



THE CURRENT STATE OF CUSTOMER CARE

HOW CONSUMER PREFERENCES FOR CHANNELS
AND TECHNOLOGY ARE EVOLVING

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ANSWERING QUESTIONS ABOUT CUSTOMER CARE

Customer care, although increasingly important, is constantly evolving and therefore a challenge for many companies. Businesses know they they need to excel at customer care in order to remain competitive, but with the pace at which consumer preferences for channels continue to change, it's difficult for many businesses to develop a comprehensive and effective customer care strategy. Considering this, Interactions designed a survey to take a look at some of the key questions many companies have about customer preferences today: Which channels do customers prefer?; How comfortable are consumers with different types of technology?; and How important is the human touch when dealing with automated customer care?

The following whitepaper addresses these questions and details some major takeaways for companies to consider for their customer care efforts.



RESEARCH DESIGN

In the Fall of 2017, Interactions fielded a one week online quantitative consumer survey. Over the course of fielding the survey, 1,012 responses were collected and analyzed. Demographics of the respondents were generally representative according to national census data for age and gender (Appendix A). See Appendix B for a full copy of the questionnaire.



[APPENDIX A](#)



[APPENDIX B](#)

LOOKING AT CUSTOMER BEHAVIOR

HOW OFTEN ARE CUSTOMERS REACHING OUT?

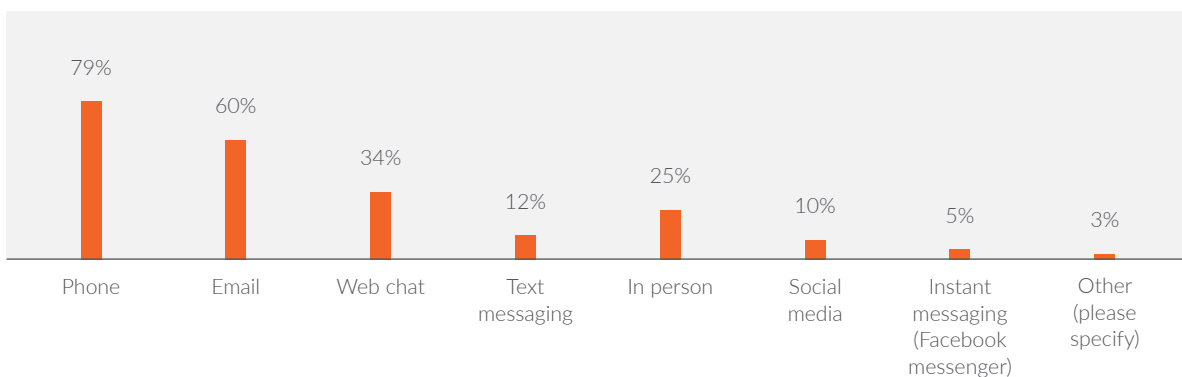
To begin with, we wanted to take a look at how often the average consumer interacts with customer service. Across different industries, most companies are increasingly competing on the basis of customer service performance—and based on the results of this survey, that makes sense. Nearly 90% of respondents indicated that they are reaching out to a company's customer service department up to three times per month. Which potentially means that consumers are wasting a lot of time waiting on hold, being frustrated, or both if the companies they interact with are not implementing easy and efficient ways for customers to resolve their issues.

HOW ARE THEY REACHING OUT?

In recent history, there has been a lot of debate about customer care channels. As newer customer service channels such as social media and chat become more prevalent, many businesses are asking—what is the relative importance of these new channels compared to more traditional channels such as the phone?

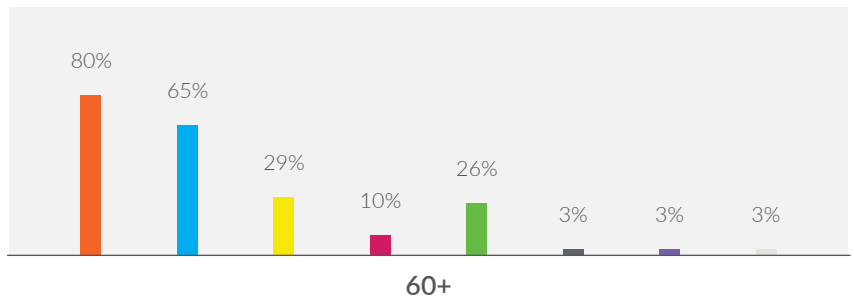
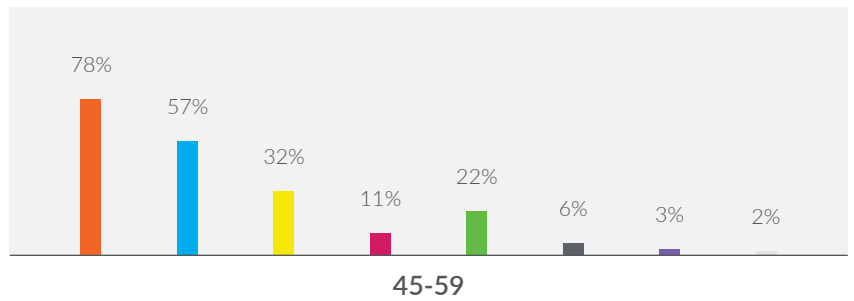
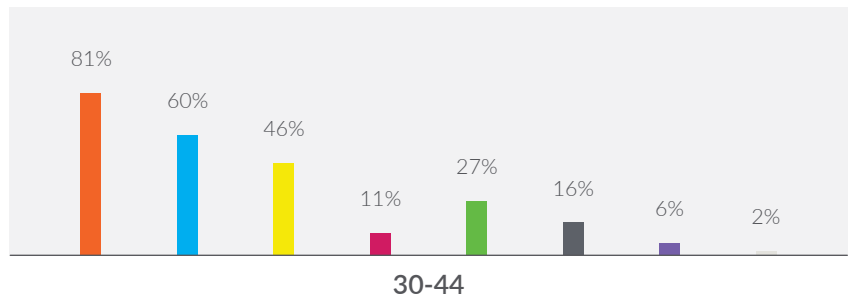
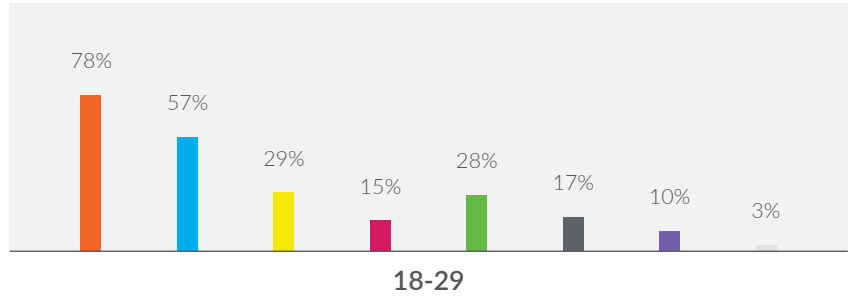
As we have found through previous research, this study shows that the phone is still an overwhelmingly predominant channel for consumers. In fact, when asked which contact methods they had ever used to reach out to customer service in the past, 79% said they had used the phone. In addition, 60% have used email and 34% have used some form of web chat.

Which of the following methods have you used to contact a company in the past?



Which of the following methods have you used to contact a company in the past? (by age)

When it comes to channels such as social media, however, there are still relatively few people who have used this method—just 10% on average across all respondents. This did vary slightly by age group, however, as 17% of 18-29 year olds and 16% of 30-44 year olds have used social media, compared to only 6% of 45-59 year olds and 3% of 60+ year olds. Similarly, a larger percentage of 18-29 year olds have used instant messaging compared to older groups. Web chat seems to be the most popular among 30-44 year olds, where 46% of the respondents in that age group indicated they had used this method in the past.



- Phone
- Email
- Web chat
- Text messaging
- In person
- Social media
- Instant messaging
- Other (please specify)

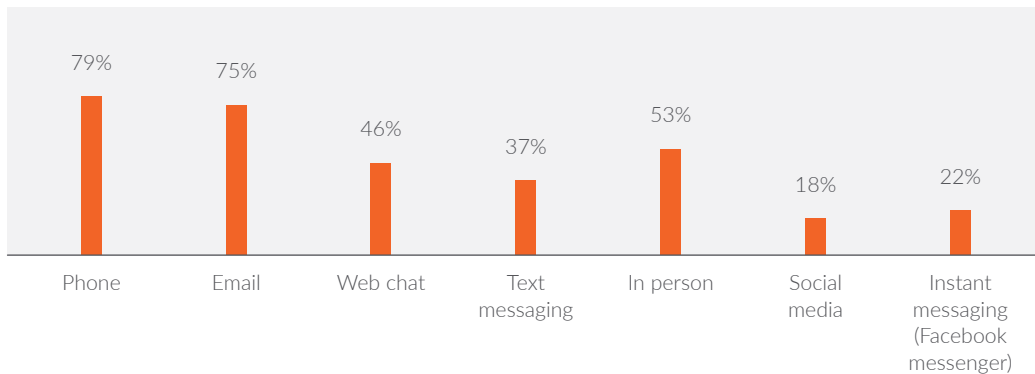
HOW COMFORTABLE ARE CONSUMERS WITH DIFFERENT CHANNELS?

While it's true that certain channels are definitely being used more than others, we wanted to know whether consumers would be comfortable with other channels that they may not have used in the past. The results showed that more people are comfortable with the channels that are used most often (such as phone and email), and fewer people are comfortable with those channels that are used less frequently (such as instant messaging and social media).

There were, however, some noticeable variations between the percentage of people who have used a particular channel in the past and the percentage who said they would be comfortable using that same channel. For instance, while only 5% of people have used instant messaging in the past, 22% said they would be comfortable using it.

There could be several reasons for this discrepancy. One likely reason is that companies simply have not made these channels available to their customers. In addition, companies that do have these channels in place may not have set them up in such a way that they are efficient and easy for the customer to use. In these cases, customers are more likely to turn to another channel that is easier to use, regardless of personal preference. The data, however, illustrates a consumer base that is willing to use these newer channels, provided that they are set up to enable quick and efficient issue resolution.

Which of the following methods would you be comfortable using (even if you have not used it in the past)?

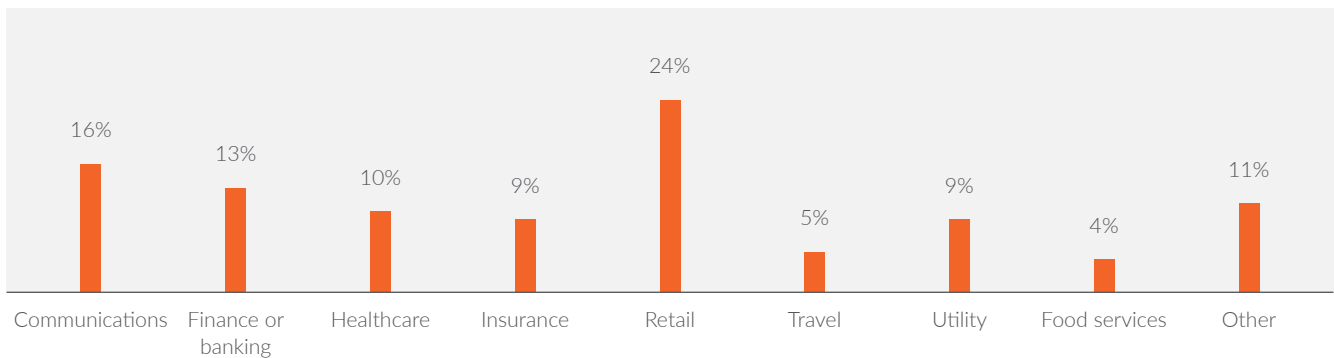


WHO ARE CUSTOMERS CALLING (OR TEXTING OR CHATTING)?

We asked respondents to think back to their most recent customer service interaction, and to identify the industry of the company they most recently interacted with. We found that customer service interactions are spread across a variety of industries, but that retail is the most frequently contacted. After that, communications and finance/banking were the most frequently contacted industries.

While this data was relatively consistent across different age groups, there were a few results that stood out. For instance, 18-29 year olds are contacting communication companies less than those respondents aged 30 and above—just 11% compared to nearly double that percentage for older age groups. This same age group is also reaching out to food services companies more than older age groups.

What was the industry of the company you most recently contacted?

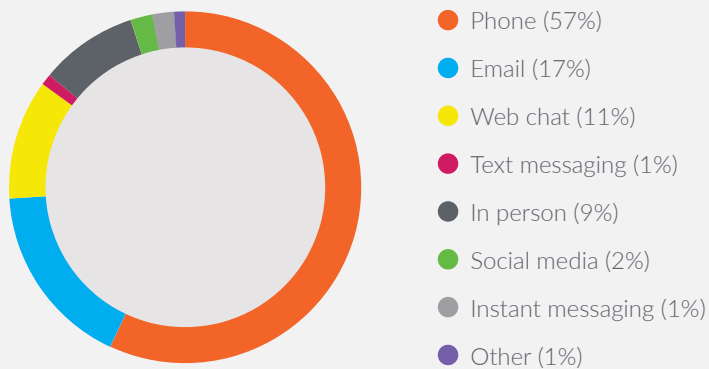


DOES INDUSTRY MATTER FOR CHANNEL SELECTION?

We also asked respondents to identify the customer service channel they used during this most recent interaction. The results of this question roughly mirror the data we collected regarding which channels consumers have used overall; however, there were some interesting findings when breaking the data out by industry.

For example, although only 11% of respondents reported having used web chat, 22% of those respondents who contacted a communications company in their most recent interaction used this channel. In industries such as finance/banking, healthcare, and utilities, consumers are turning to the phone more often than the overall average—74% used the phone for finance, 73% for healthcare, and 69% for utilities. Finally, in retail and travel industries, respondents indicated that they were turning to email more frequently—30% used email for retail and 24% used it for travel.

What was the customer service channel you used during this most recent interaction?



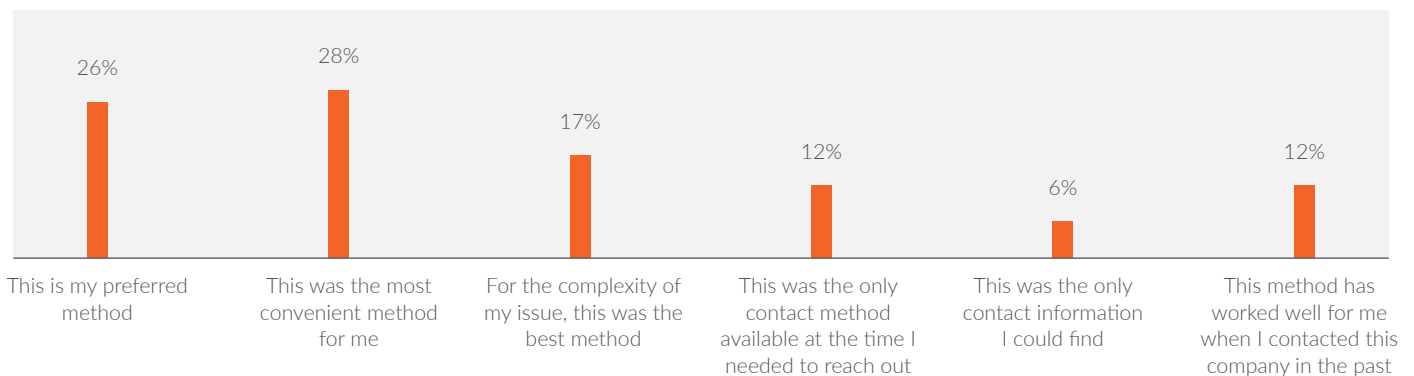
WHY ARE CUSTOMERS CHOOSING A PARTICULAR CHANNEL?

When asked why they chose this particular channel for their most recent customer service interaction, respondents highlighted the importance of convenience and selecting their preferred contact methods. For example, 28% of respondents said that they selected this channel because it was the most convenient method for them, while 26% said that this was their preferred channel of choice, and 17% said that given the complexity of their issue, they felt this was the best channel.

In a previous study run by Interactions, respondents were also asked to identify the reason for choosing a channel during their most recent customer service interaction. In that case, 49% referenced convenience, while 30% said that this was the only method available to them, and 18% said that this method had worked well for them in the past. So, while convenience continues to play an important role in the decision-making process, it seems that the instances of customers being forced to select a particular channel due to limited availability at the time they need to reach out have declined. This would suggest that companies are expanding the types and availability of channels they are utilizing in their customer service strategies.

For each channel that respondents used in their most recent customer service interaction, we also looked at the predominant reasons why they chose that channel. For the phone, respondents primarily chose this method either because it was their preferred channel (29%), or because it was the most convenient (23%). For other channels such as email, instant messaging and web chat, however, more respondents indicated that they chose this channel because it was the most convenient (32% for email, 38% for instant messaging and 48% for web chat).

Why did you choose this channel?



HOW IMPORTANT IS THE HUMAN TOUCH IN AUTOMATED CUSTOMER CARE?

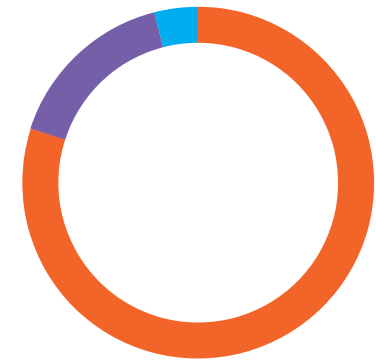
When it comes to customer care, the human touch is a critical factor for consumers—whether they're interacting with a live agent or an automated service. In fact, the main takeaway from our research in 2015 was that customers want an automated systems that feel personalized and human-like.

So how often are consumers interacting with live agents to resolve their customer service issues? When asked whether they had spoken with a human during their most recent interaction, 80% indicated that they had.

This result is not exactly surprising, as 86% of respondents also said that when they start a customer service interaction, their goal is to speak to or interact with a human. Similarly, only 24% of respondents said that they felt they could resolve an issue just as effectively through an automated system as they could by speaking with a human—although this did seem to vary according to the age group. For instance, 33% of 18-29 year olds and 26% of 30-44 year olds agreed that they could resolve their issue just as effectively through an automated system, compared to just 20% of 45-59 year olds and 17% of 60+ year olds. Results from our earlier research showed similar trends, with respondents from the qualitative and group-interview portions of that study indicating that they felt a person would care more about their problem and therefore work to help them find a solution.

Despite this, 83% of respondents still agreed that when they start a customer service interaction their goal is to get their issue resolved as quickly as possible regardless of whether they interact with a human or an automated system. So while consumers still appear to be skeptical about whether automated systems can resolve issues as effectively as live agents, they are still ultimately interested in finding the quickest and easiest route to resolving their issues—regardless of the path that takes them down.

Did you speak to or chat with a human during this interaction?

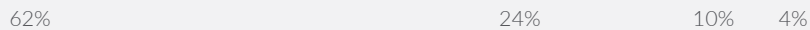


- Yes (80%)
- No (16%)
- I don't know (4%)

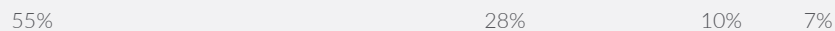
I believe I can resolve an issue just as effectively through an automated system as I can by interacting with a human.



When I start a customer service interaction, my goal is to speak with or interact with a human.



When I start a customer service interaction, my goal is to resolve my issue as quickly and easily as possible, regardless of whether I interact with a human or an automated system.



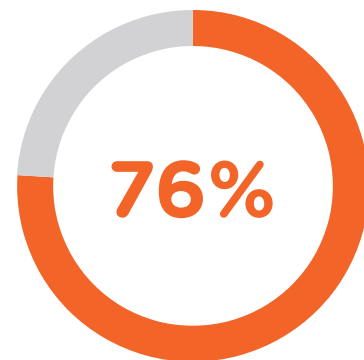
- Agree
- Somewhat agree
- Somewhat disagree
- Disagree

HOW MUCH EFFORT ARE CUSTOMERS PUTTING IN?

Finally, respondents were asked to evaluate the amount of time and effort they put into resolving their most recent customer service issue on a scale from 1 to 10 (where 1 is the worst and 10 is the best). On average, respondents rated the amount of time it took as 6.8 and the amount of effort as 6.6. These numbers indicate that there is significant room for improvement, both in terms of decreasing the amount of time it takes to resolve an issue and in lowering the amount of effort customers need to put in. This can be done in a number of ways, but it starts with imagining the path to issue resolution from the customer's point of view. Do customers need to wait on hold for a long time to reach an agent? This can be alleviated by implementing an efficient, automated system to handle self-service interactions. Similarly, are customers pushing too many buttons or selecting multiple menu prompts to get into the right queue? This can be fixed by designing your automated care with the goal of creating as straightforward a path as possible, greatly reducing customer effort.

WHY DOES THIS MATTER?

Consumer preferences about channel and what's important to them during a customer service interaction are important for a number of reasons. But most importantly, these things matter because they're impacting your bottom line. In this research, 76% of respondents indicated that they make purchasing decisions based on a company's customer service reputation. So your company's ability to provide an excellent customer service experience isn't just important for retaining customers, it's important for attracting new ones as well.



76% of respondents indicated that they make purchasing decisions based on a company's customer service reputation.

SOME TIPS ON HOW TO USE THIS INFORMATION



There are several major takeaways from this research that companies can use to enhance their customer care strategies. First, while voice channels such as the phone are undeniably still dominating customer care, consumers have shown that they would be comfortable using other channels. It's therefore the company's responsibility to invest in new channels in a thoughtful and responsible way—meaning integrating these new channels into the overall customer care strategy to ensure they are just as easy and efficient for the consumer to use as your existing customer care channels.

Many customers are still apprehensive about the effectiveness of automated customer care systems, and this is mainly because most consumers put a lot of stock into their past experiences. Traditional automated care systems have taught them that it's difficult and even frustrating to accomplish the simplest of tasks when dealing with menu-based automated systems. But that doesn't have to be the case. Modern customer care systems can enable consumers to speak in their own voices—to accomplish more in less time and reduce frustration. In an age where your customer service reputation can make or break your ability to attract and retain customers, investing in the right kind of automated customer care system can be the difference between remaining competitive and appearing outdated.



ABOUT INTERACTIONS

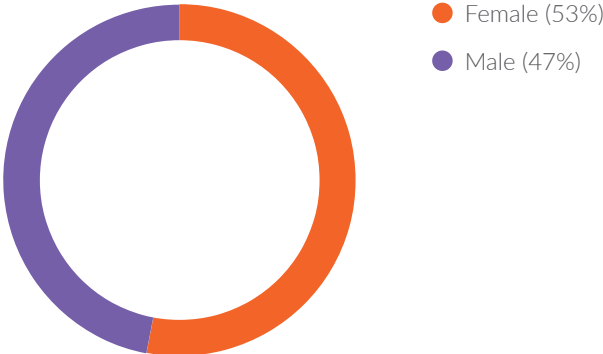
Interactions provides Intelligent Virtual Assistants that seamlessly combine Artificial Intelligence and human understanding to enable businesses and consumers to engage in productive conversations. With flexible products and solutions designed to meet the growing demand for unified, multichannel customer care, Interactions is delivering significant cost savings and unprecedented customer experience for some of the largest brands in the world. Founded in 2004, Interactions is headquartered in Franklin, Massachusetts with additional offices worldwide.

For more information about Interactions, contact us:

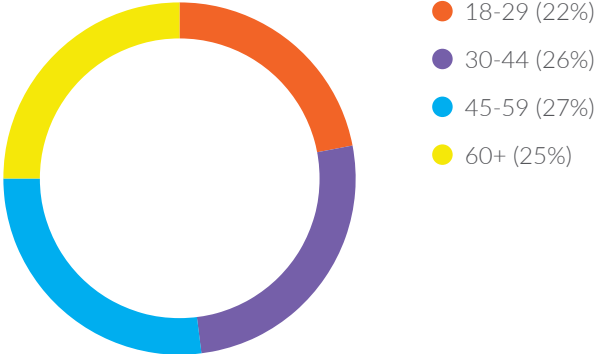
866.637.9049

APPENDIX A: DEMOGRAPHICS

Gender



Age



Total responses collected: 1,012

APPENDIX B: QUESTIONNAIRE

Q1) Within the past 30 days, how many times have you reached out to a company for customer service support?

- 0-1
- 2-3
- 4-5
- More than 5 times

Q2) Which of the following methods have you used to contact a company in the past? Please select all that apply.

- Phone
- Email
- Web chat
- Text messaging
- In person
- Social media
- Instant messaging
- Other, please specify

Q3) Which of the following methods would you be comfortable using to contact a company (even if you have not used this method in the past)? Please select all that apply.

- Phone
- Email
- Web chat
- Text messaging
- In person
- Social media
- Instant messaging

Q4) Please think back to your most recent customer service interaction. What was the industry of the company you contacted?

- Communications
- Finance or banking
- Healthcare
- Insurance
- Retail
- Travel
- Utility
- Food services
- Other, please specify

Q5) In your most recent customer service interaction, how did you contact the company?

- Phone
- Email
- Web chat
- Text messaging
- In person
- Social media
- Instant messaging
- Other, please specify

Q6) Why did you use that method? Please select the statement that most closely resembles your reasoning.

- This is my preferred method
- This was the most convenient method for me
- For the complexity of my issue, this was the best method
- This was the only contact method available at the time I needed to reach out
- This was the only contact information I could find
- This method has worked well for me when I contacted this company in the past

Q7) Did you speak to or chat with a human during your most recent interaction?

- Yes
- No
- I don't know

Q8) Please evaluate the following statements:

	Disagree	Somewhat disagree	Somewhat agree	Agree
I prefer to interact with a human when contacting a company's customer service				
I prefer to interact with an automated system (robot) when contacting a company's customer service				
A personalized experience is important to me				
I often make purchase decisions based on a company's customer service reputation				

Q9) Please evaluate the following statements:

	Disagree	Somewhat disagree	Somewhat agree	Agree
I am comfortable interacting with an automated system to resolve a customer service issue				
I believe I can resolve an issue just as effectively through an automated system as I can by interacting with a human				
When I start a customer service interaction, my goal is to speak with or interact with a human				
When I start a customer service interaction, my goal is to resolve my issue as quickly and easily as possible, regardless of whether I interact with a human or an automated system				

Q10) Please think about your most recent customer service experience. On a scale from 1 to 10 (where 1 is the worst and 10 is the best), how would you rate the amount of time it took you to resolve your issue?

Q11) Please think about your most recent customer service experience. On a scale from 1 to 10 (where 1 is the worst and 10 is the best), how would you rate the amount of effort it took you to resolve your issue?

