

[24]7

2016 US Customer Engagement Index

The definitive guide to customer preferences and pathways in customer care

12417

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Preface

[24]7's Customer Engagement Index is based on a survey of more than 3,500 consumers from the US, UK and Australia conducted in 2015. 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 US 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 businesses across an array of vertical industries.

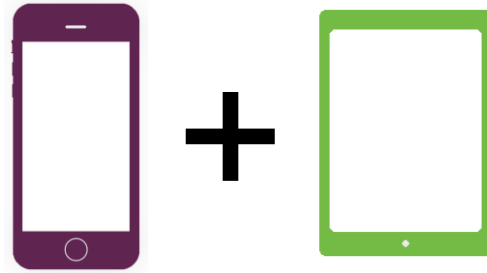
The following age groups are represented in this report:

- 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 cable/satellite providers, retailers and retail banks.
- 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 for customer interaction
- Customers are more open to sharing data if they understand what benefits that come with sharing data

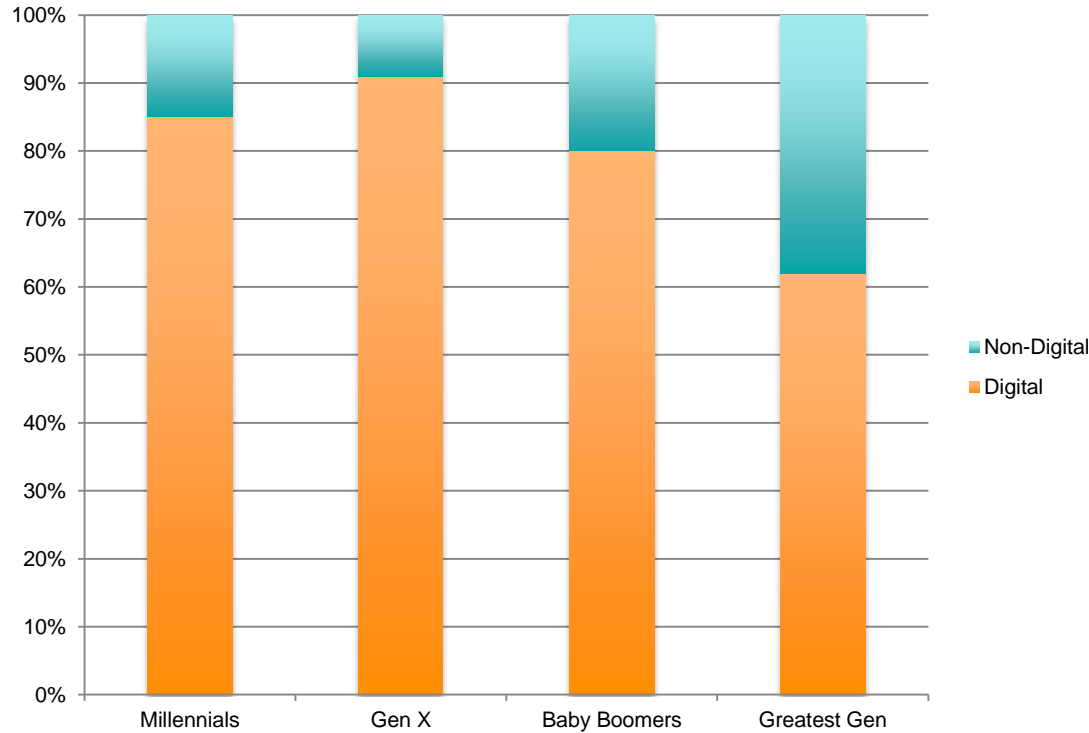
US customers are digital and connected



8 out of 10 customers

84% of US respondents own both a smart phone and a tablet.

Gen X leads the way in multi smart device ownership

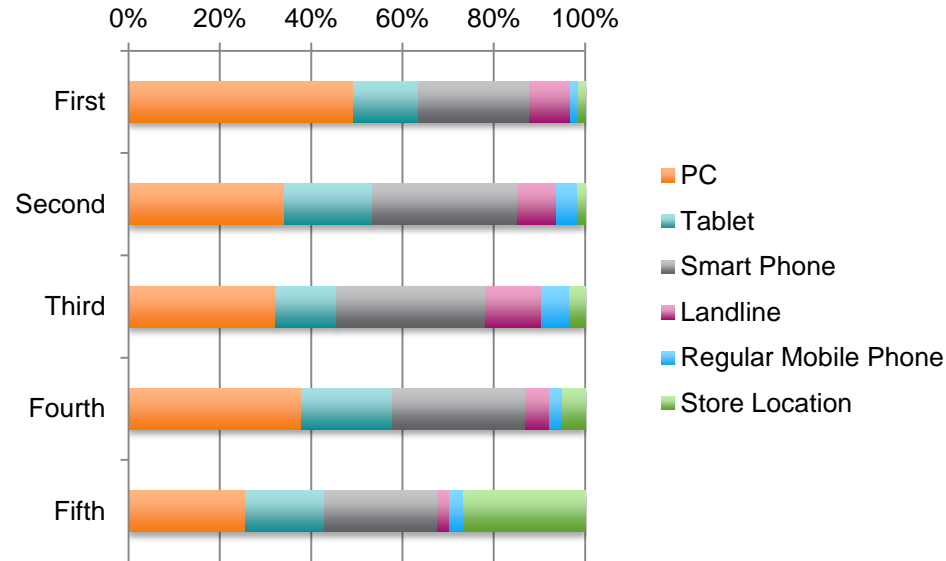


Gen X has the highest percentage of respondents that own both a smart phone and a tablet, represented as “digital” in the figure. This is likely due to higher disposable incomes and a greater acceptance of technology when compared to older age groups.

Surprisingly, the Greatest Gen, at over 60% also has a high proportion of respondents that are considered “digital”, owning both smart phones 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.



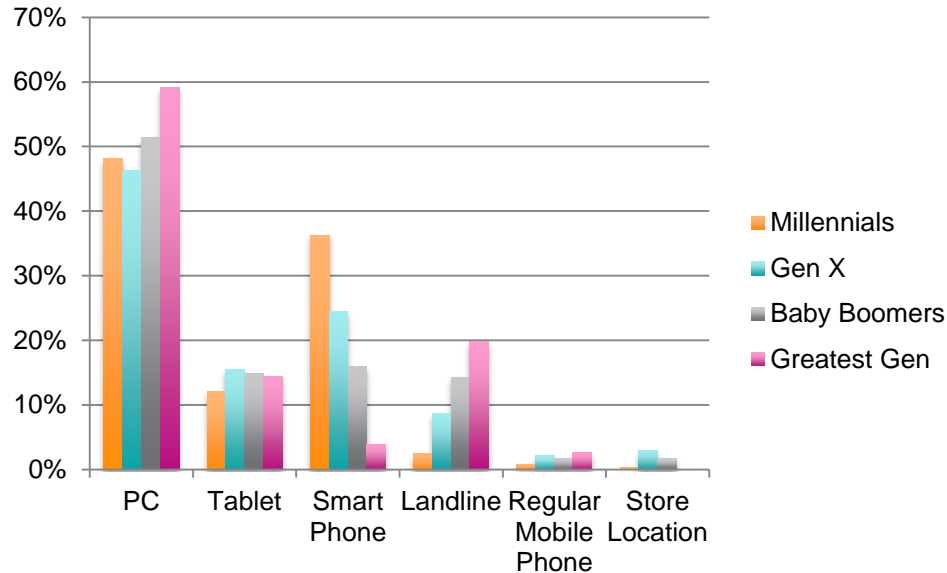
As a digitally inclined and connected population, US consumers exhibit a strong tendency to start their customer service journeys on corporate websites accessed via PCs, laptops, smart phones and tablets. In fact, 64% of customer service journeys begin on the website as the first channel of choice. Although there's been a lot of buzz around a mobile-first world the study shows that 49% of consumers start their customer service journeys on the PC or laptop as their device of choice. This is followed by smart phones at 24% and tablet at 14%. 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 as the last resort and the fifth touchpoint.

95% of respondents use at least three channels (and or devices) to engage with customer service. 82% 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 59% of the Greatest Gen use PCs as the first device for customer service.

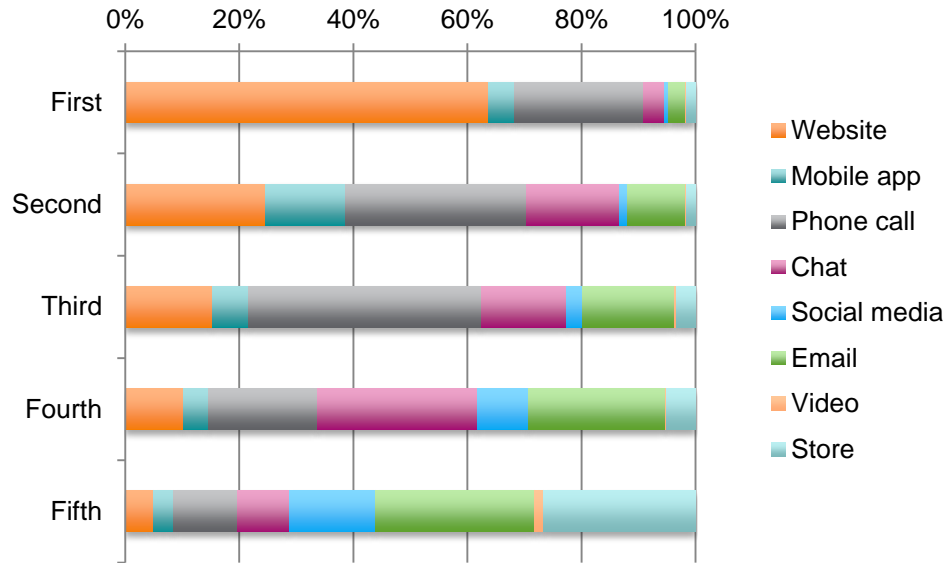
36% of Millennials use smart phones as their first device of choice, 50% more than that of Gen X.

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. 86% of consumers will cross channels and 62% will change devices if they cannot complete their task on their first *channel* and *device* of choice. 71% 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 (35%), secondly to chat (24%) and thirdly to email (12%).

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.



64% of total US respondents begin their customer service journeys on the company website. This is followed by phone call (23%) and mobile app (5%).

When issues cannot get resolved in the first channel:

32% will pick up the phone and call

25% will go to the website

10% will go to email

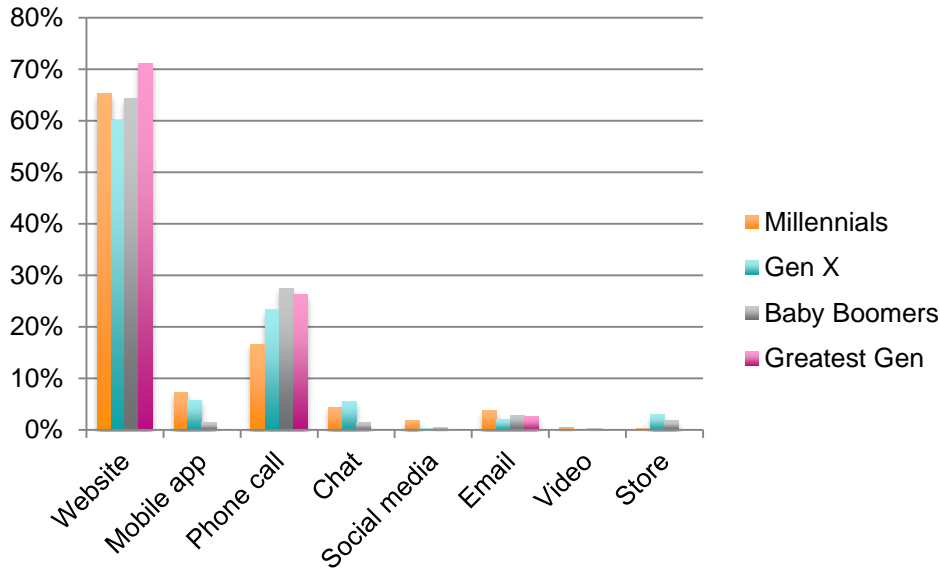
14% will access the mobile app

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

95% of respondents use at least three channels (and or devices) to engage with customer service. 82% 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.

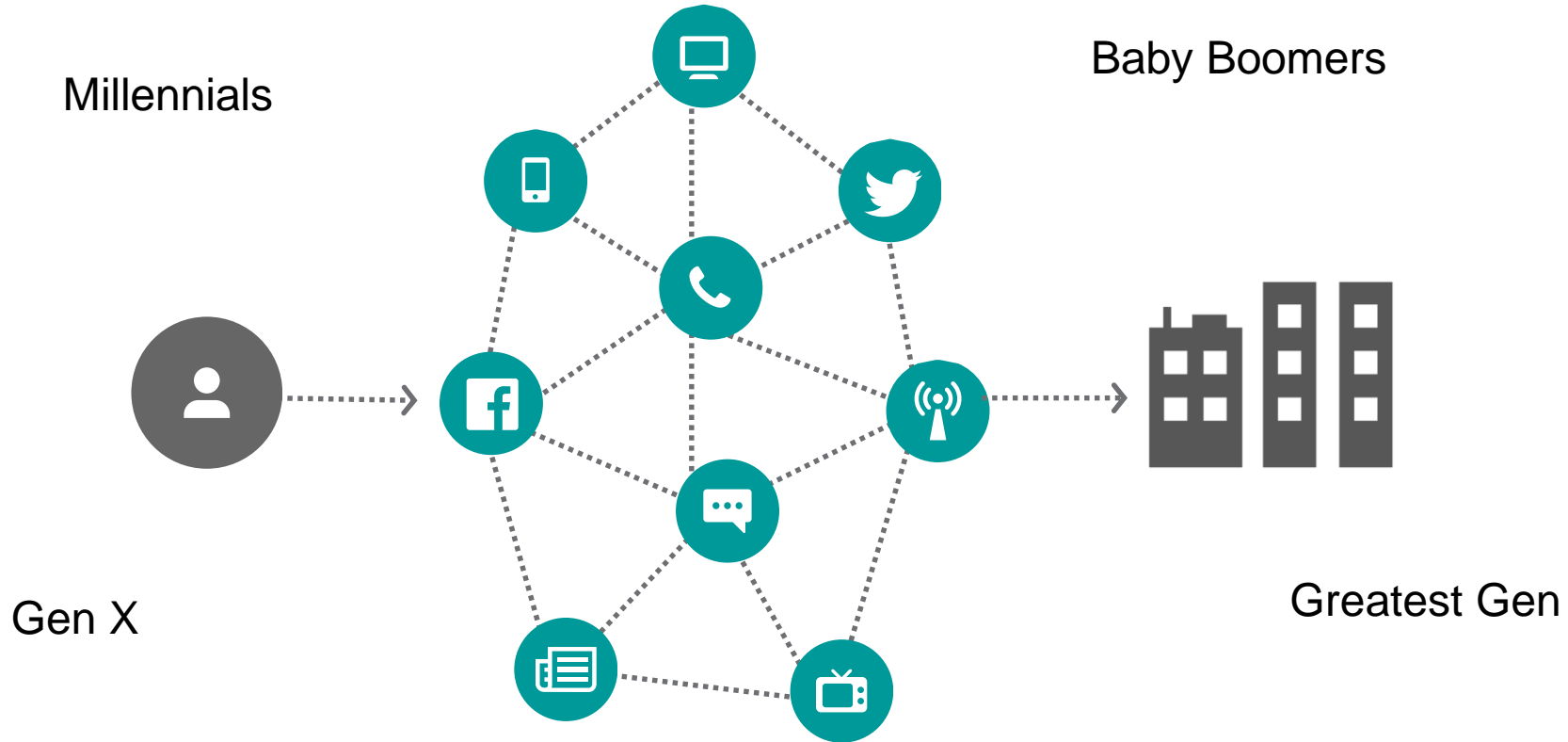
Baby boomers, Gen X and the Greatest Gen are more likely than Millennials to pick up the phone to begin a customer service journey.

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

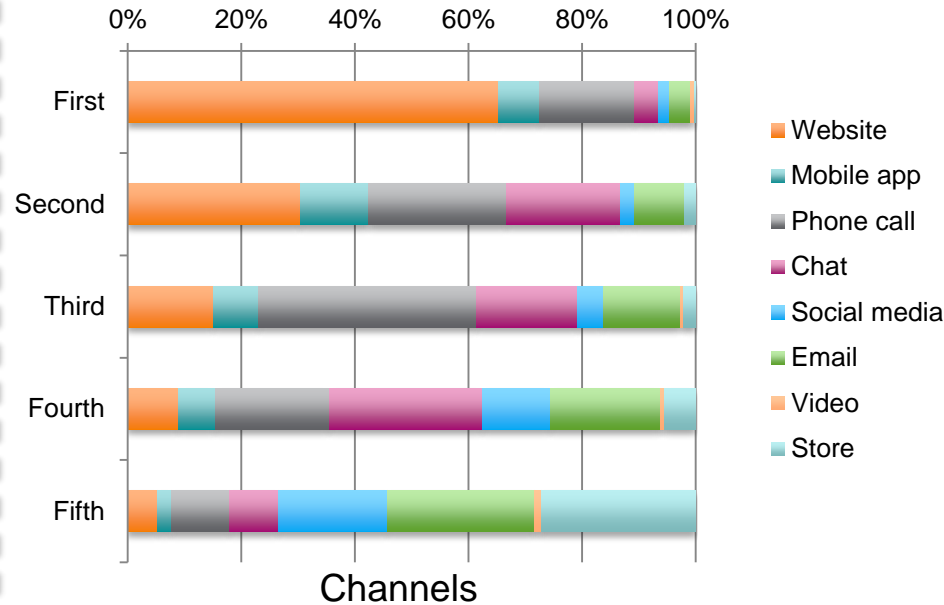
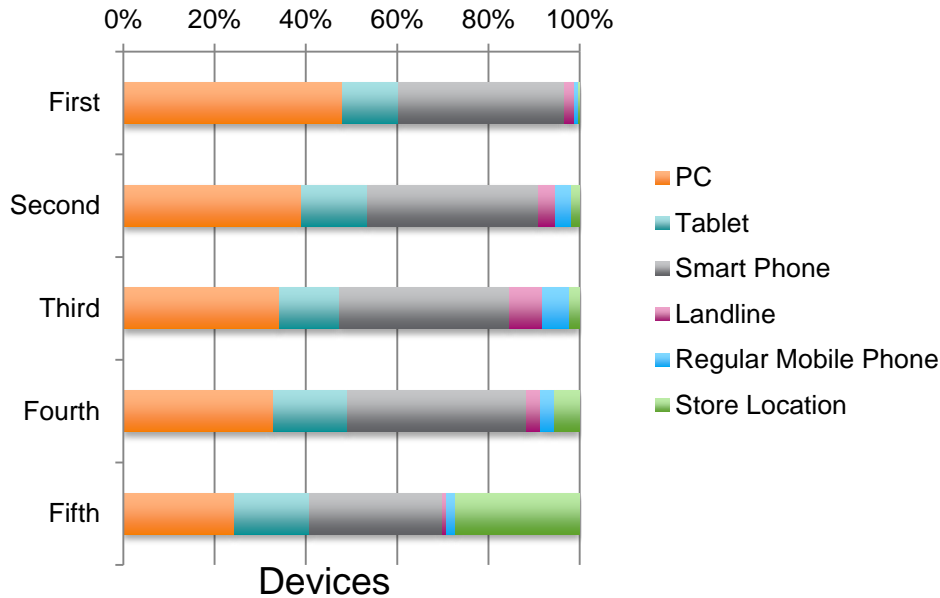
First channel used for customer service journeys

Channel and device usage vary by age groups



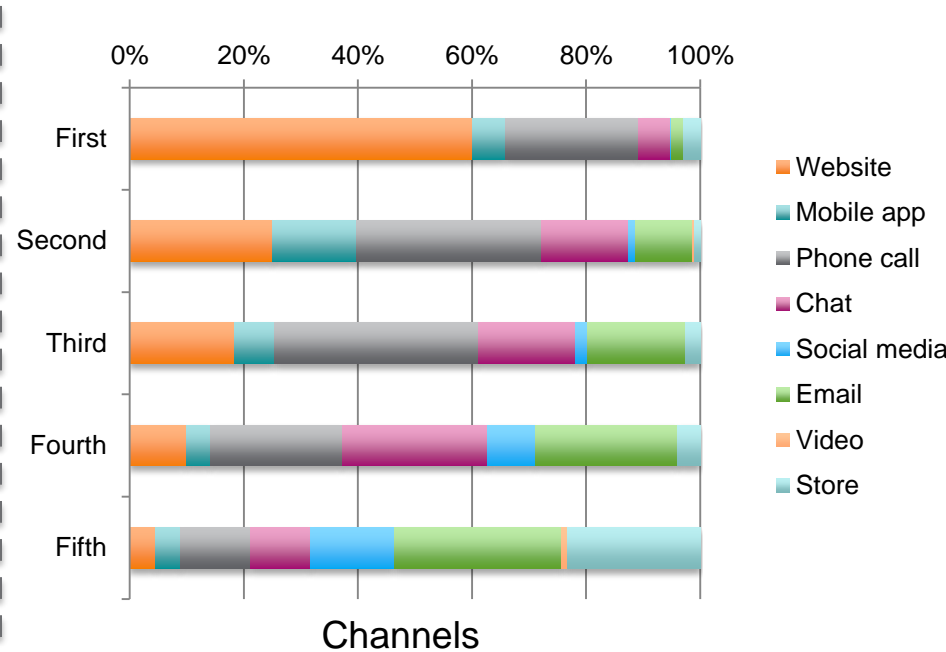
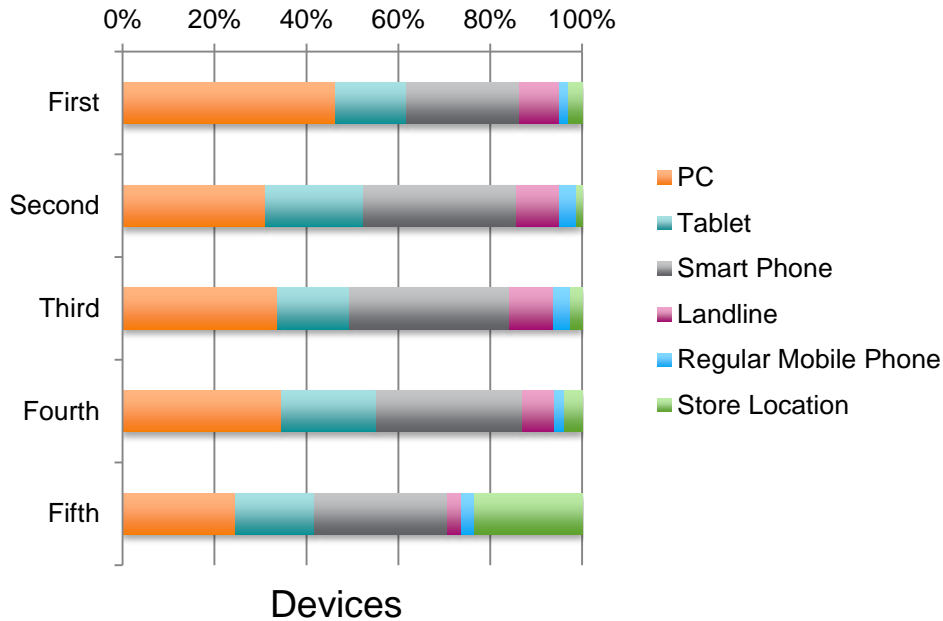
Millennials prefer websites accessed via PCs and smart phones for customer service

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.



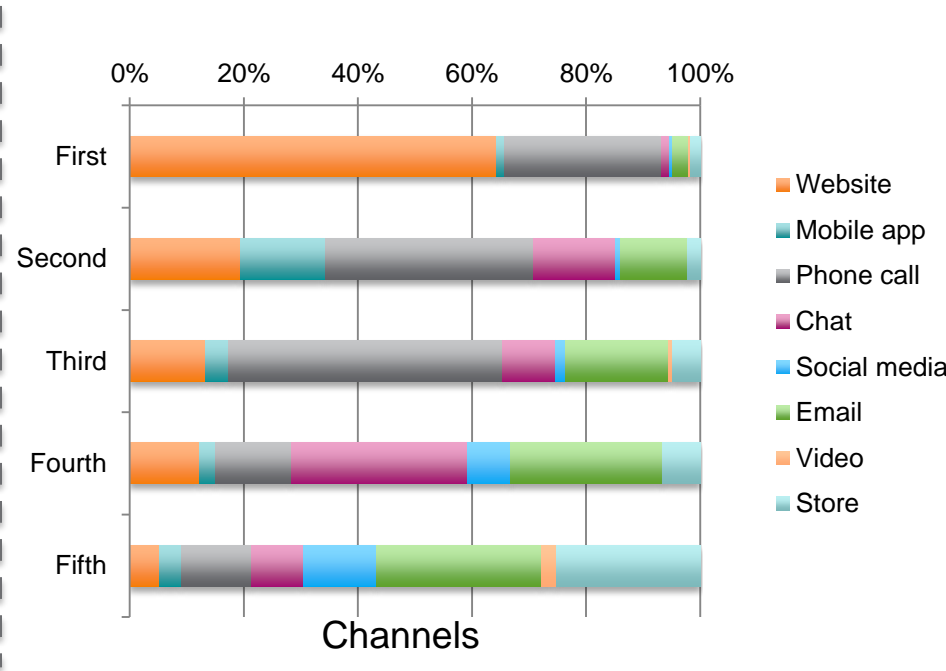
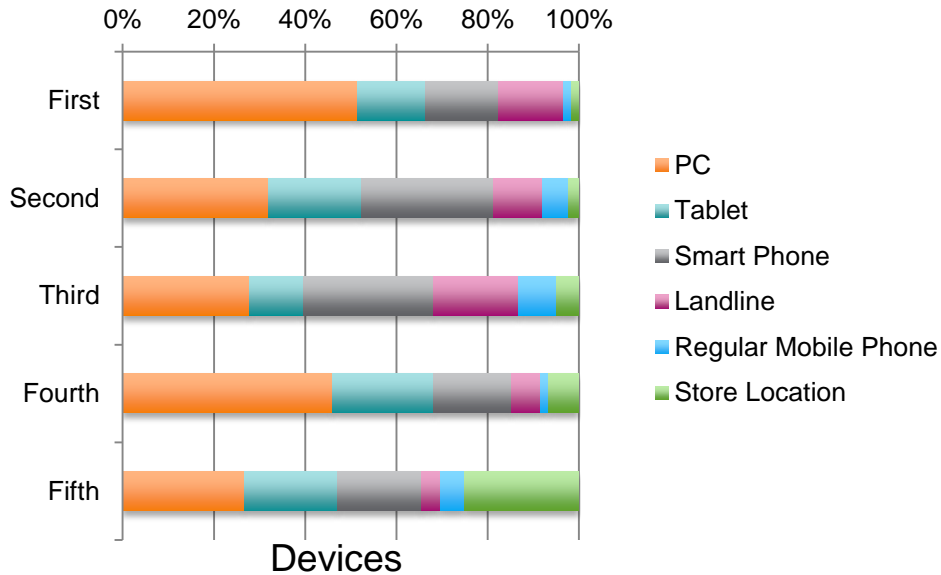
Gen Xers prefer websites accessed via PCs and smart phones for customer service

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.



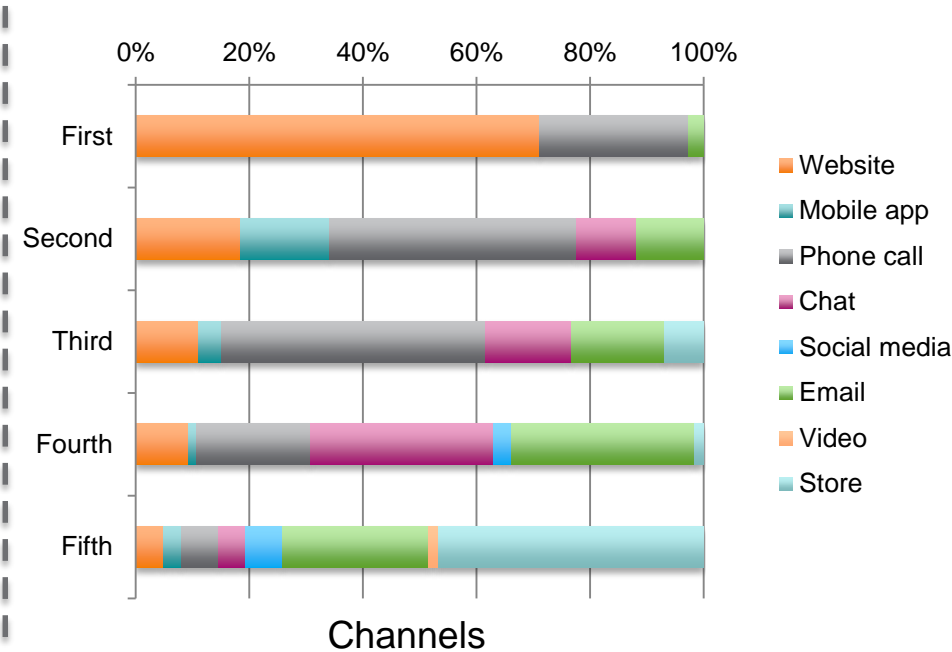
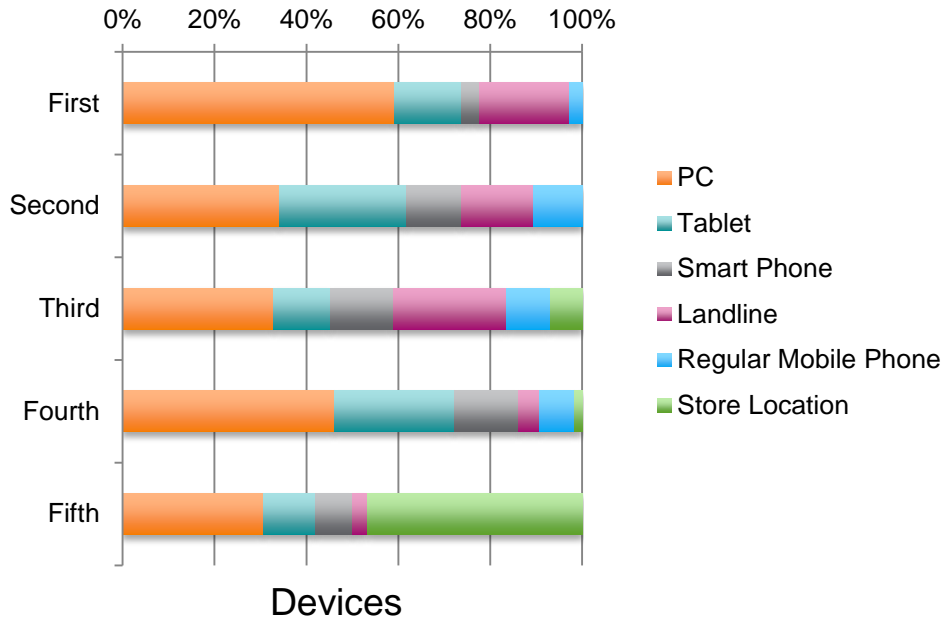
Baby Boomers prefer websites accessed via PCs and smart phones for customer service

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 or pick up a landline and call as their entry point to 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

Of the following please rank what a great CUSTOMER SERVICE experience means to you.

I don't have to "talk" to a person on the phone. All my interactions with a customer service representative are through web chat, SMS, or email. I never have to actually speak to a customer service representative on the phone.

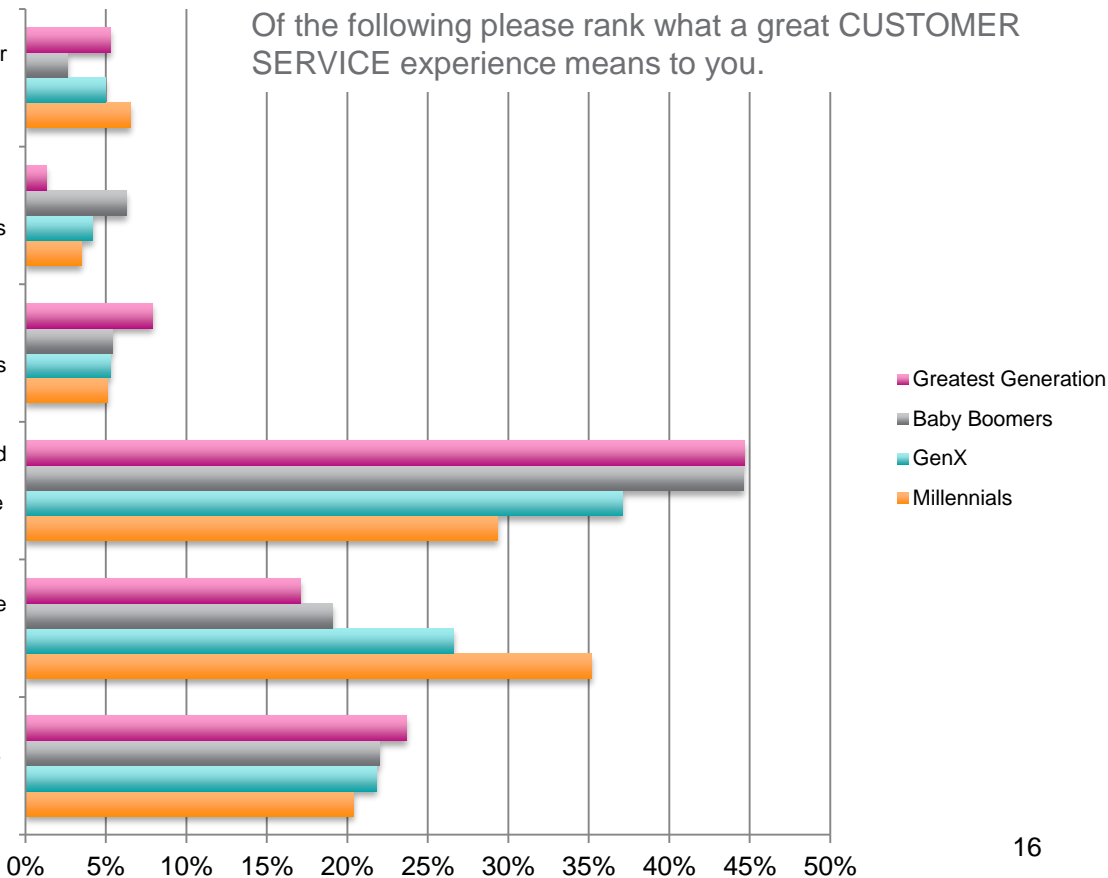
My interactions can be simultaneous with more than one channel. While on the company's website I make a phone call to customer service and the automated phone system and customer service representative already know what my issue is based on what I've done

My interactions are continuous regardless of channel. I can start a transaction in one channel (like a mobile app on my smart phone) and then finish it in another channel (like the web on my PC) at a later time. Whatever information I inputted is not lost

Being able to contact the company anyway want. I can get the information and conduct the transaction I need through any channel I want such as the web, phone, mobile app, SMS, email, social media (e.g. Facebook, Twitter, Google Plus), and a retail store/b

The self-service is optimal. I can resolve all issues myself through the web, mobile app, or automated phone system without having to talk to, email or chat/instant message with a customer service representative

The company anticipates my needs. When I contact the company already knows what my issue is without me having to tell them.





The self-service is optimal

The company anticipates my needs

The company supports all channels of engagement

76%

What's a great online purchasing experience?

Consumers want to self-serve, have the company to anticipate their needs, and channel choice when it comes to online purchasing

Of the following please rank what a great ONLINE PURCHASING experience means to you.

My interactions are connected regardless of channel. While I'm on the website or mobile app I make a call to a sales representative. He/she is able to push visual content to me to my smart phone so I can make product comparisons and fill out forms while talking

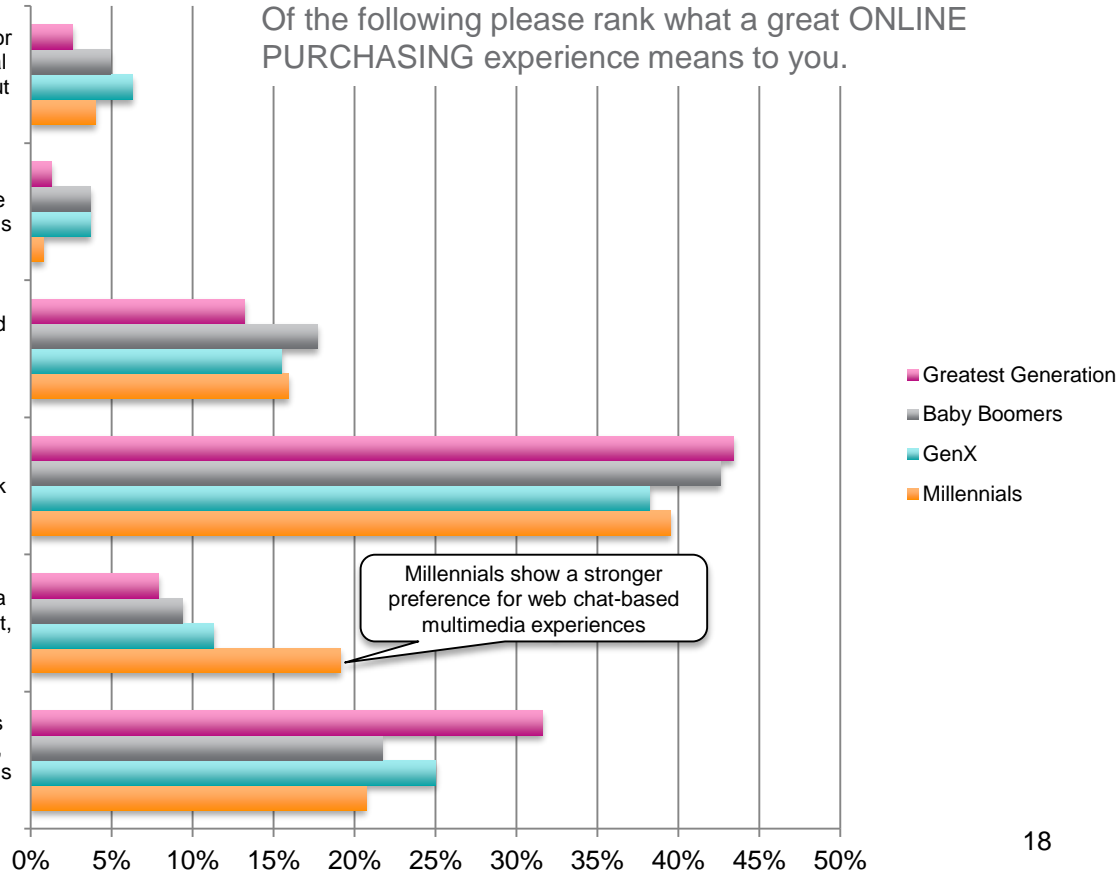
My interactions can be simultaneous with more than one channel. While on the company's website I make a phone call to purchase a product or service and the automated phone system and sales representative already know what my issue is based on what I've done

The company supports all channels of engagement. I can purchase what I need through any channel I want such as the web, phone, mobile app, SMS, email, social media (e.g. Facebook, Twitter, Google Plus), and a retail store/branch.

The self-service is optimal. I can review, make comparisons and purchase the product or service all myself through the web or mobile app without having to talk to a sales representative.

Rich multimedia experience. I am communicating with a sales representative via web chat on the website or mobile app and he/she is able to share visual content, forms and product comparisons through the web chat window.

The company anticipates my needs. A sales representative proactively engages me on the website or mobile app via web chat. He/she already knows who I am, my history as a valued customer and my preference and provides me with options and advice on specific

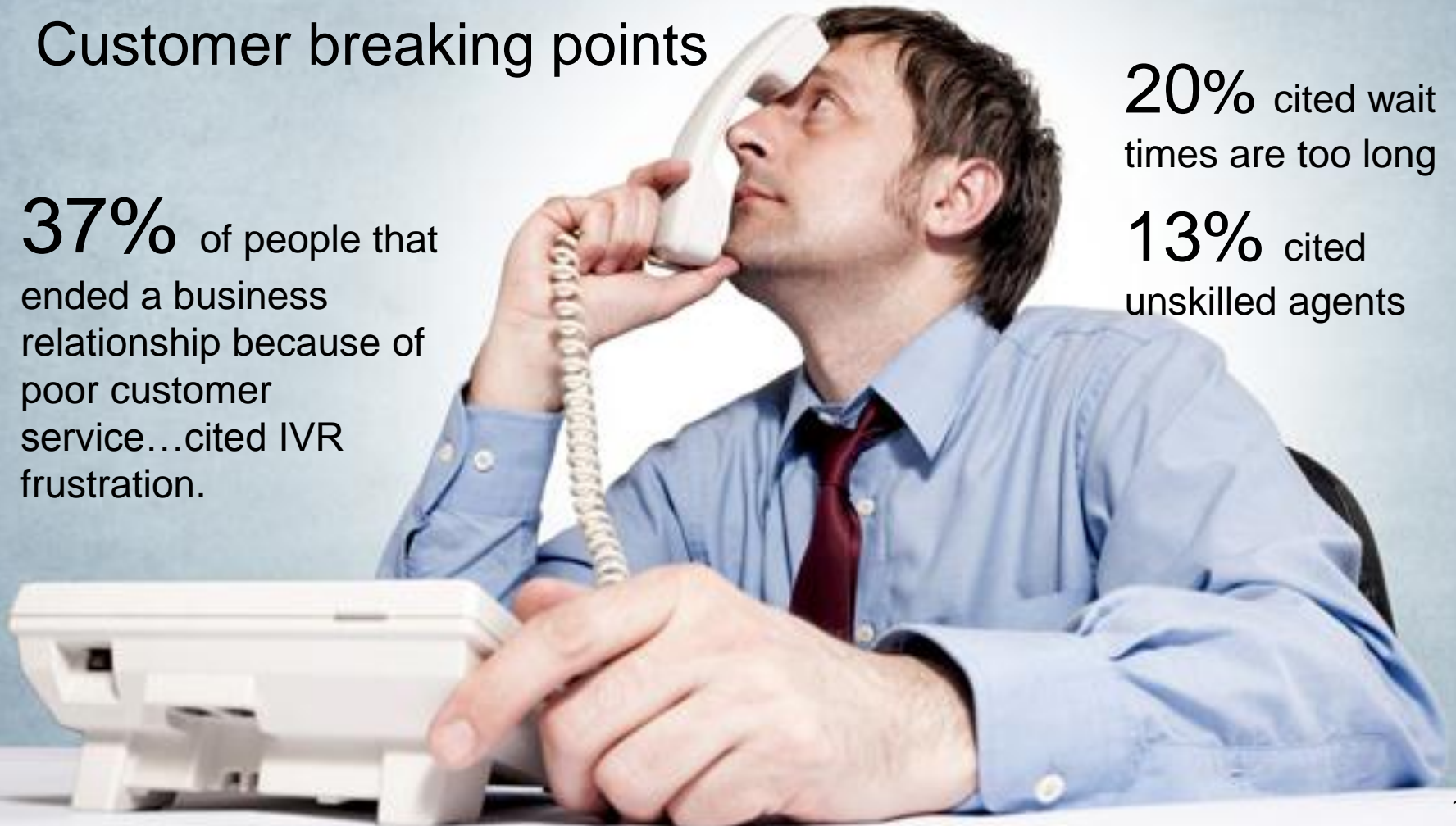


Customer breaking points

37% of people that ended a business relationship because of poor customer service...cited IVR frustration.

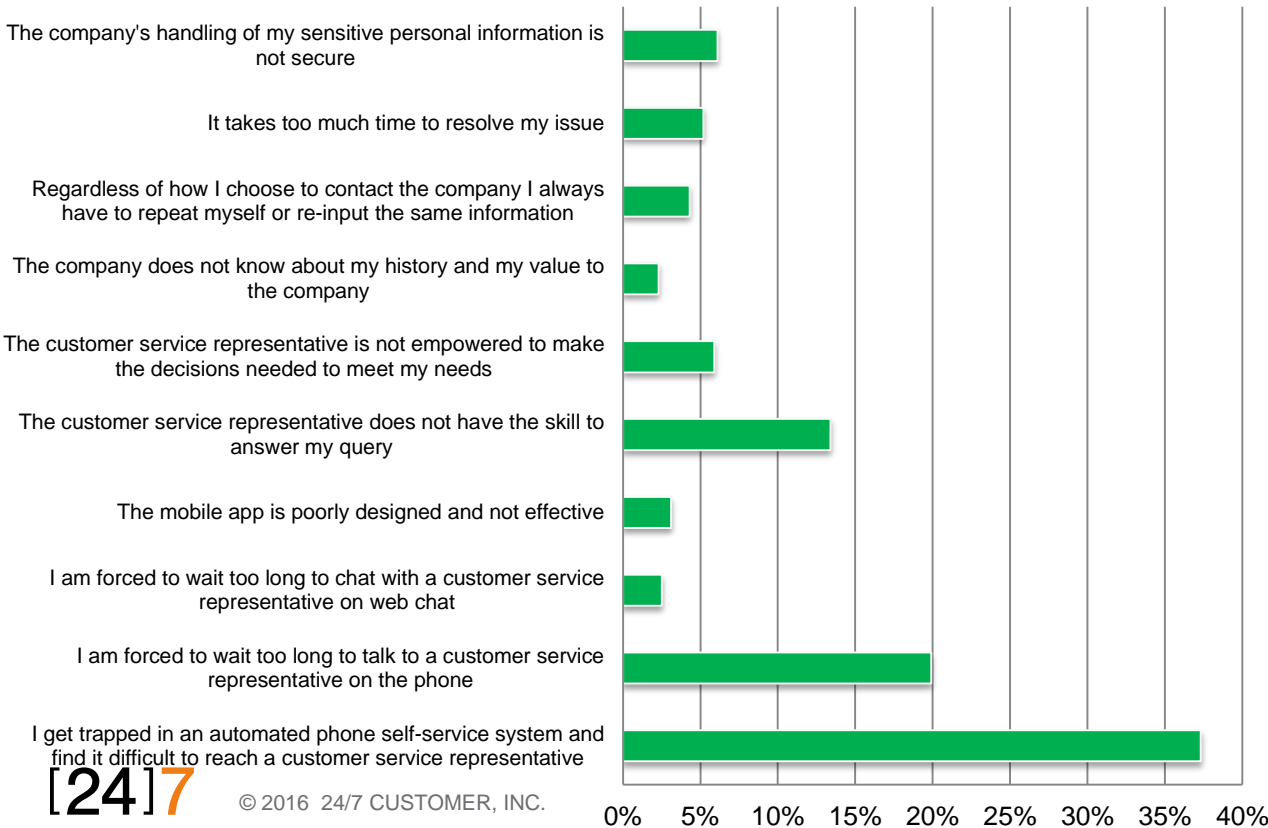
20% cited wait times are too long

13% cited unskilled agents



Total respondents: Poor IVR experiences 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.



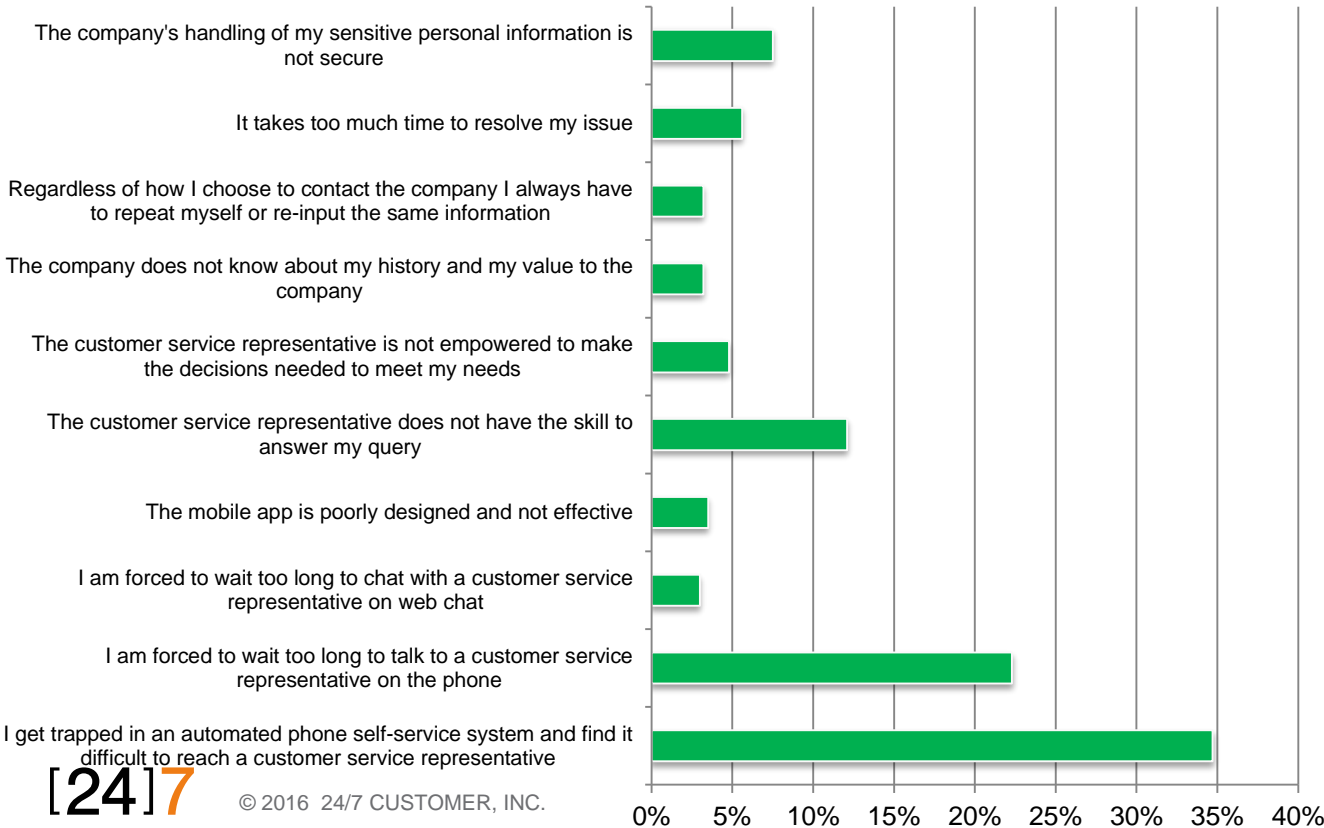
Frustrations with the phone channel abound:

37% of total respondents that ended a business relationship because of poor customer service cited phone self-service (or IVR) frustration

20% of respondents thought they were forced to wait too long to talk to an agent

Millennials: Poor IVR experiences 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.



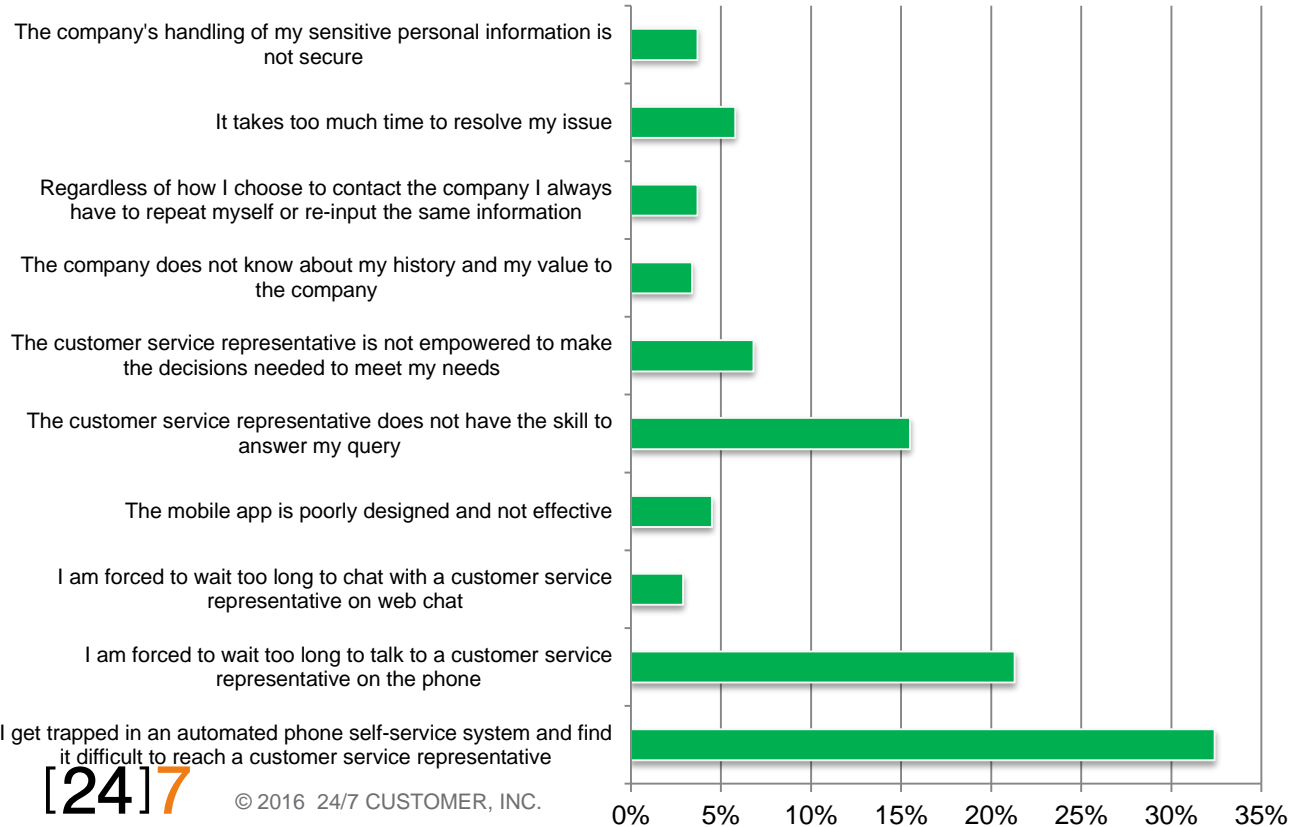
Frustrations with the phone channel abound:

35% of Millennials cited poor IVR experiences as the breaking point in customer care and the determining factor for taking their business elsewhere

22% of Millennials that ended a business relationship because of poor customer service...cited wait times to talk to an agent were too long.

Gen X: Poor IVR experiences 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.



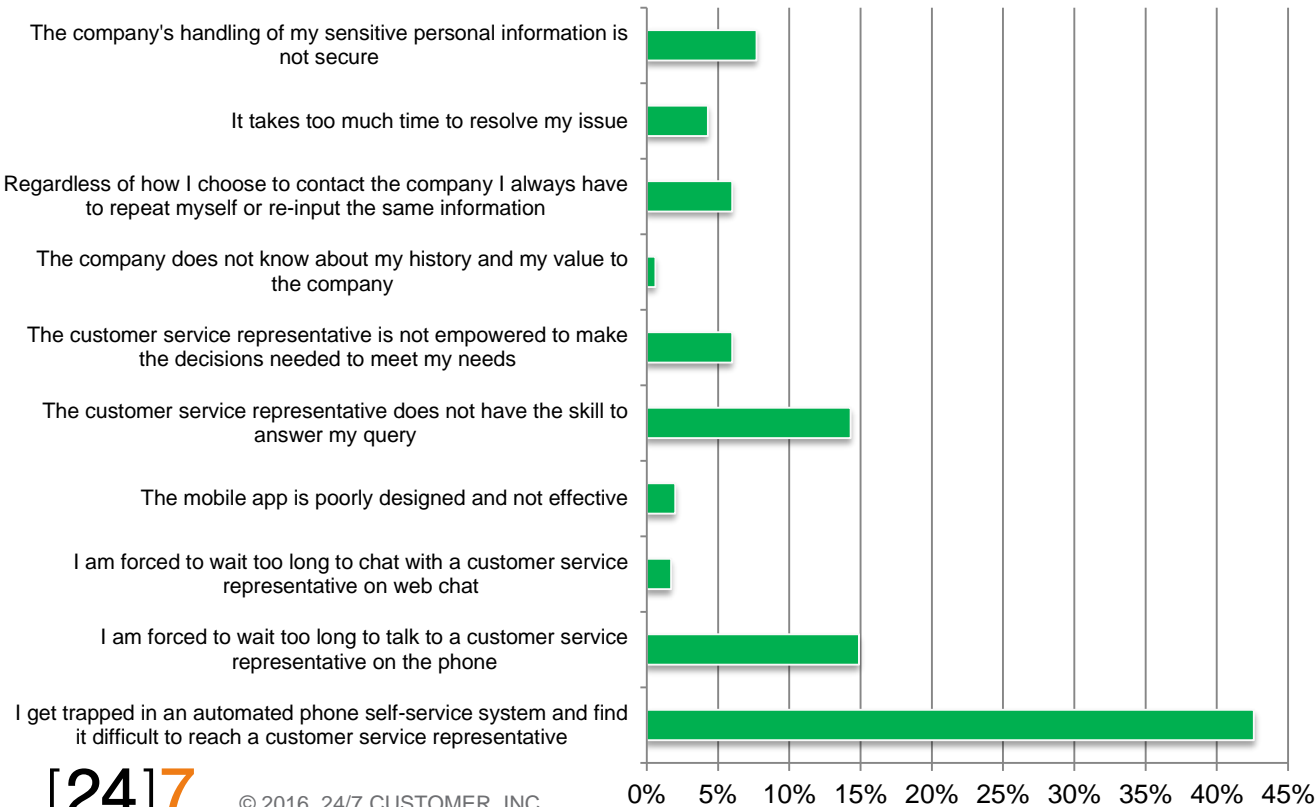
Frustrations with the phone channel abound:

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

21% of Gen Xers thought they were forced to wait too long to talk to an agent

Baby Boomers: Poor IVR experiences dominate 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.



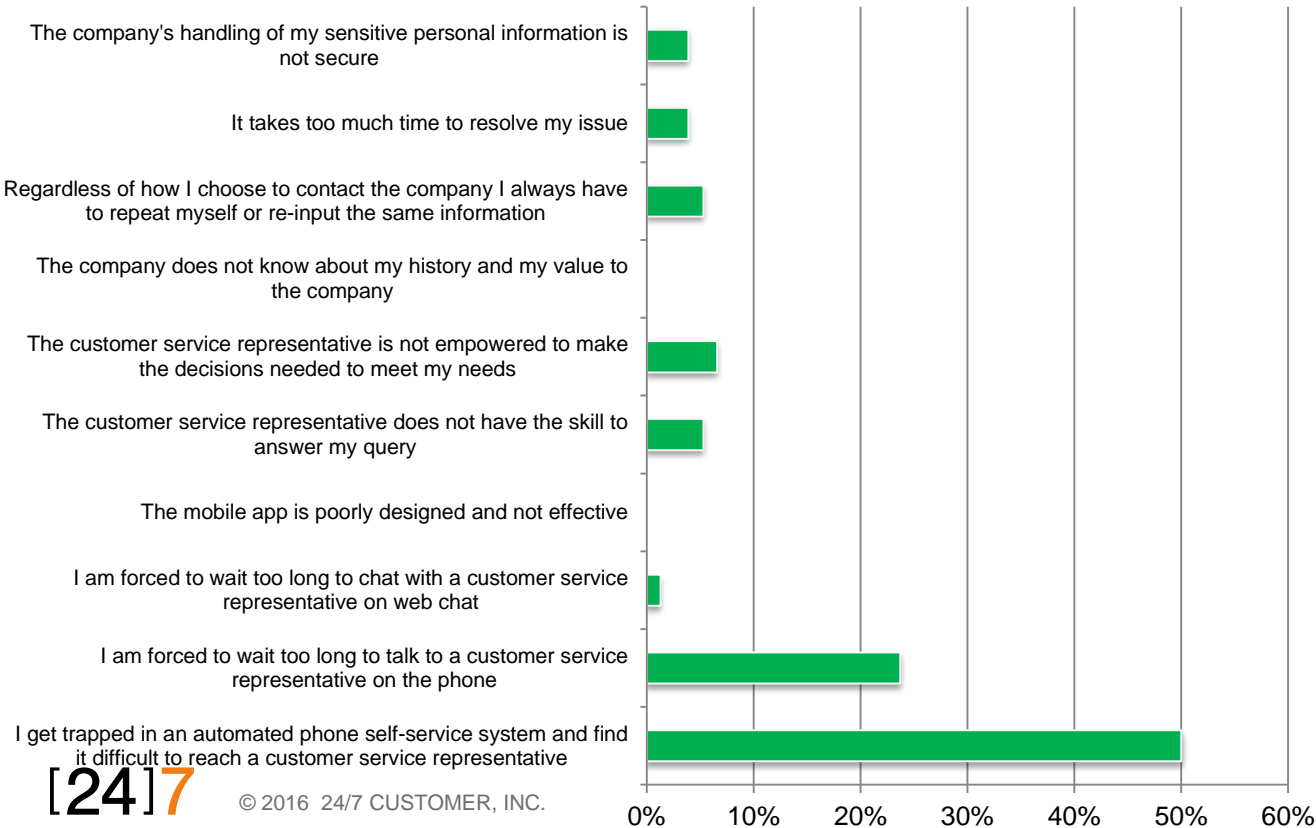
Frustrations with the phone channel are more apparent:

43% of Baby Boomers that ended a business relationship because of poor customer service... cited phone self-service (or IVR) frustration.

15% of Baby Boomers thought they were forced to wait too long to talk to an agent

Greatest Gen: Poor IVR experiences dominate 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:

50% of Greatest Gen that ended a business relationship because of poor customer service...cited phone self-service (or IVR) frustration.

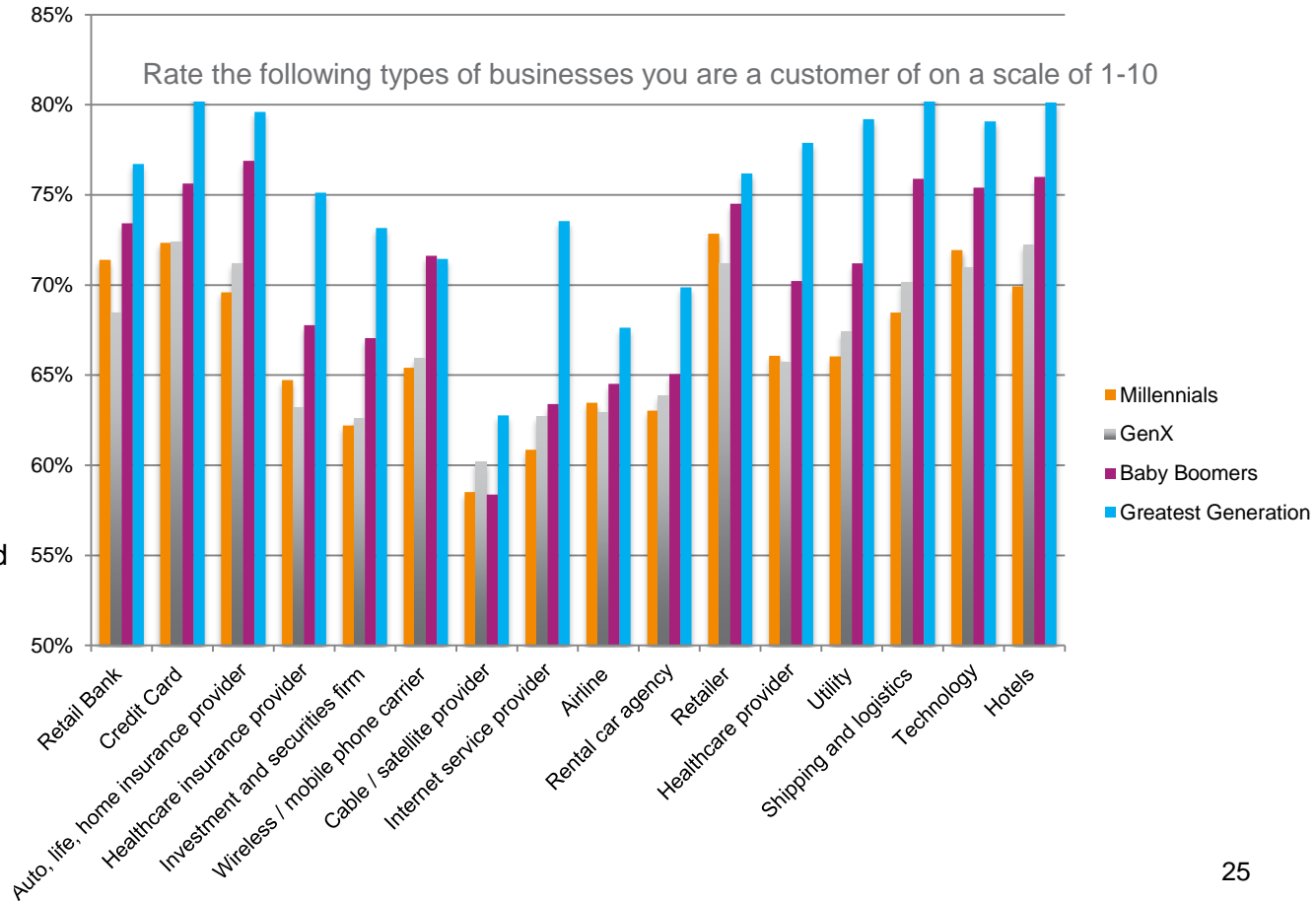
24% of Greatest Gen thought they were forced to wait too long to talk to an agent

CSAT lowest among cable and satellite providers and internet service providers

Across all age groups cable and satellite providers (i.e. Comcast, Time Warner, Dish, etc) rank the lowest in CSAT at 59%.

Internet service provider CSAT ranked the second lowest with a score of 63% 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.



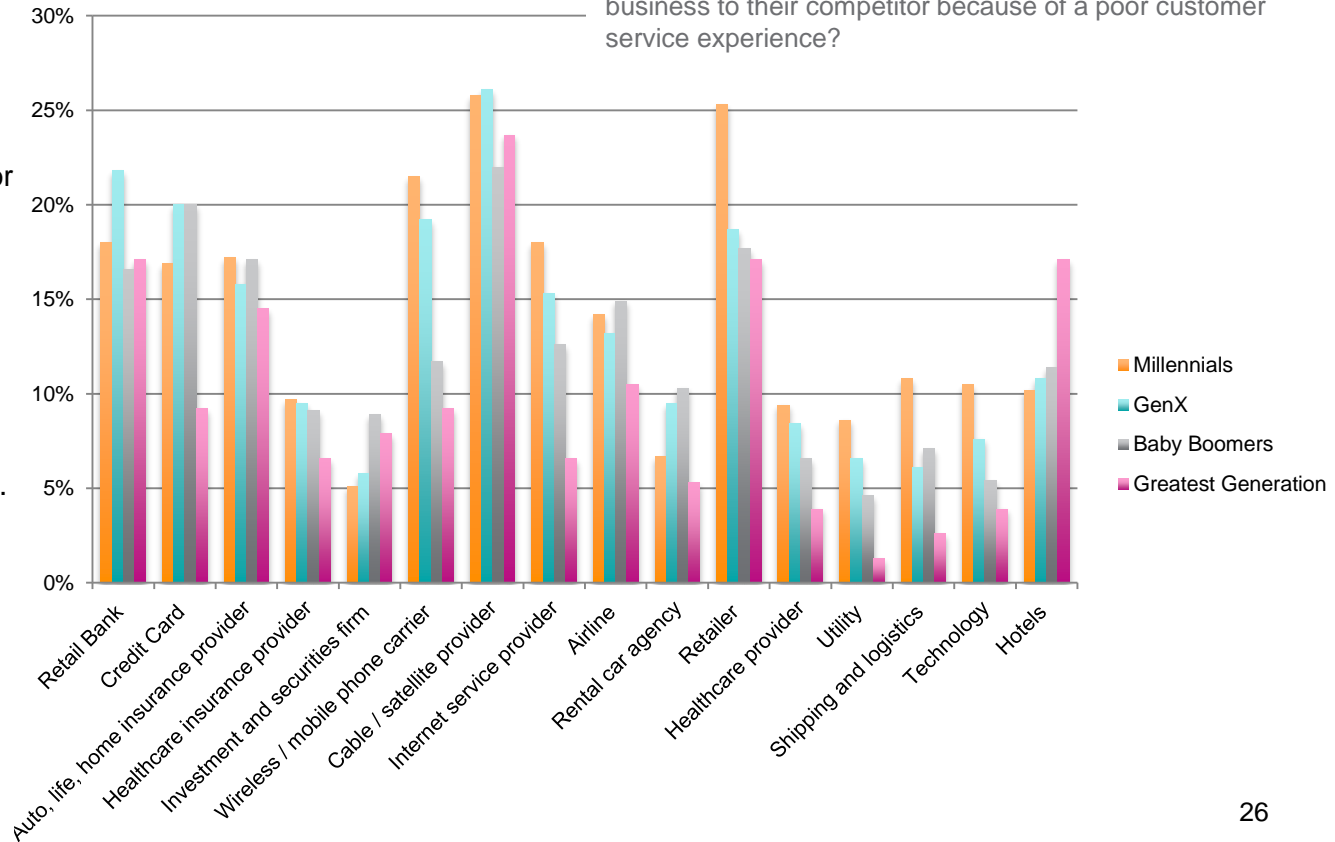
Poor customer service in insurance and retail banks lead the way in customer churn across different age groups

Which types of companies have you ended a business relationship with in the past 12 months and taken your business to their competitor because of a poor customer service experience?

One out of four have changed their cable and satellite providers due to poor customer service.

25% of Millennials have changed retailers due to poor customer service

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

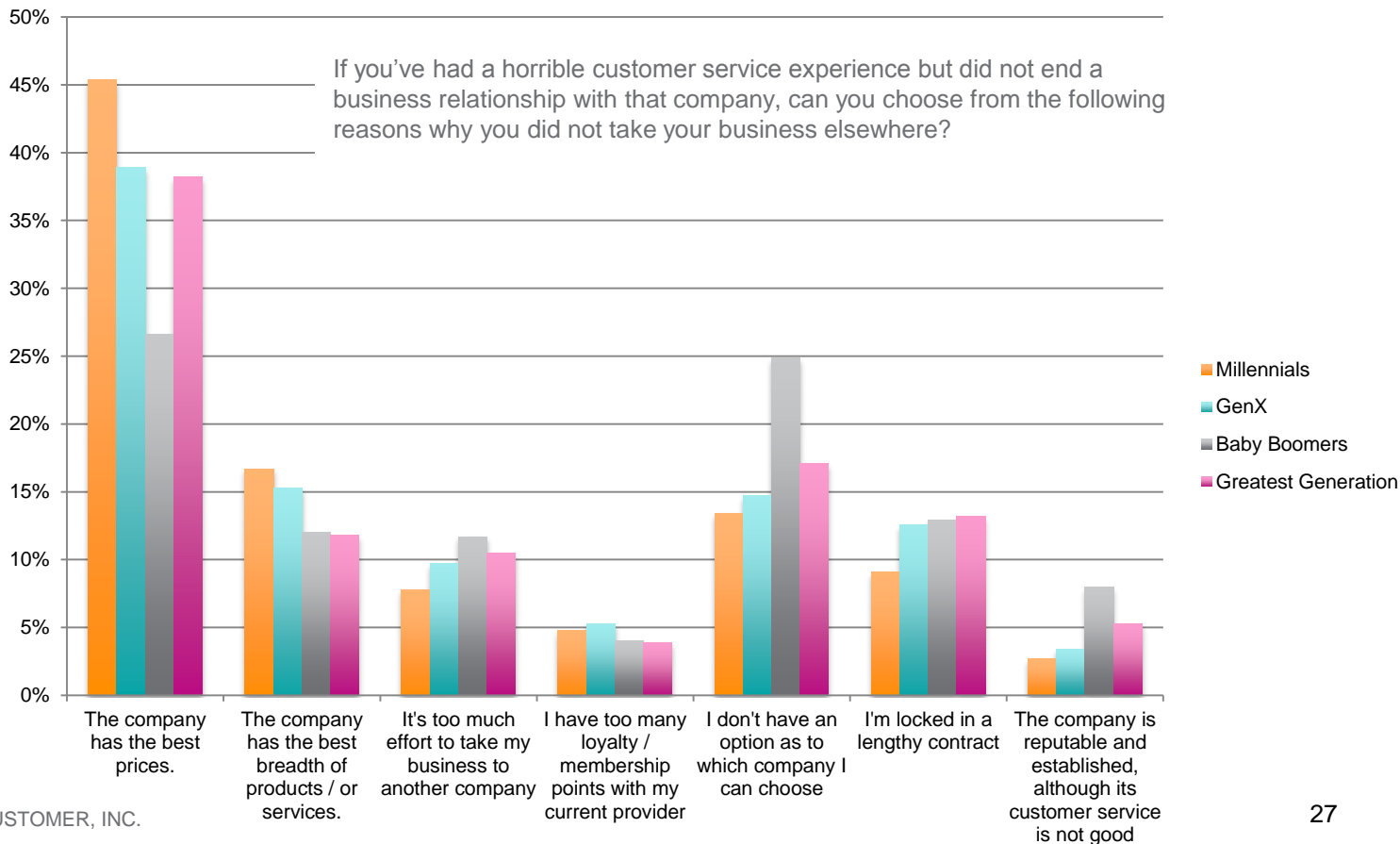


Prices prevent consumers from taking their business elsewhere when customer service is inadequate

Among all age groups, Millennials are the most price sensitive

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

One out of four Baby Boomers believe they don't have an option when it comes to which company they can choose



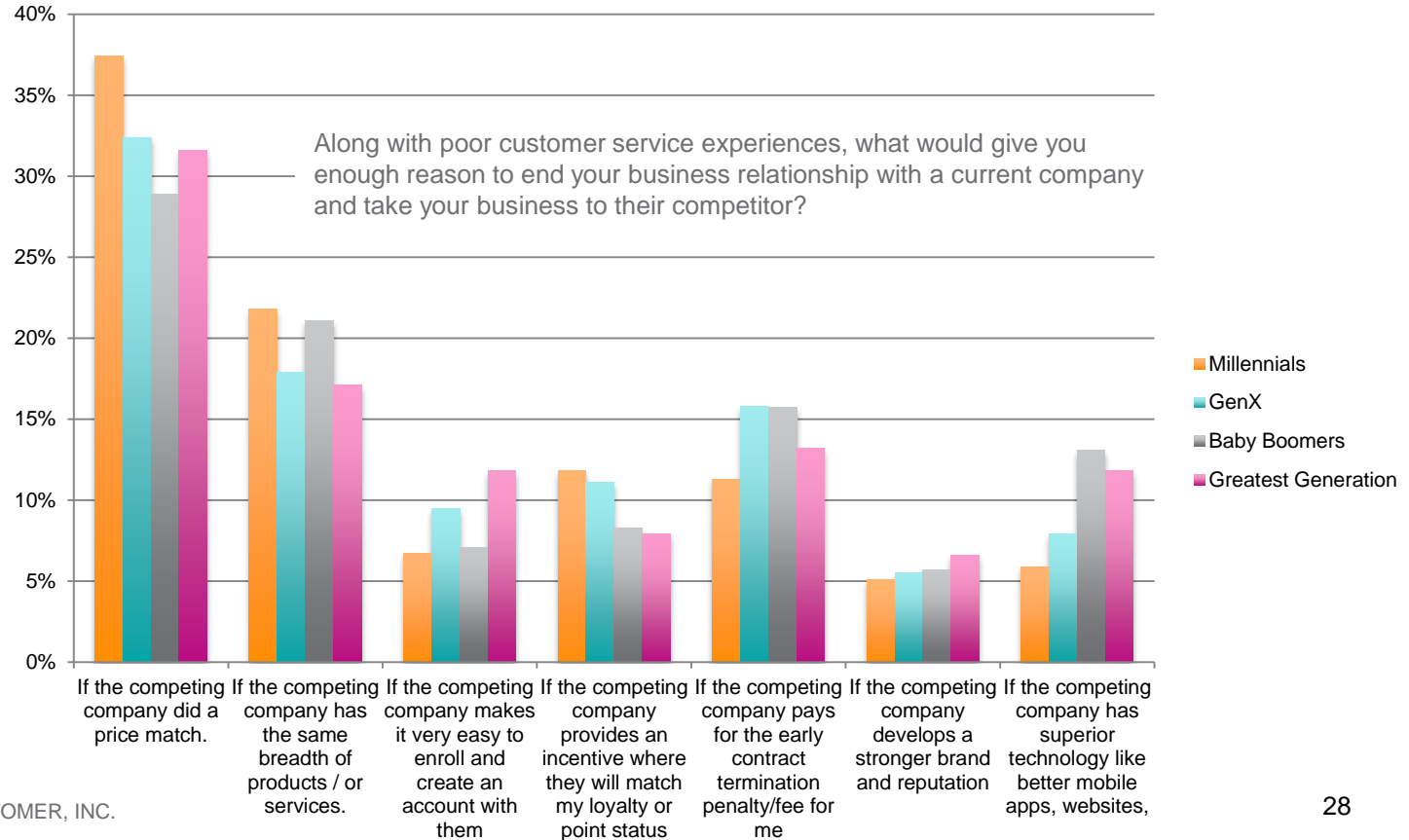
Along with poor customer service experiences, price matching will be reason enough for customers to take their business to a competitor

Among all age groups, Millennials continue 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.

Baby Boomers place more emphasis on superior technology than other age groups, who are indifferent.

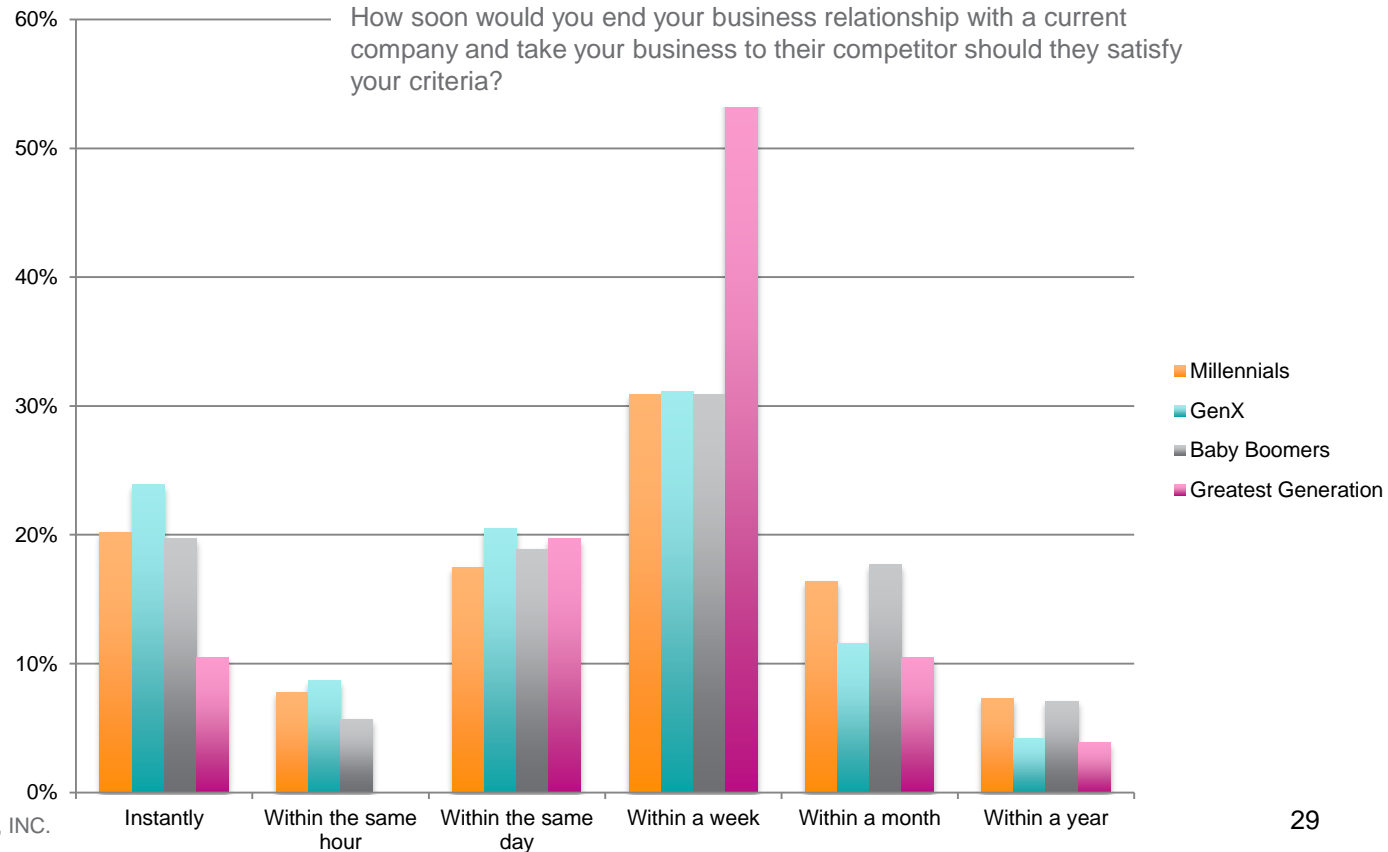


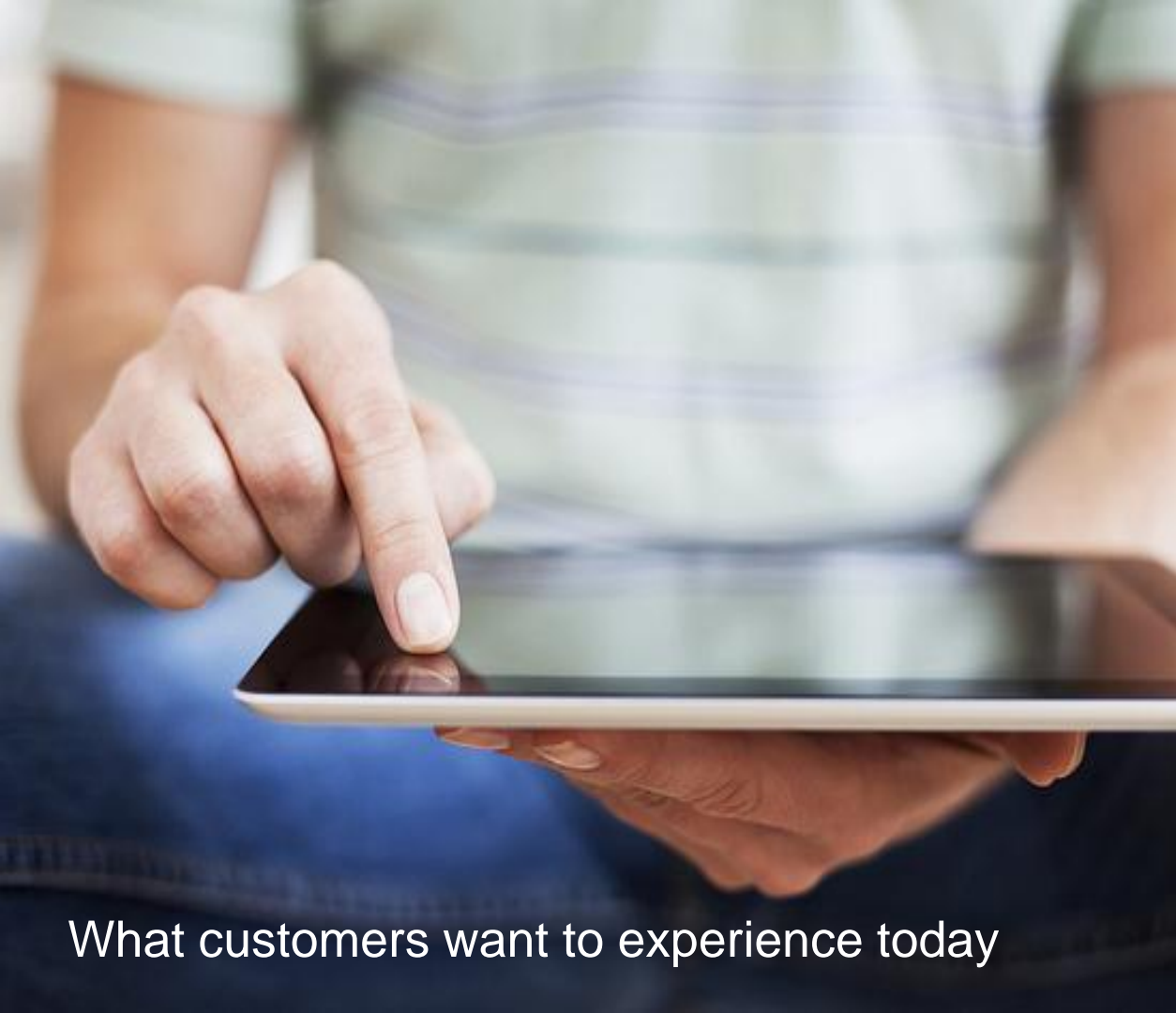
Half of consumers will take their business to a competitor within a day from poor customer service

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)

79% 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

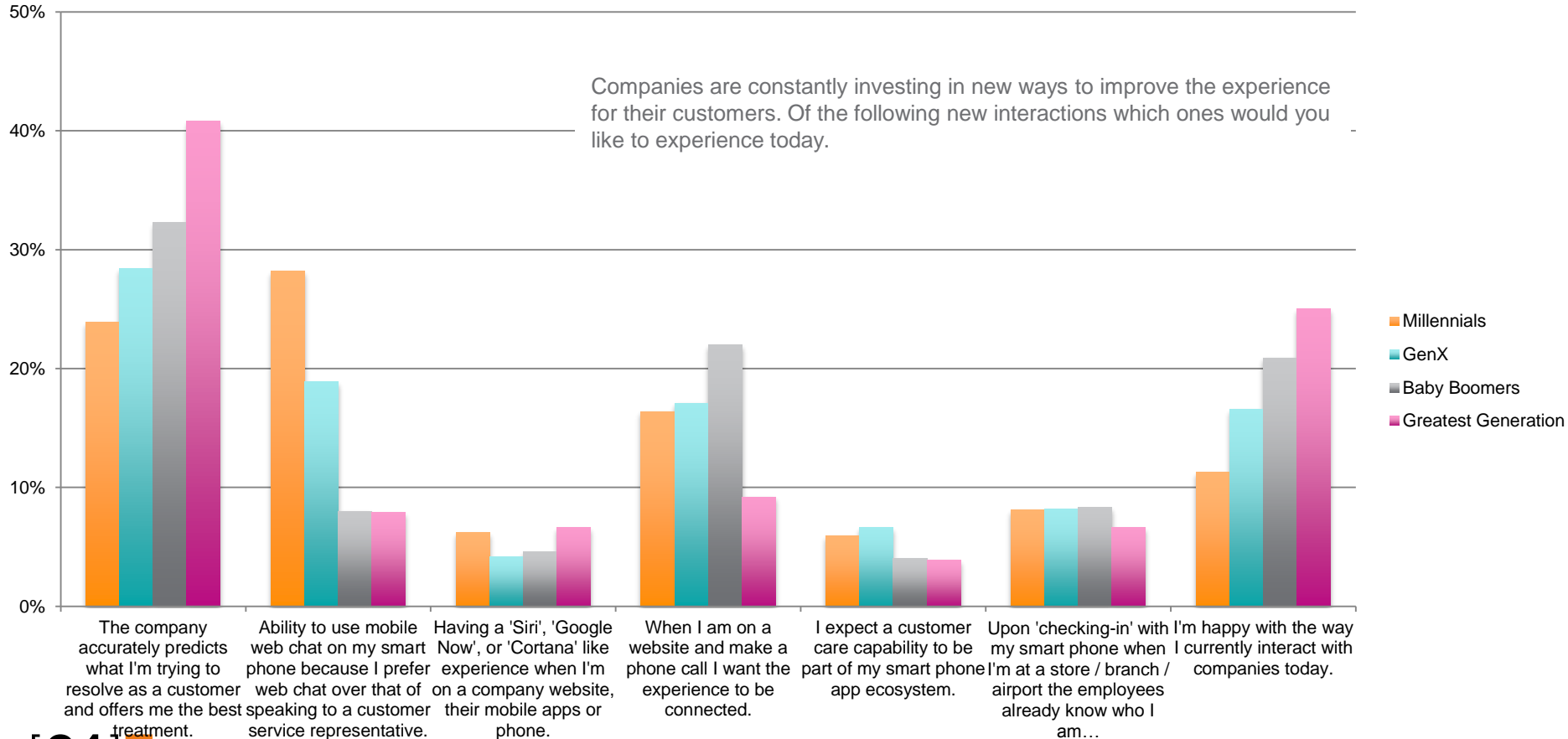
The company **predicts** what I'm trying to resolve...

Ability to use **mobile chat** on my smart phone...

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

65%

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

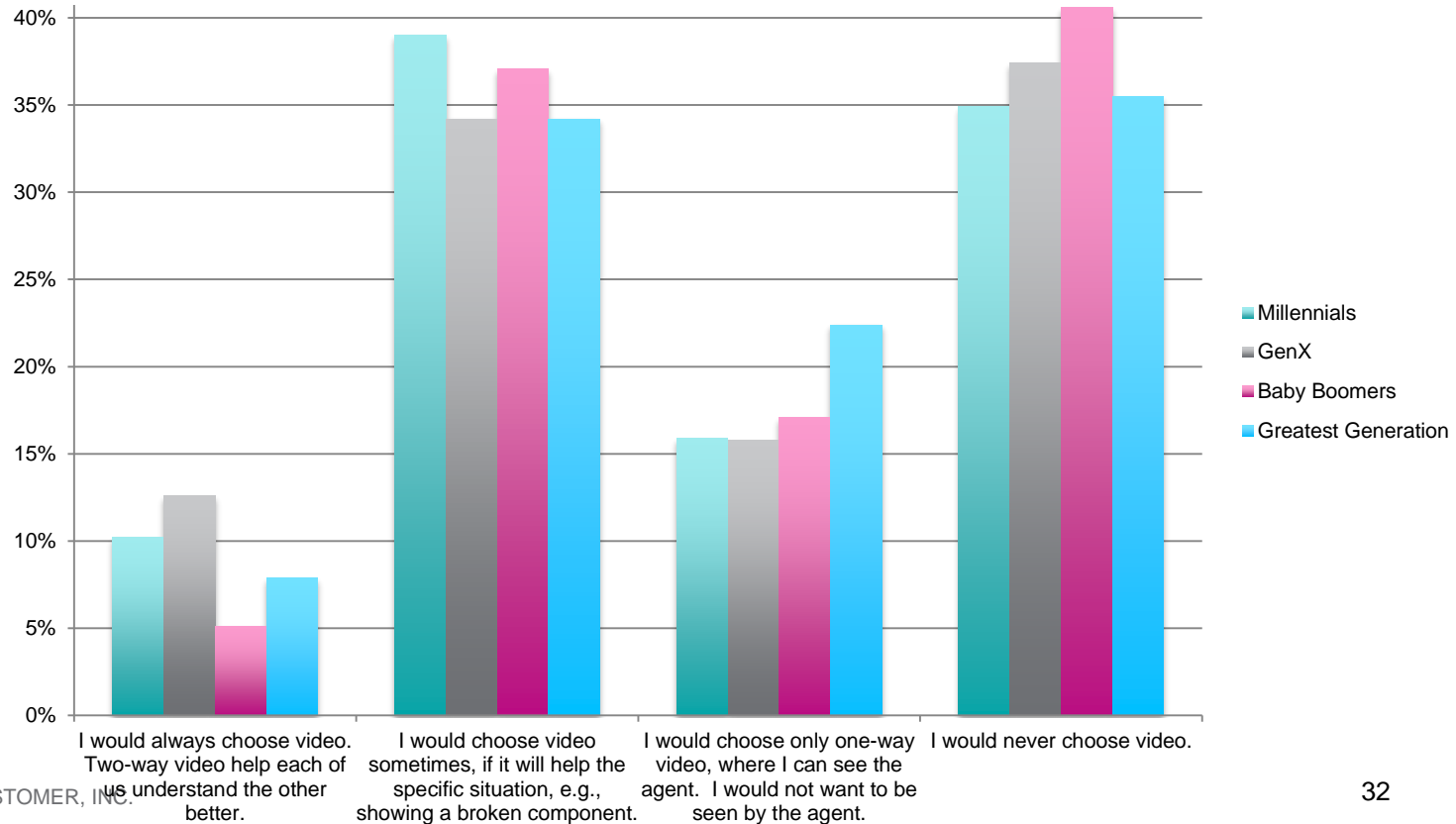


Over half of consumers would use video for customer service

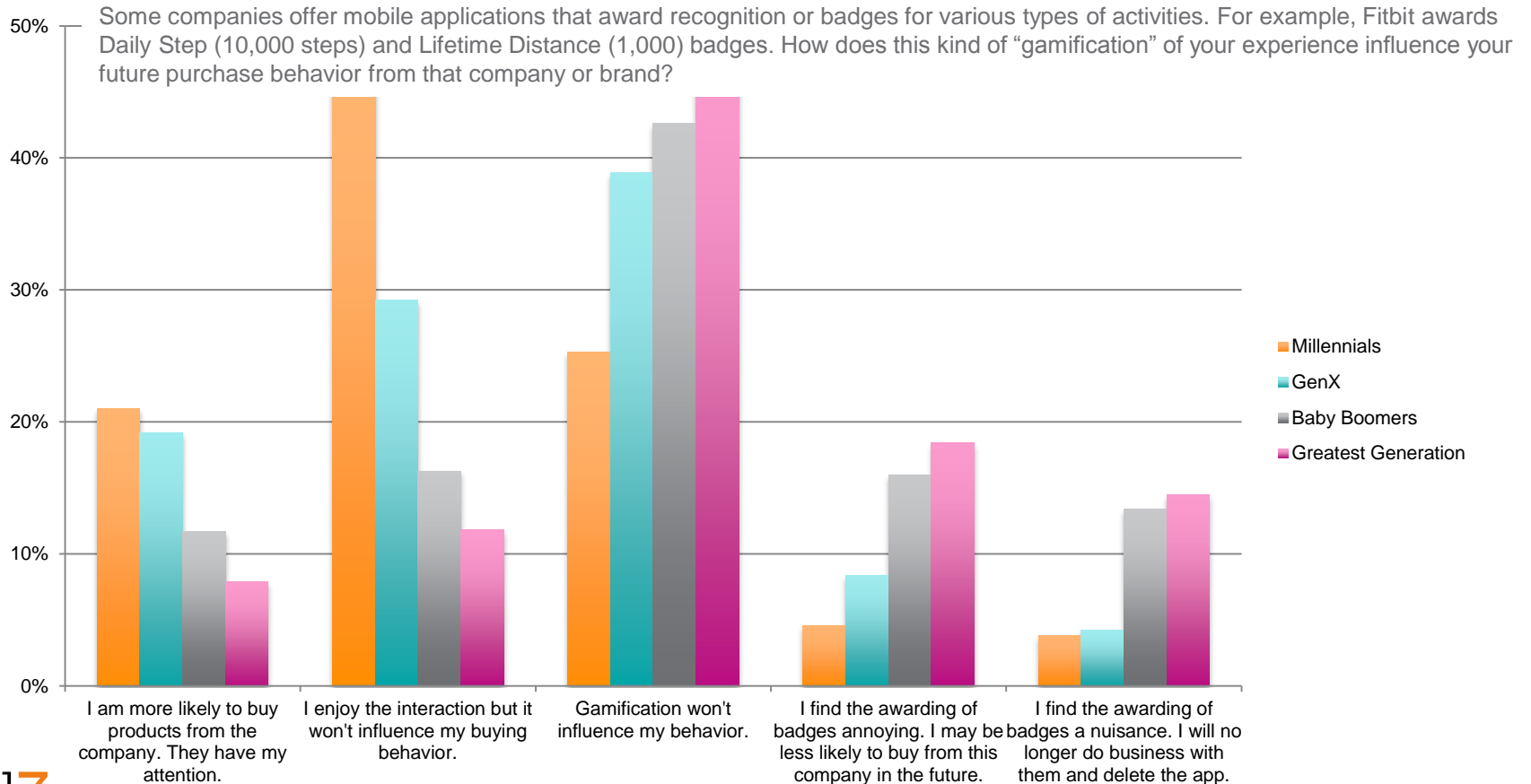
With the availability of two-way cameras on most smart phones and tablets, some companies are beginning to offer customer service and support over video. For example, Amazon offers one-way video with an agent with their Mayday service on the Fire tablet. Select the response below that most closely reflects your willingness to choose a video alternative if offered the option on an equipped phone or tablet?

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

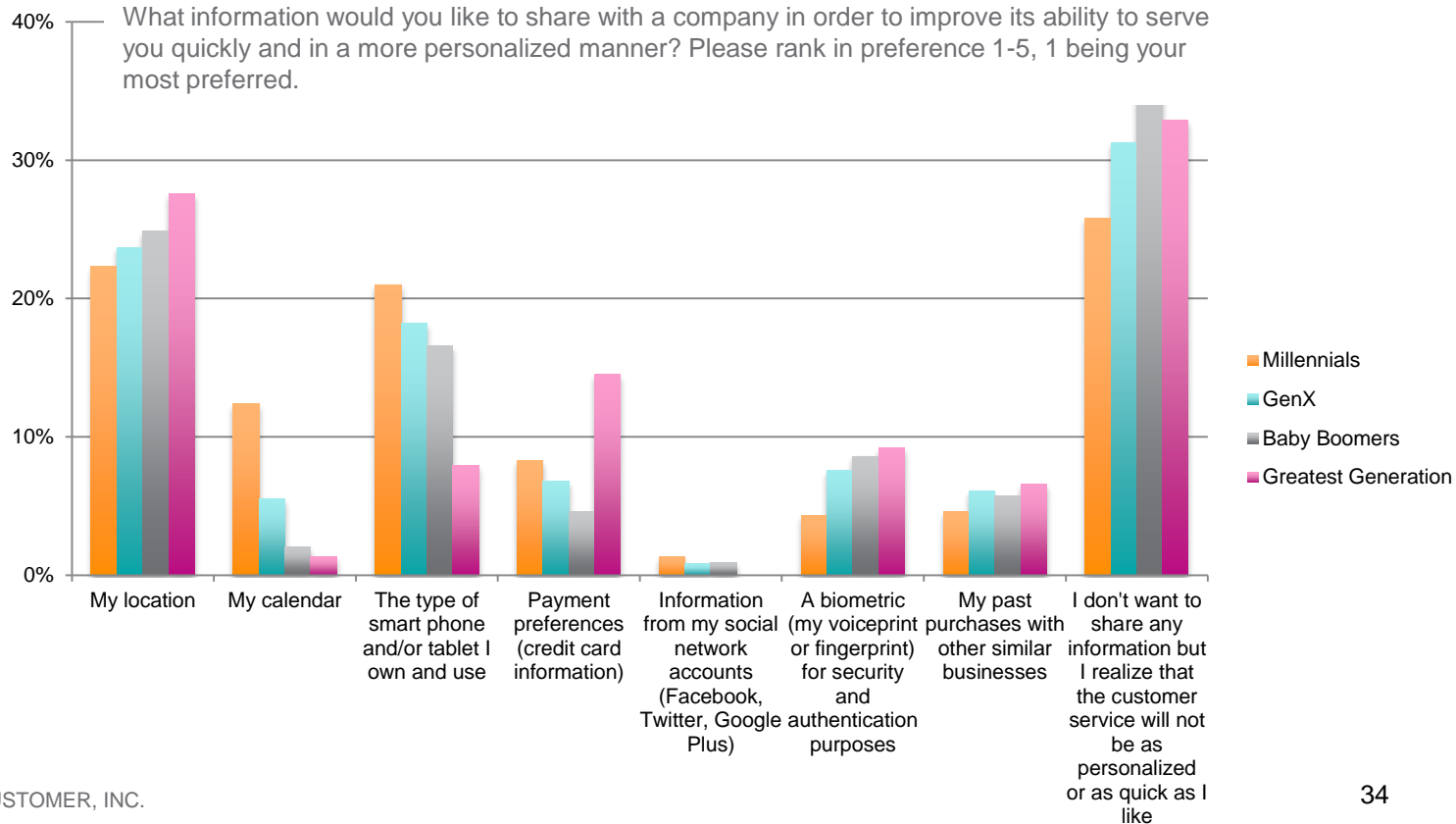


Consumers are willing to share location and device awareness information with companies if it means a better customer experience

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

Greatest Gen are open to sharing more personal information for better service.

37% of Baby Boomers do not want to share any information with companies, even if it means the service will not be as good



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Questions or comments please contact daniel.hong@247-inc.com