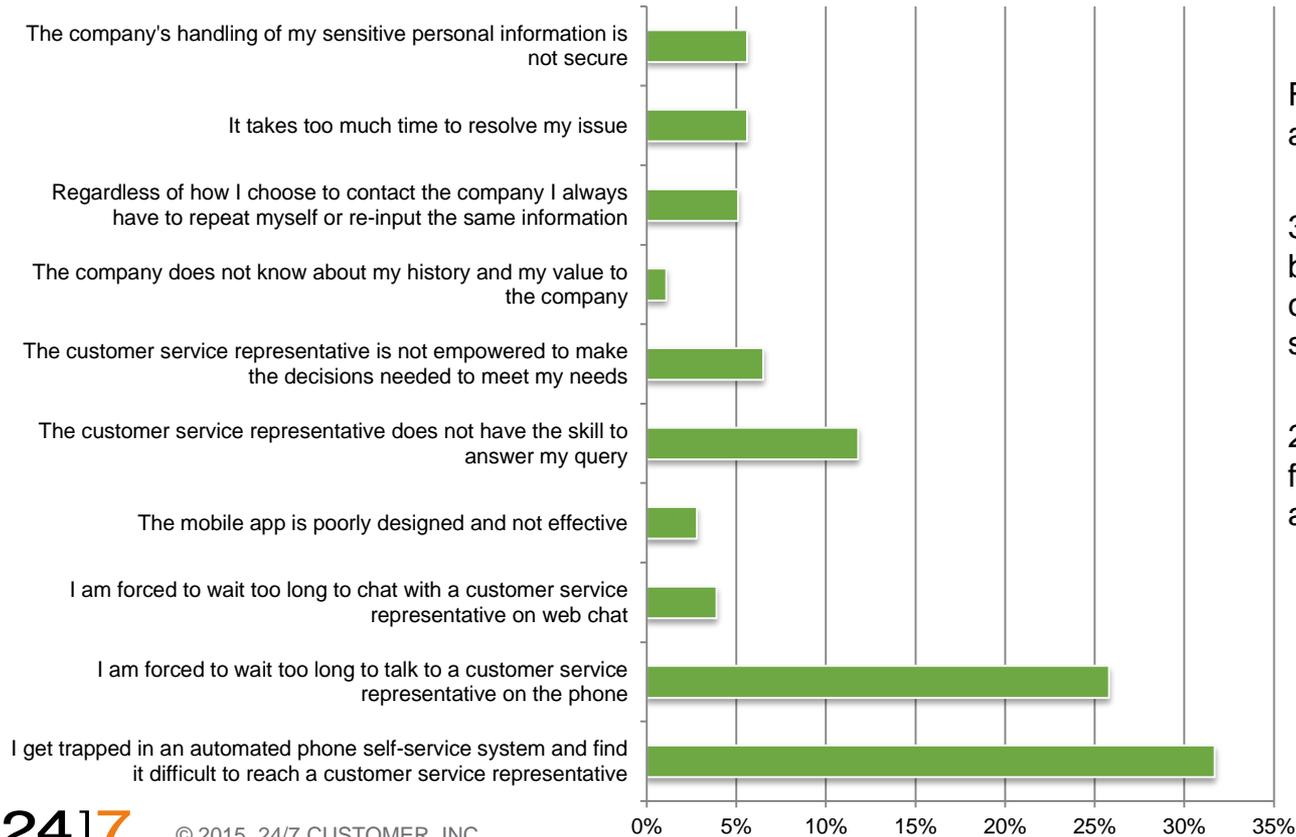
Frustrations with the phone channel abound:

35% of Millennials that ended a business relationship because of poor customer service...cited wait times to talk to an agent were too long.

26% of Millennials cited poor IVR experiences as the breaking point in customer care and the determining factor for taking their business elsewhere

Gen X: Phone self-service ranks #1 in customer frustration

If you ended a business relationship with a company because of a poor CUSTOMER SERVICE experience, can you pick the top 5 reasons.



Frustrations with the phone channel abound:

32% of Gen Xers that ended a business relationship because of poor customer service...cited phone self-service (or IVR) frustration.

26% of Gen Xers thought they were forced to wait too long to talk to an agent

Baby Boomers: Phone self-service dominates as #1 in customer frustration

If you ended a business relationship with a company because of a poor CUSTOMER SERVICE experience, can you pick the top 5 reasons.



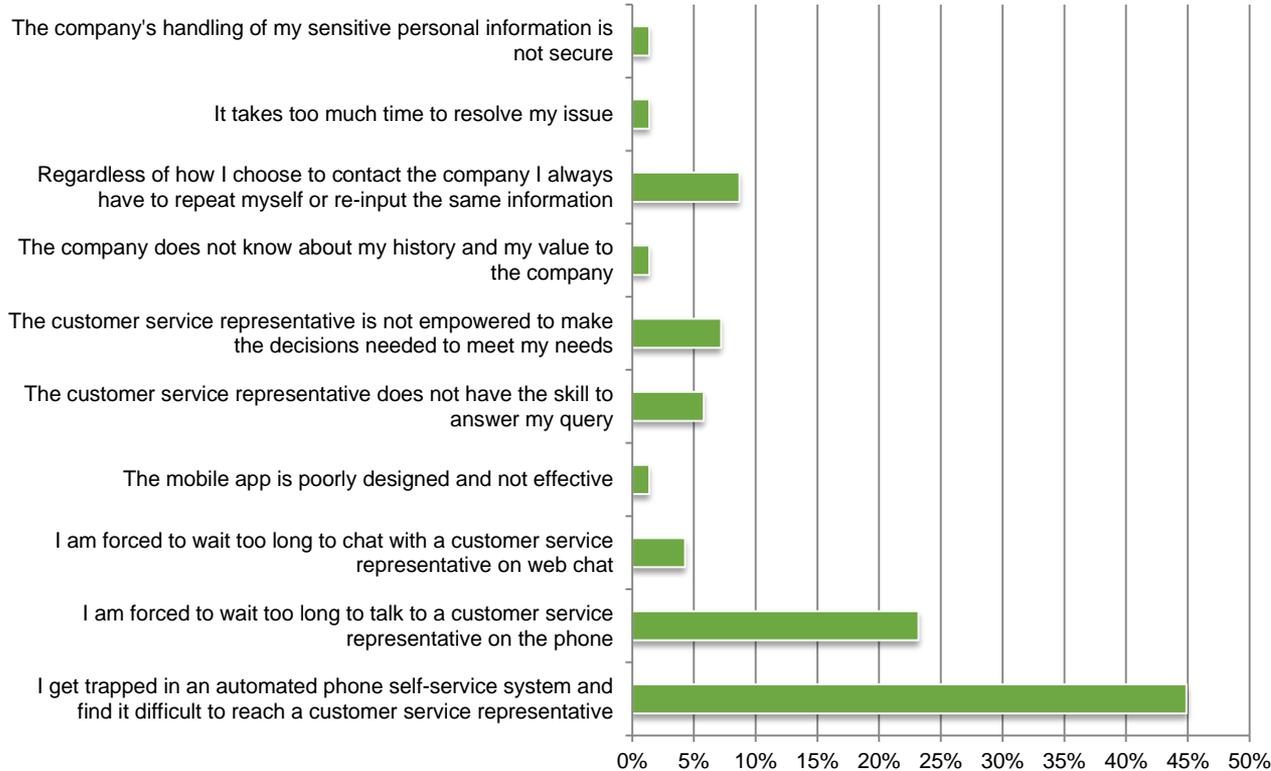
Frustrations with the phone channel are more apparent:

45% of Baby Boomers that ended a business relationship because of poor customer service...cited phone self-service (or IVR) frustration.

18% of Baby Boomers thought they were forced to wait too long to talk to an agent

Greatest Gen: Phone self-service dominates as #1 in customer frustration

If you ended a business relationship with a company because of a poor CUSTOMER SERVICE experience, can you pick the top 5 reasons.



Frustrations with the phone channel are also prominent:

45% of Greatest Gen that ended a business relationship because of poor customer service... cited phone self-service (or IVR) frustration.

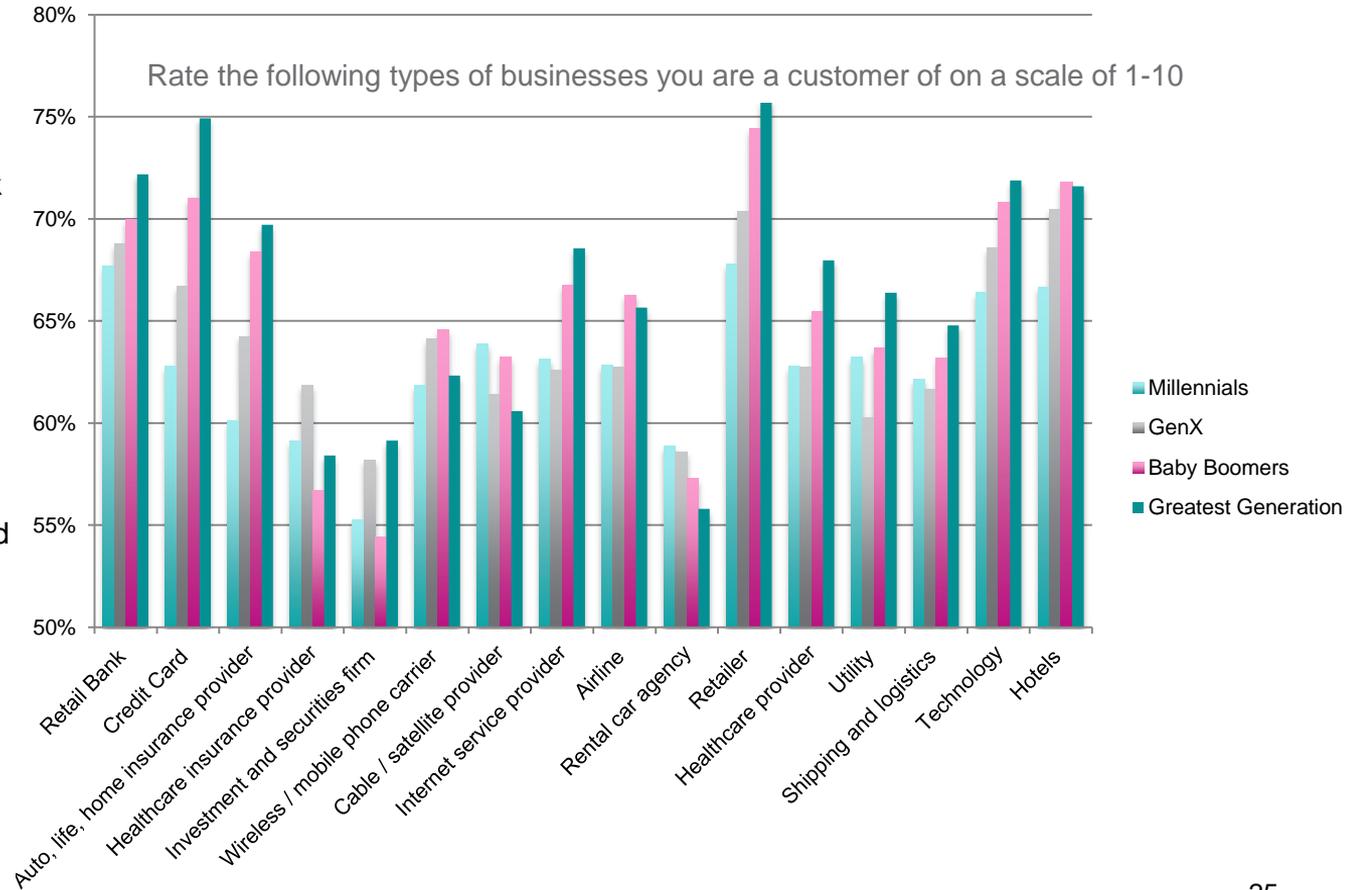
23% of Greatest Gen thought they were forced to wait too long to talk to an agent

CSAT lowest among investment and securities firms and rental car agencies

Across all age groups, investment and securities firms (i.e. Schwab, ING) rank the lowest in CSAT at 56%.

Rental car agency CSAT ranked the second lowest with a score of 58% across all age groups.

With the exception of cable/satellite providers, rental car agencies, internet service providers, healthcare, utility and shipping and logistics Millennials typically rank businesses with lower CSAT scores.

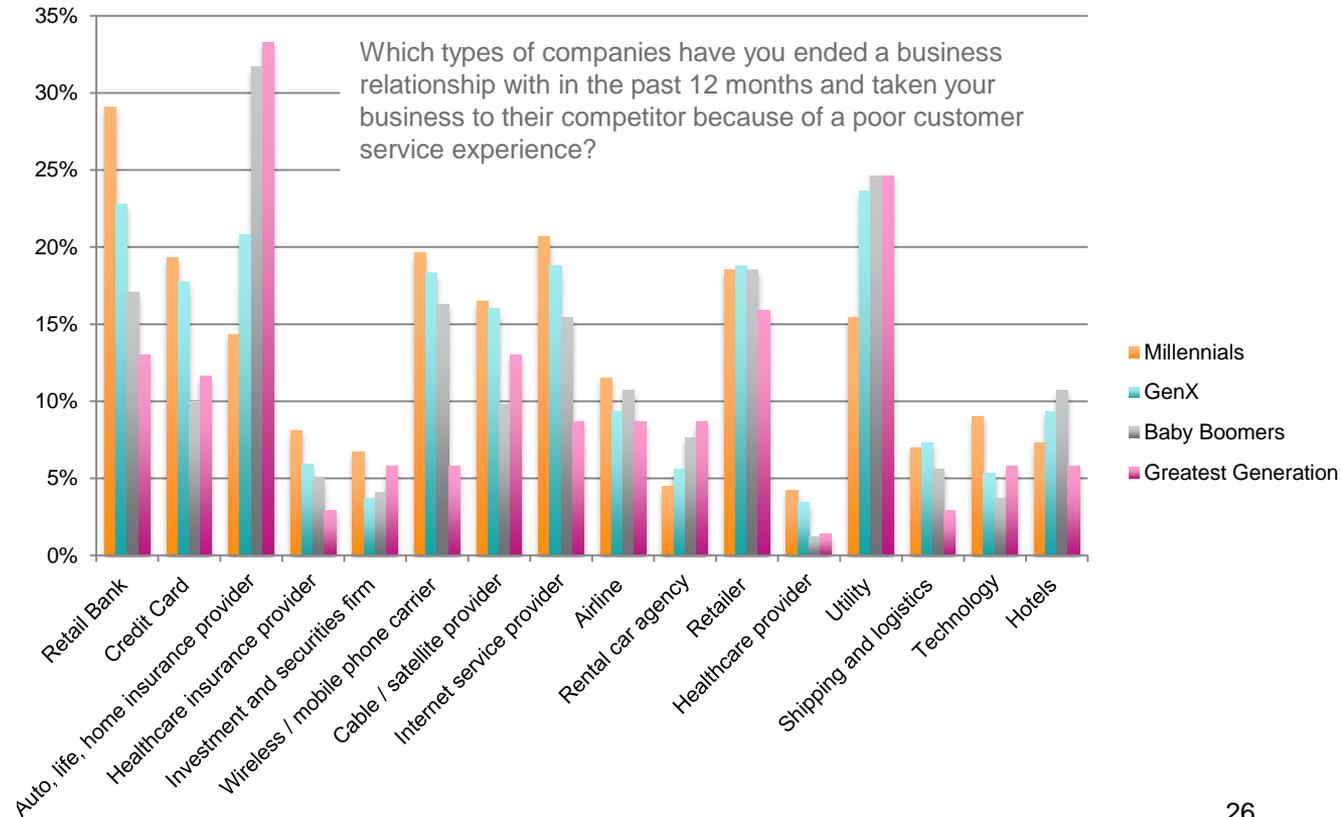


Poor customer service in insurance and retail banks lead the way in customer churn across different age groups

One out of three Baby Boomers and Greatest Gen have changed their auto, life, and home insurance providers due to poor customer service.

Almost 30% of Millennials have changed retail banks due to poor customer service

A greater percentage of the older generations have switched utility providers due to poor customer service.

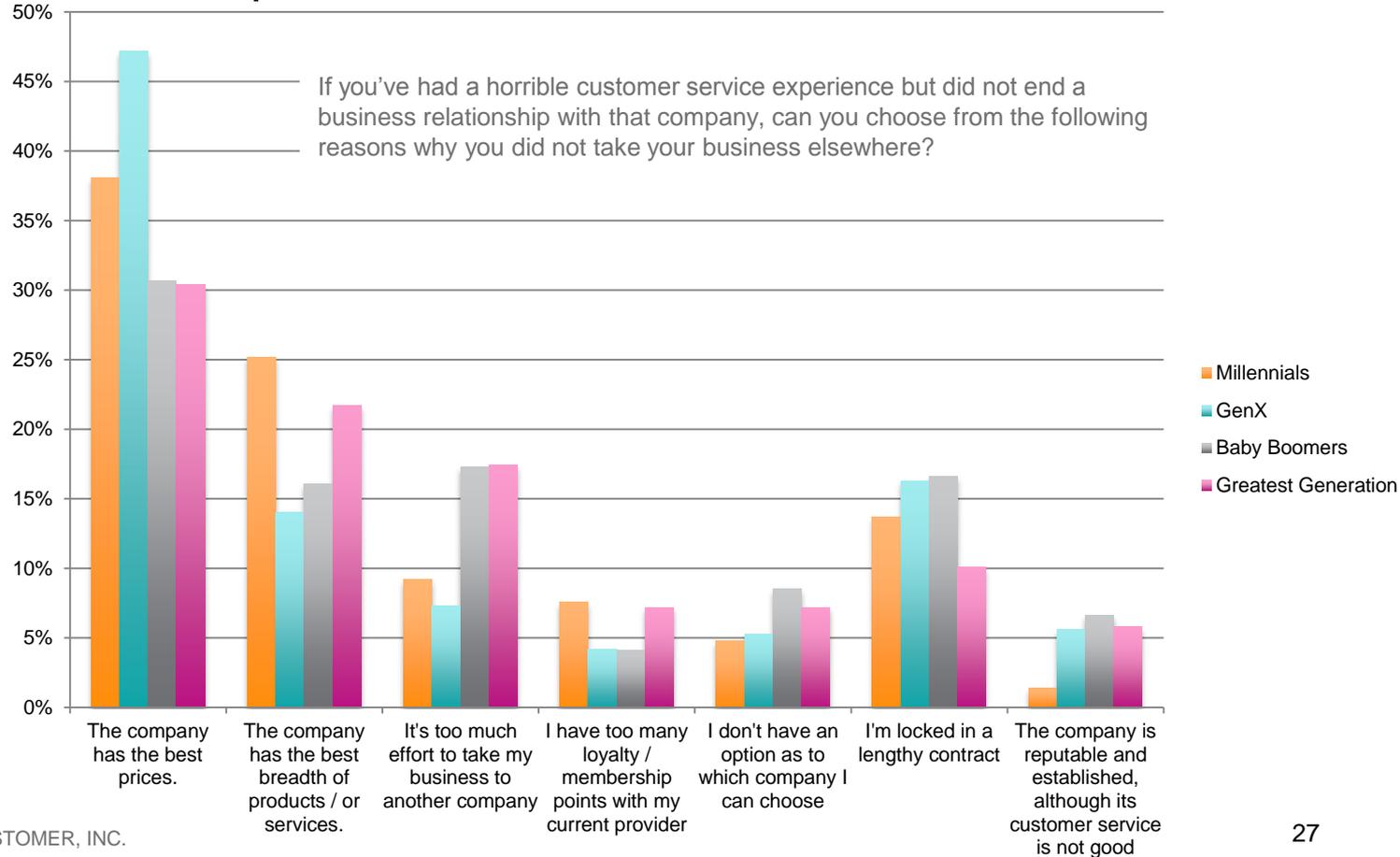


Prices prevent consumers from taking their business elsewhere when customer service is inadequate

Among all age groups, Gen X is the most price sensitive

Millennials are drawn to the breadth of products and services of a company, more so than any other age group

Baby Boomers and Greatest Gen view effort as drawback from taking their business elsewhere due to poor customer service



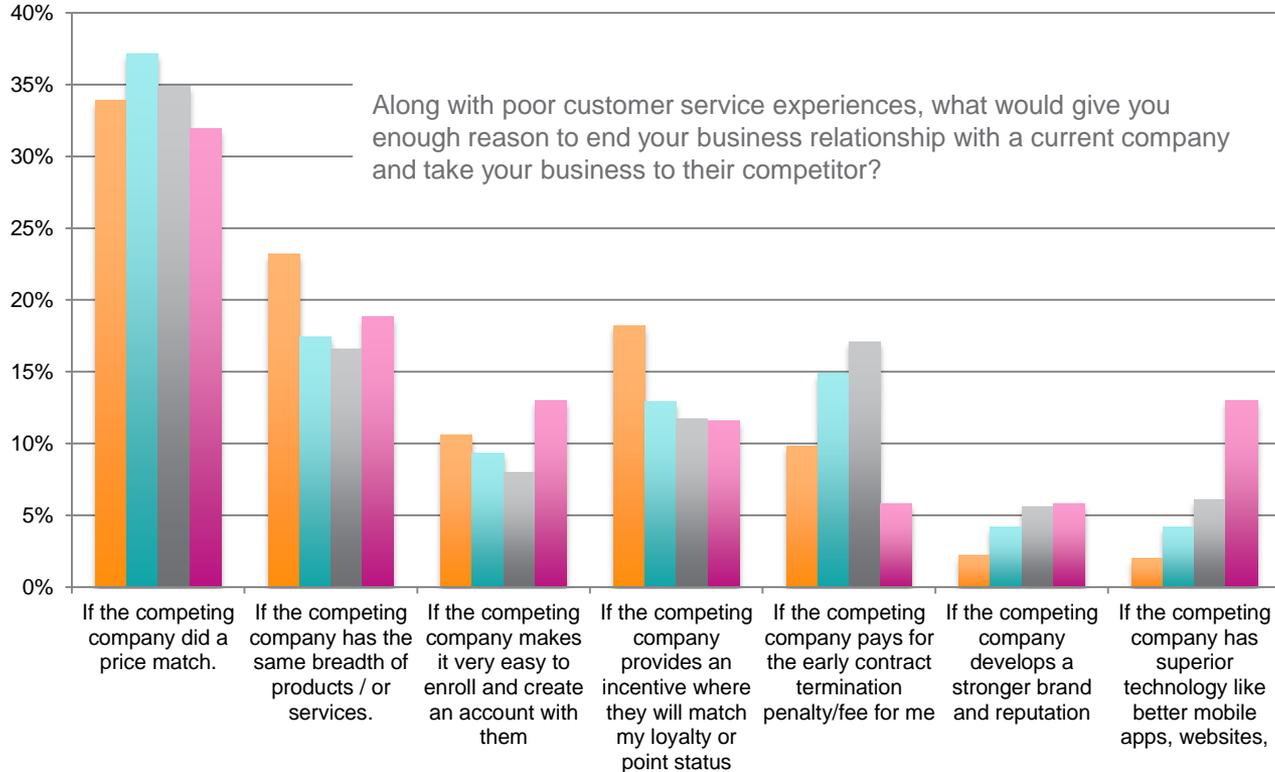
Along with poor customer service experiences, price matching will be reason enough for customers to take their business to a competitor

Among all age groups, Gen X continues to show more sensitivity for prices

Millennials continue to be drawn to the breadth of products and services of a company, more so than any other age group

Millennials are more prone to defect if the competitor matches loyalty or point status.

The Greatest Gen places more emphasis on superior technology than other age groups, who are indifferent.

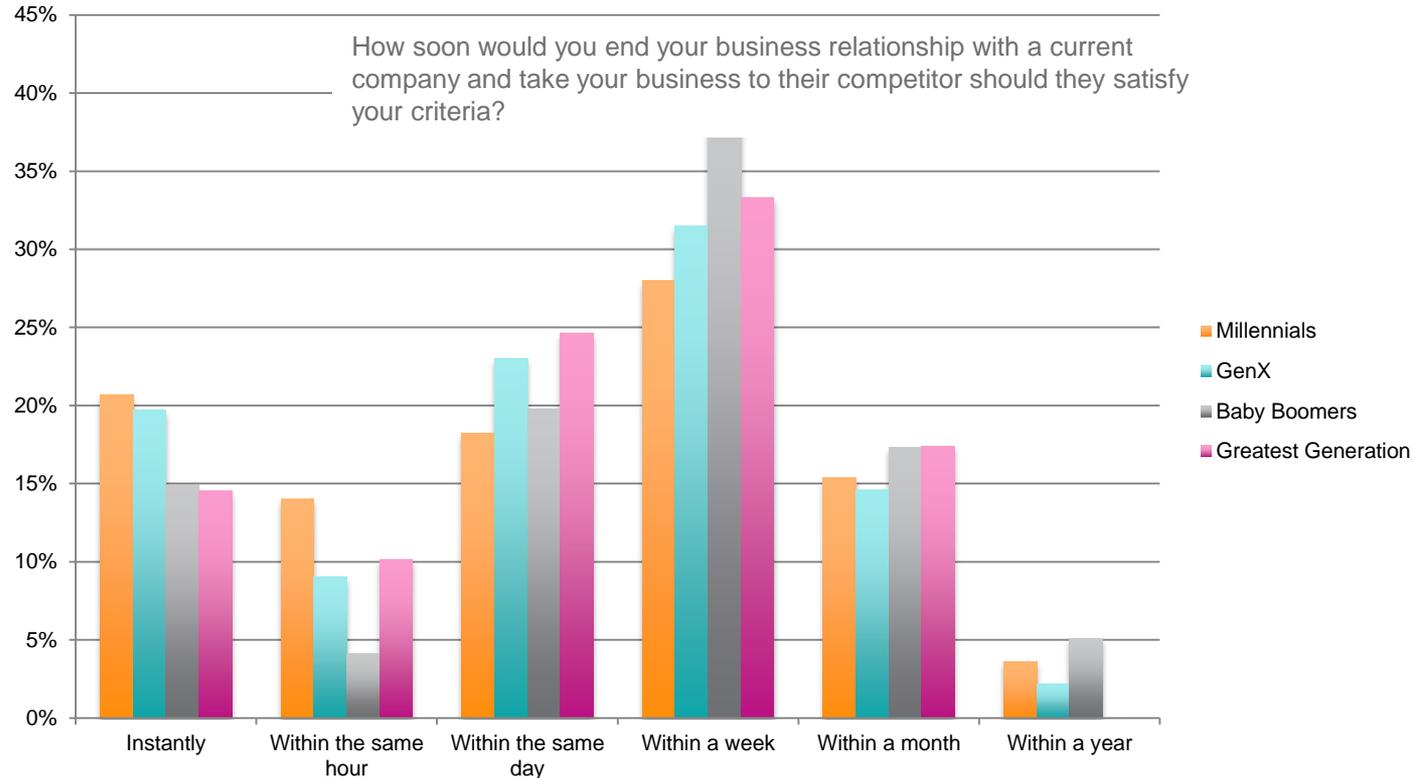


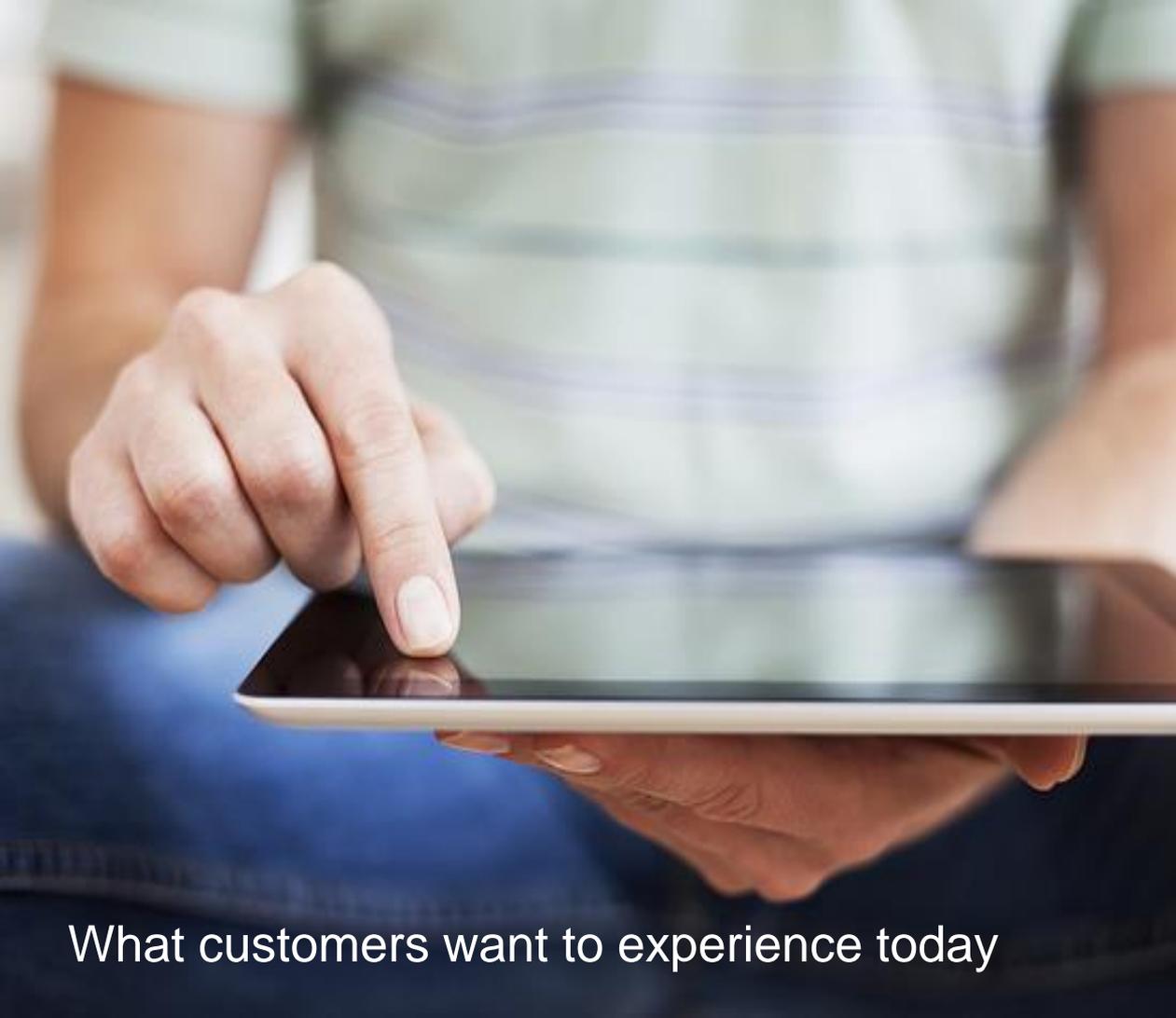
Half of consumers will take their business to a competitor within a day from poor customer service

Anger at poor service has led to 47% of consumers saying that they would take their business to a competitor within *one day* (if price and products are of equal value)

80% say they would do it within *one week*.

Millennials and GenX are less patient than Baby Boomers and Greatest Gen





What customers want to experience today

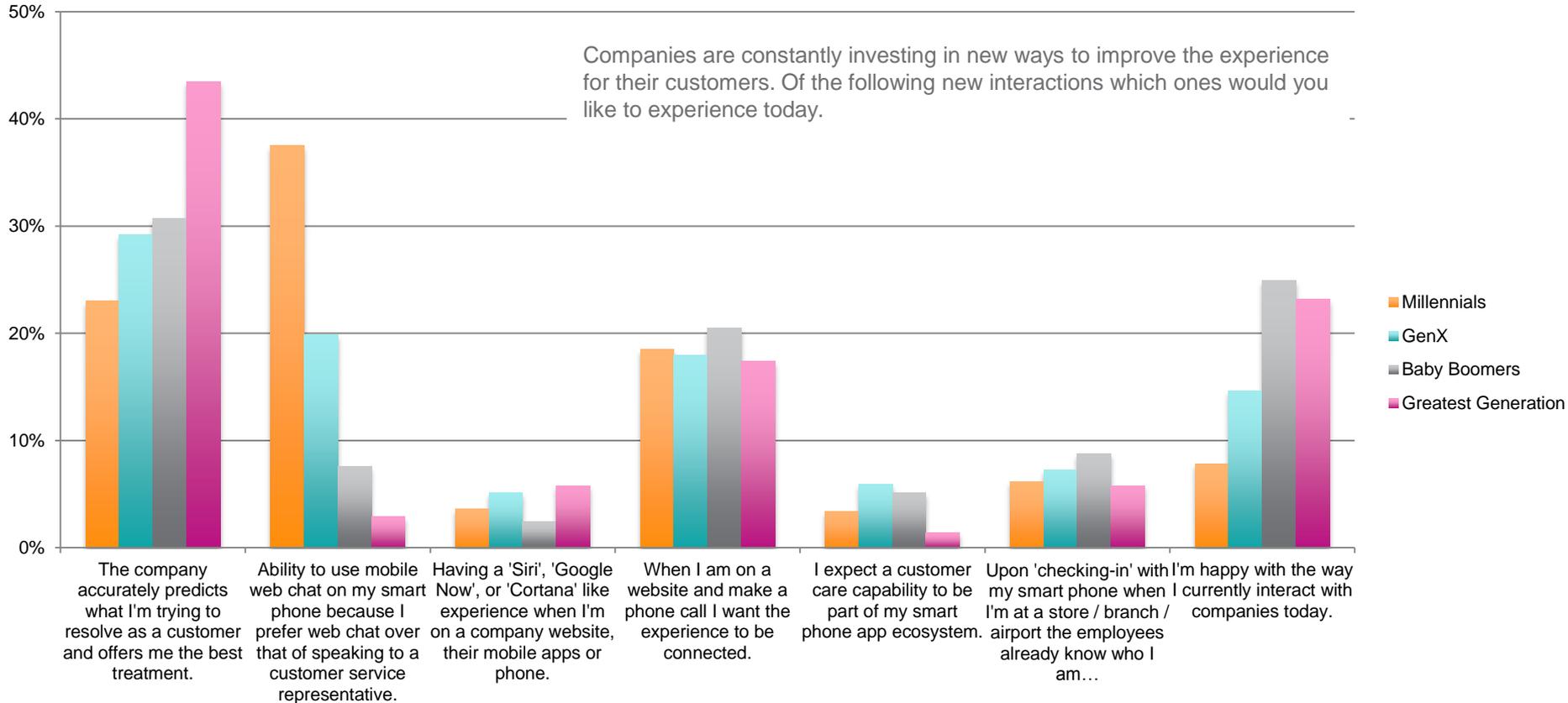
The company **predicts** what I'm trying to resolve...

Ability to use **mobile chat** on my smartphone...

When I am on a website and make a phone call I want the experience to be **connected**...

68%

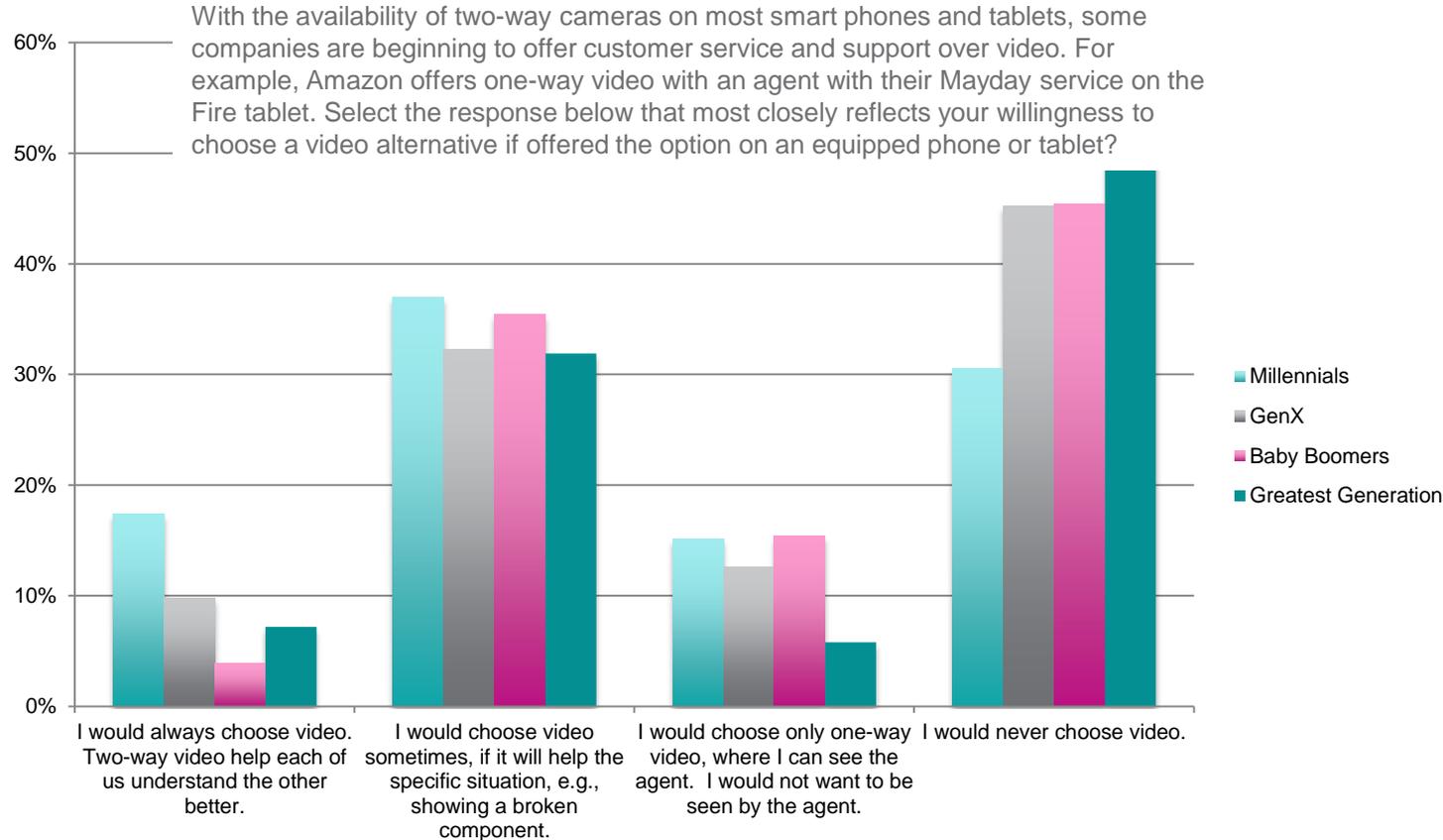
Predictive experiences are universally desired; but Millennials want mobile web chat above all else



Over half of consumers would use video for customer service

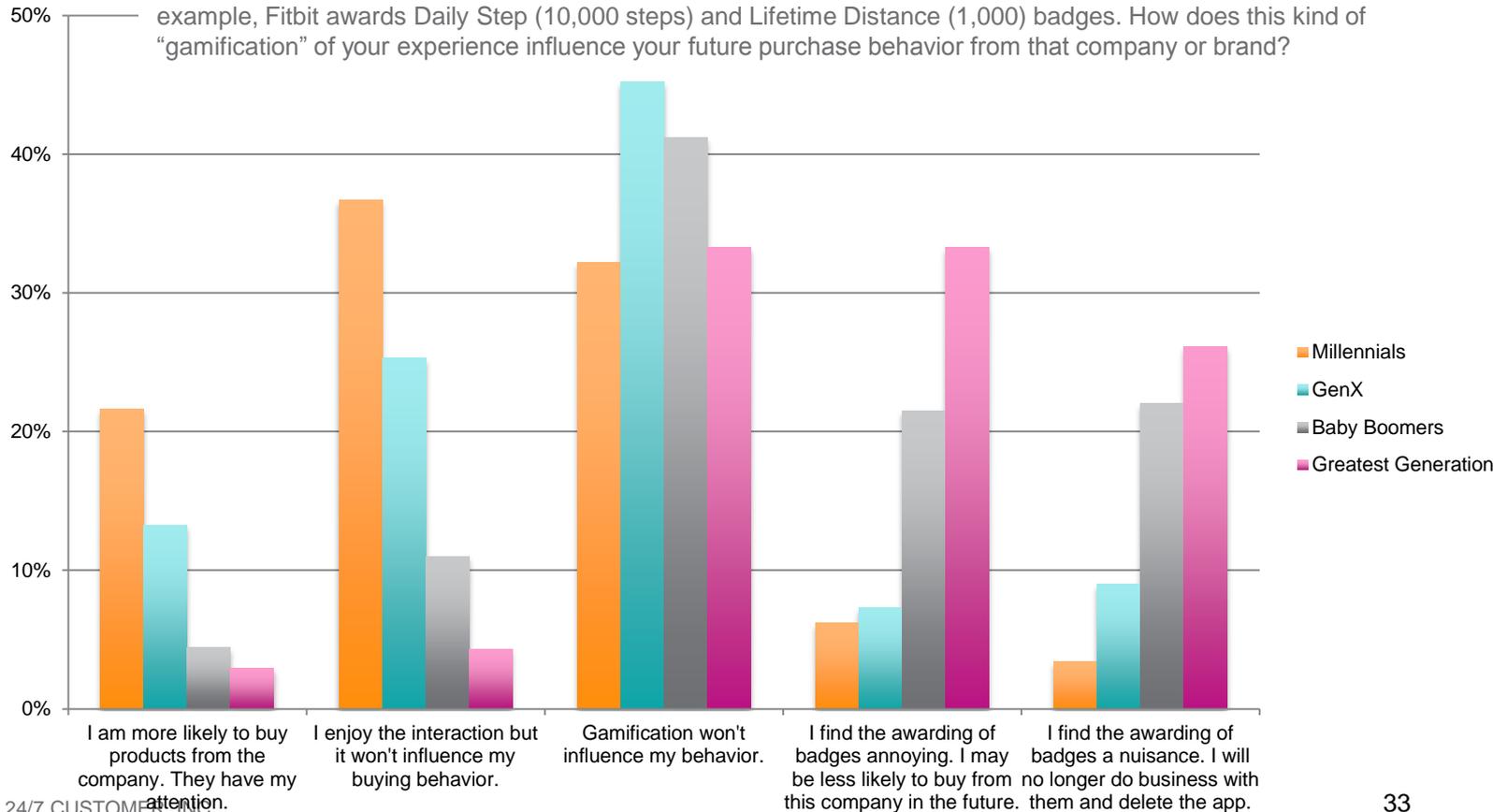
Among all age groups, Millennials are slightly more likely to use video for customer service

Video customer service is niche and consumers would likely use video in only certain situations.



Gamification not yet ready for purchasing from a company or brand

Some companies offer mobile applications that award recognition or badges for various types of activities. For example, Fitbit awards Daily Step (10,000 steps) and Lifetime Distance (1,000) badges. How does this kind of “gamification” of your experience influence your future purchase behavior from that company or brand?

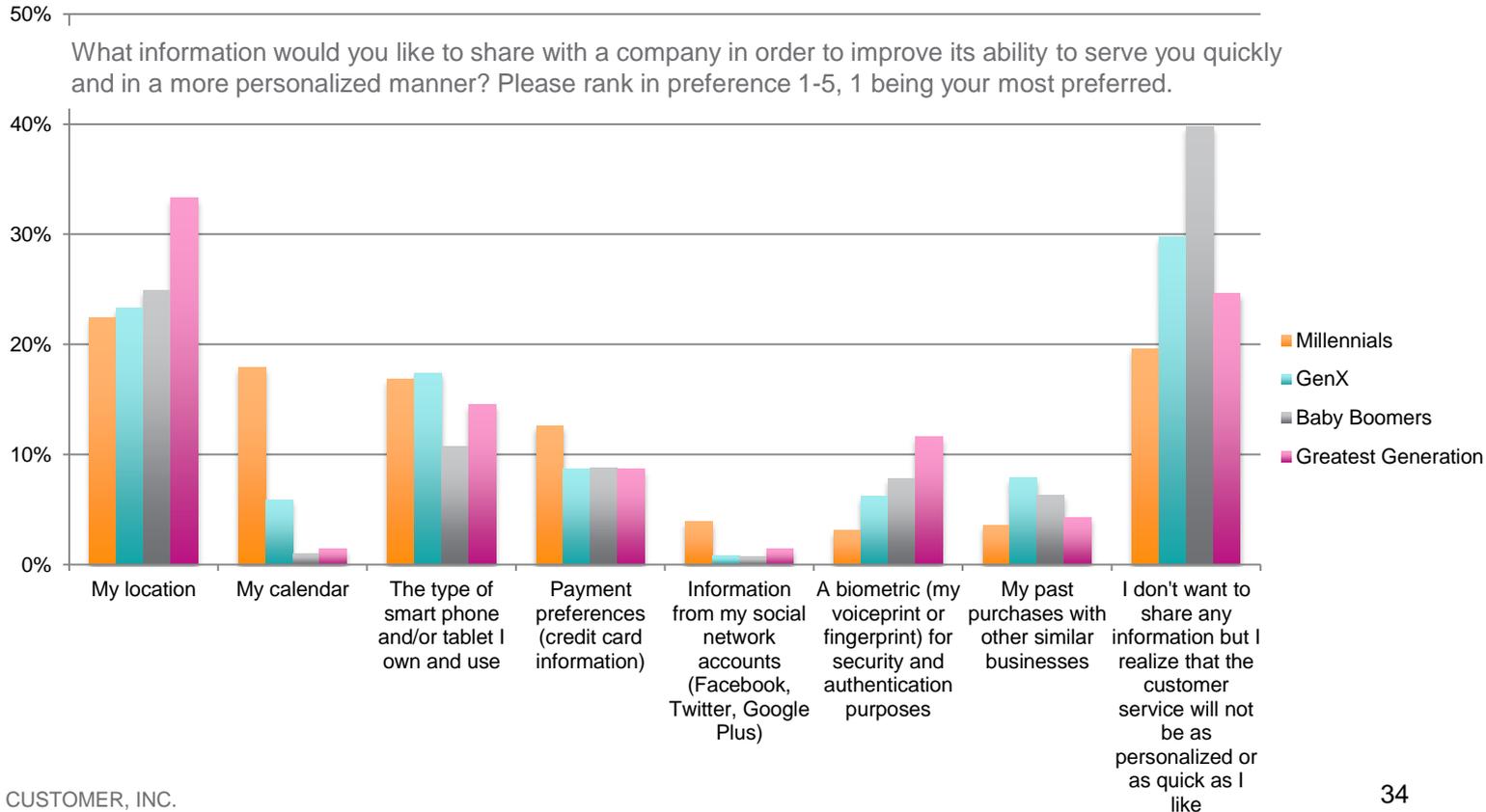


Consumers are willing to share location and device awareness information with companies if it means a better customer experience

Millennials are open to sharing more personal information for better service.

Consumers are more open to sharing location and device awareness than other types of information.

40% of Baby Boomers do not want to share any information with companies, even if it means the service will not be as good



[24]7