

2017 Customer Service Expectations Survey

Trends and insights from
surveying 1,000 consumers on
customer service

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Executive Summary

Consumers are (still) king. Consumers hold more power than ever before, not just with their wallet but also with their social networks. With the evolution of how people communicate, companies are working hard to catch up.

Today, consumers don't just talk on the phone anymore, they text, tweet, chat and more. They expect to be able to connect with brands in largely the same methods as they do in their personal life. In fact, we found that consumers use an average of three different communication channels to interact with companies they do business with. Companies can't ignore that this is a trend that simply isn't going anywhere - omnichannel is omnipresent and here to stay.

But it's not all bad news. One of the most interesting a-ha moments we discovered was that consumer expectations are actually not wildly unreasonable. Companies have a chance to truly set themselves apart and actively drive additional revenue through awesome customer service. With the right people, proven process and empowering technology, companies can win customers with their service.

At the end of the day, customers aren't asking for anything revolutionary – they just want their problems addressed and to be heard as individuals. If a company can do that, they take a firm step forward towards entrenching themselves in the hearts, minds, and pocketbooks of their customers.

The Trends

01. Customer service drives decisions.

Especially when it comes to purchases and loyalty.

Customer service continues to be an important factor in consumer purchasing decisions, they'll even pay a premium for better service. 78% said that customer service was a determining factor in their decision to make a repeat purchase.

03. Omnichannel is omnipresent

Consumers want to talk to companies on multiple channels.

Whether it's phone, text or tweet, the new normal is being on many channels, sometimes all at the same time. Consumers are equally as likely to engage with companies via email (75%) as they are by phone (78%); 33% via live chat; 23% via text message, and 18% via social media.

02. People want to be treated like humans, not case numbers.

We live in the age of personalized everything and customer service is no different. Consumers want to feel known and understood. 68% want to be greeted by name if they are a repeat customer, not asked for a ticket number.

04. History + Consistency are key.

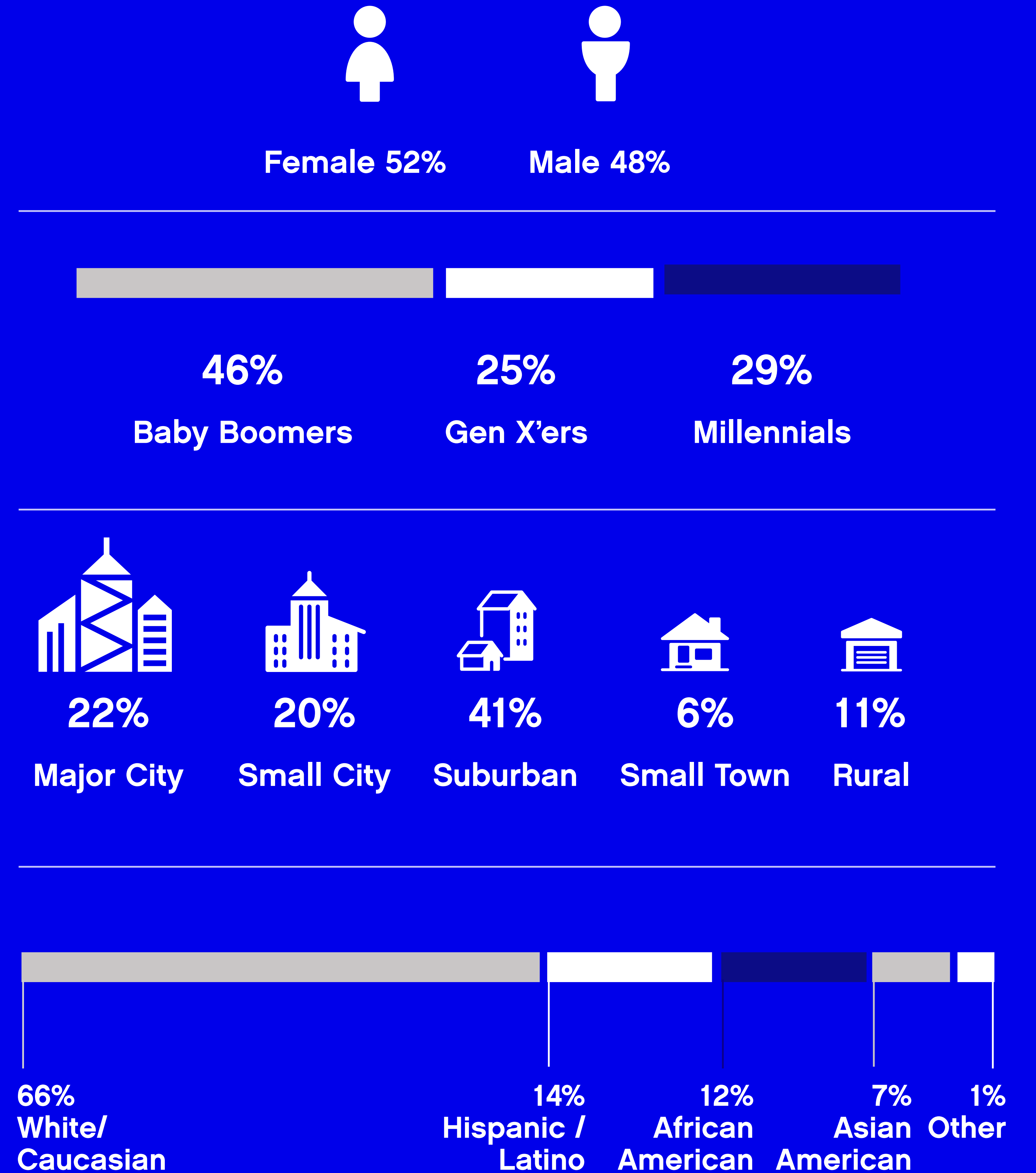
Consumers don't want to "repeat and recap" just because they switch channels or agents.

People want and expect companies to know about their prior history with them. And no matter what the channel, they want consistency in their interactions and responses from the company. Four in five consumers say continuity in communications is very or extremely important.

The Methodology About the Survey

Gladly conducted an online survey of 1,000 adults aged 18+ in the United States. The survey was fielded between February 24 and March 6 using Research Now's proprietary online survey software and a panel of survey participants. Survey data was weighted slightly by age, educational attainment, and race to ensure the survey sample accurately reflected the demographic makeup of the U.S. population.

Margin of Error calculations do not apply to online methodologies, but a probability sample of this size would yield a margin of error of +/- 3.1%, 19 times out of 20.

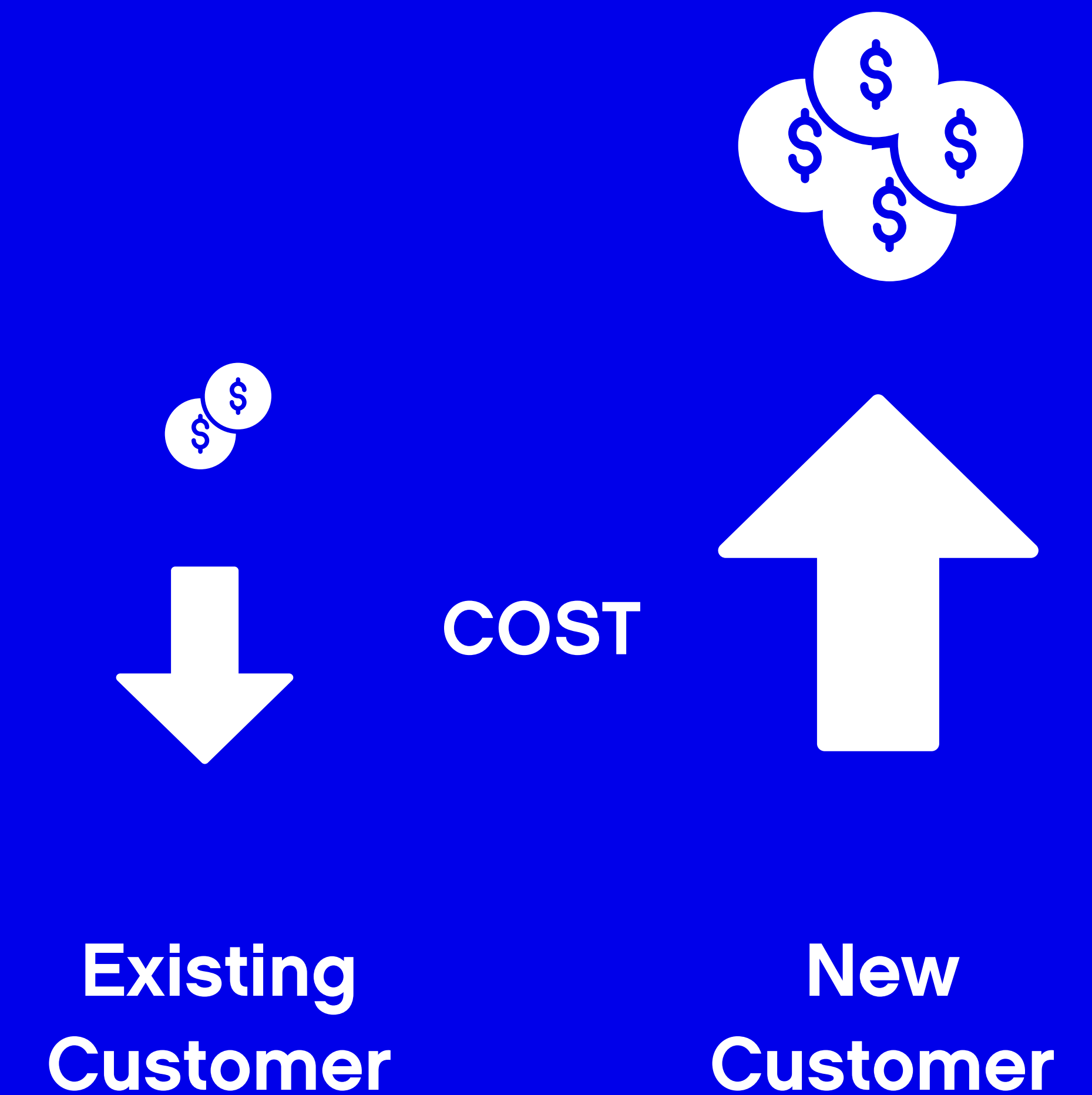


Customer service drives decisions. Especially when it comes to purchases and loyalty.

Customer Service Drives Decisions

The cost of keeping your existing customers happy is far less expensive than acquiring new ones. Which is why companies continue to put renewed focus on building strong positive experiences that foster loyalty and repeat business.

One of the first areas we looked at was how much customer service factors into consumer buying behaviors. What we found was that customer service overwhelmingly drives not only purchasing behavior, but word of mouth and loyalty as well. As if companies needed another reason to invest in customer service, revenue continues to be the most compelling case for it. In fact, research shows that customer service ratings can even lead to higher returns in the stock market.



Customers are willing to reward companies with strong customer service

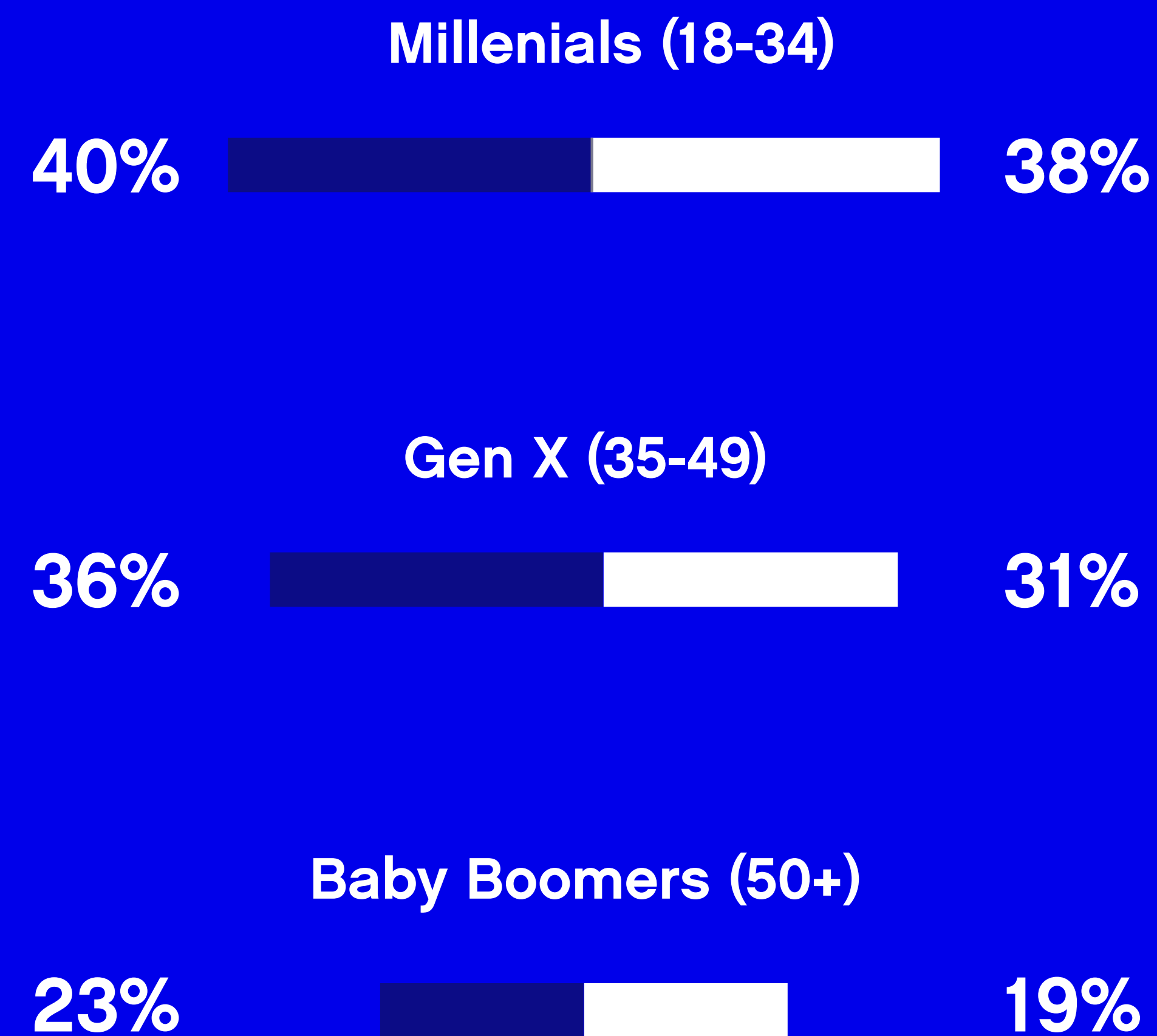
Some of the rewards for great customer service come in the form of paying more for a product, buying again in the future, recommending them to others, or broadcasting their experiences to family and friends. On the flip side, they are also willing to punish companies for negative experiences, and even end their relationship with a company entirely.

Of the people surveyed, 78% said the quality of their customer service interactions were a determining factor to purchase a brand's products or services again.

When it comes to advocating for a brand, 74% cited customer service as a key factor in their decision to recommend them to friends or family.



31% would post a negative experience | 28% would post a positive experience



Social media is a sounding board for customer service, both good and bad

Customers today, especially Millennials, are taking to social media to share their customer service experiences. And while they're almost just as likely to post about a positive experience as they are a negative one, our survey shows that they're slightly more likely to do it when their interaction was a poor one.

Now, more than ever, customers are looking online for guidance on what to buy and who from; this means an online review may have the potential to make or break your business. Customer support is therefore a powerful weapon in a company's arsenal. When deployed correctly, it can transform a customer into your brand's strongest advocate. Use it otherwise, however, and you risk hurting your operations irreparably.

The quality of customer service interactions is most important to the loudest voices.

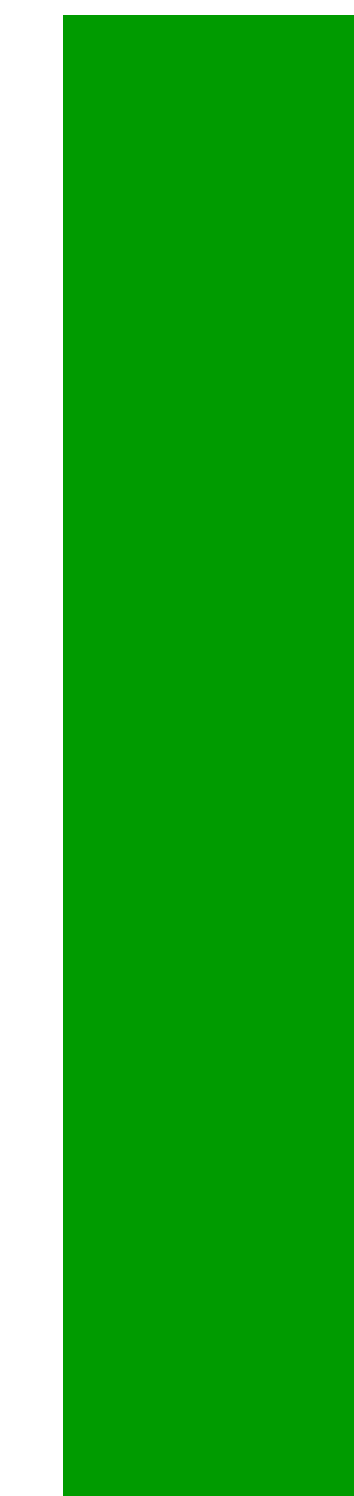
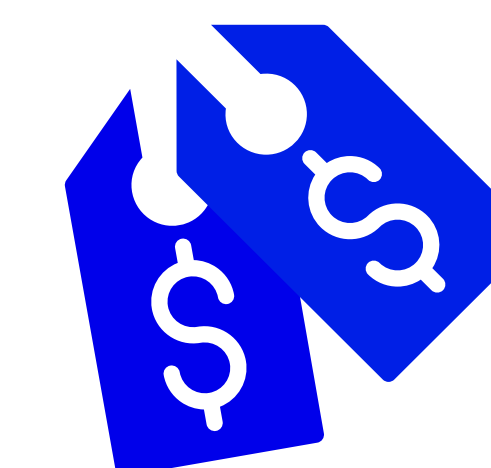
Every company has them. The customers who seem to have an opinion on everything (very often in ALL CAPS) and who aren't afraid to share it via email, Facebook, Twitter - basically any medium they can get onto. These are a company's customers with the highest levels of engagement and who are often the most vocal in sharing their service experiences.

We identified a group of customers we call **Customer Service Connoisseurs** and defined these as the customers who answered 'extremely likely' to: 1) Purchase a company's products or services again in response to a positive customer service experience; 2) Use less of or end their relationship with a company in response to a negative customer service experience; 3) Tell friends or family about their customer service experiences; 4) Recommend a company to family or friends based on a positive customer service experience; and 5) Tell family and friends not to use a company in response to a negative customer service experience.



95%

Quality of customer service influences repeat purchases



93%

Quality of customer service influences decision to recommend to friends, family

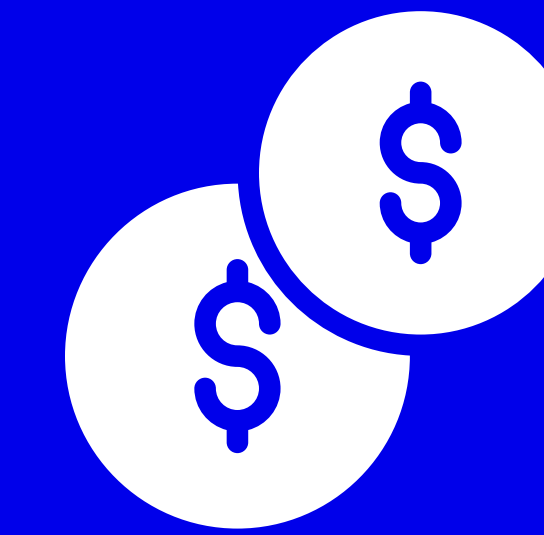


Consumers are willing to pay more where the company has a strong record of customer service

Customer Service Connoisseurs are more than twice as likely than the average consumer to pay more for a product or service if the company has a strong record of customer service.

46% of Customer Service Connoisseurs 'strongly' agree with the statement, "I am willing to pay more for a product or service from a company with a strong record of customer service", compared to 20% of consumers overall.

While Customer Service Connoisseurs form a small subset of a brand's customer base, their influence and impact are large. As the data above shows, they more than make up for their size with their voice and their dollars.



46%

**willing to pay more for
product or service
where company has
strong record of service**

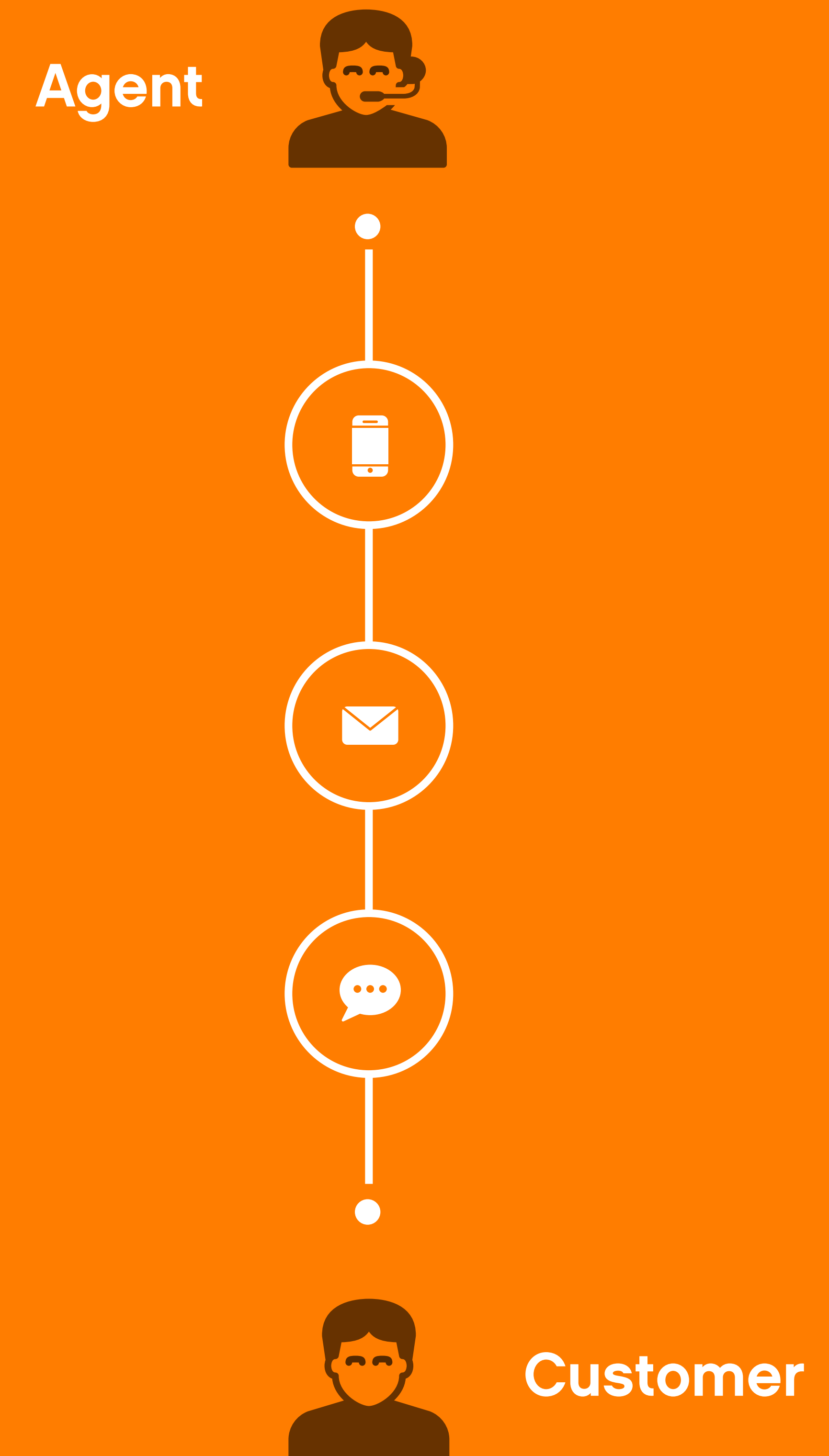
**People want to be
treated like humans, not
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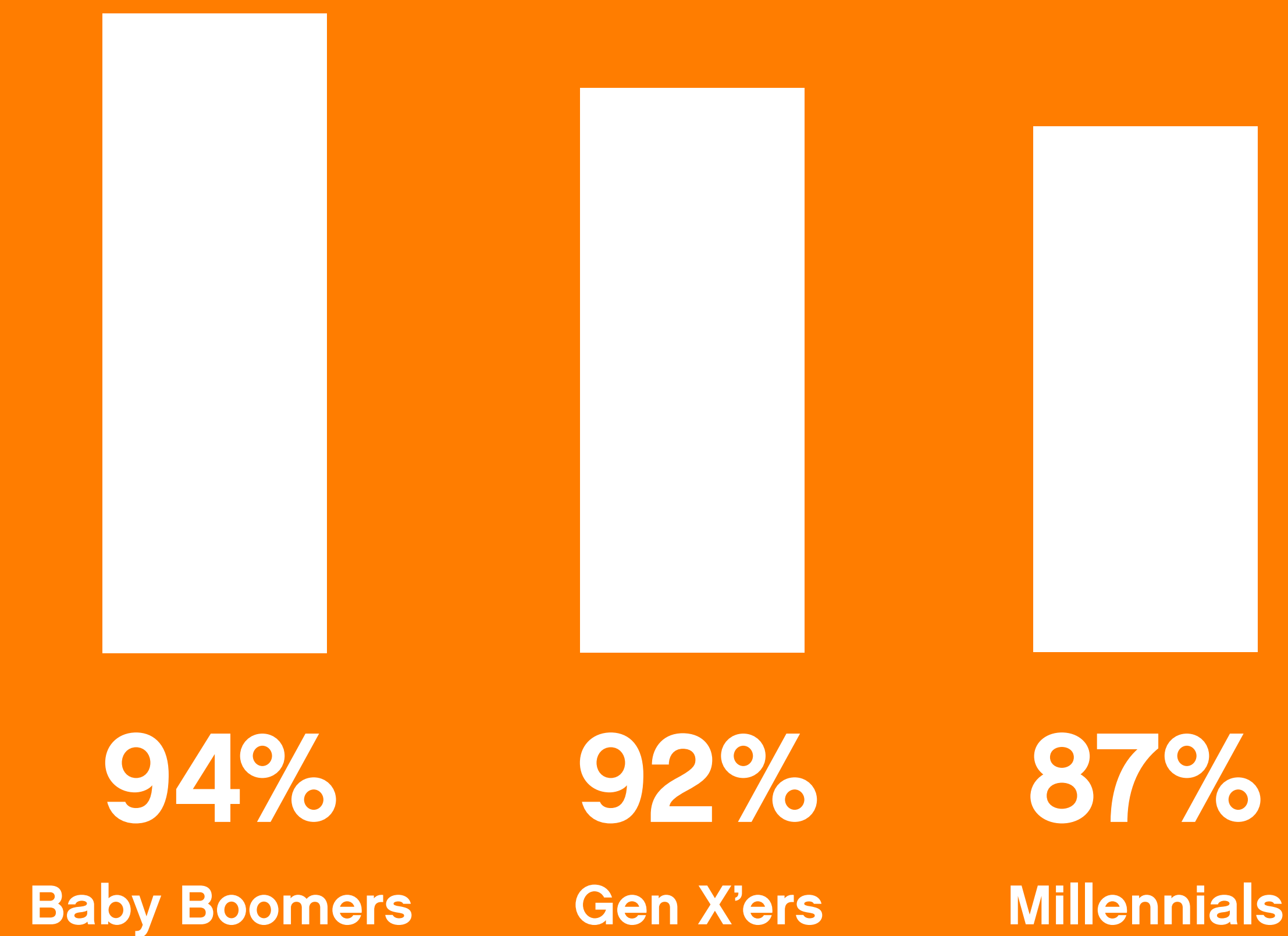
Customers don't expect every interaction with customer service to be as if they are talking to a childhood friend. But they would like the agent to, at a minimum, be aware of their history with the company and their previous communications with them.

From the customer's point of view, just because a conversation moves from text to tweet or email to phone doesn't mean the context should get lost.

Consumers expect companies to know about their previous interactions even if they were using a different channel.

But unfortunately, most don't see their expectations being met. To feel valued, consumers want companies to get back to basics. The rest is icing on the cake.





Consumers expect companies they do repeat business with to know who they are

Nearly all the respondents polled agreed that they wanted companies they did repeat business with to have at least a general sense of who they are and their history with the company.

This cut across consumers of all ages, with Baby Boomers coming in highest (94%), followed by Gen X'ers (92%) and Millennials (87%). And it isn't rocket science to figure out why these numbers are so high across the board - if I do repeat business with you, and you collect data about me, you should know who I am and not treat me like a stranger every time we interact.

Many companies have room to improve when it comes to making their customers feel known.

Most customers feel that big companies, even the ones they have a relationship with, treat them like a ticket number, not a unique customer.

Of the 1,000 customers polled

- A whopping two-thirds (67%) said that they felt that the big companies they have a relationship with or have done repeat business with generally treat them like a ticket number when they contact them.
- Just a mere 33% felt they were treated like unique individuals.

2 of 3



say they are treated like a ticket number



#1 thing that customer service could do to make them feel unique:

Know about their previous interactions with the company

3 in 5



would be pleasantly surprised if they called a business and were greeted by name

First impressions last.

If a company you do frequent business with doesn't know who you are or understand your history with them, it's disappointing. When asked what the one thing was that customer service agents could do to make them feel like unique, valued customers, the top answer (48%) was surprisingly simple: that the customer service agent should have knowledge of their previous interactions with the company.

While having a company know their name wasn't at the top of a customer's priority list, a substantial three in five (59%) consumers reported that they would be pleasantly surprised if they called a business they have a relationship with and someone picked up the phone and greeted them by name.

**Omnichannel is
omnipresent - consumers
want to talk to companies
on multiple channels.**

Today's customers want to communicate with their brands in the same way they might reach out to friends to make dinner plans: whether it's a quick email while in line at the grocery store, or a flurry of Facebook messages during their mid-day coffee break, consumers expect brands to be flexible enough to meet them at the channel of their choice.

But besides convenience, they also want to be able to use a channel that's best suited to their problem. While a complicated issue might warrant a lengthy email, when time is of the essence, a customer may prefer speaking over the phone or texting, maybe even both.

Our survey revealed that consumers use an average of three different communication channels to interact with companies they do business with.

Phone and email are no longer enough.

Whether it's text, tweet, Facebook or chat, at the end of the day, consumers just want to be able to use the channel (or channels) that is most convenient and suited to their issue.



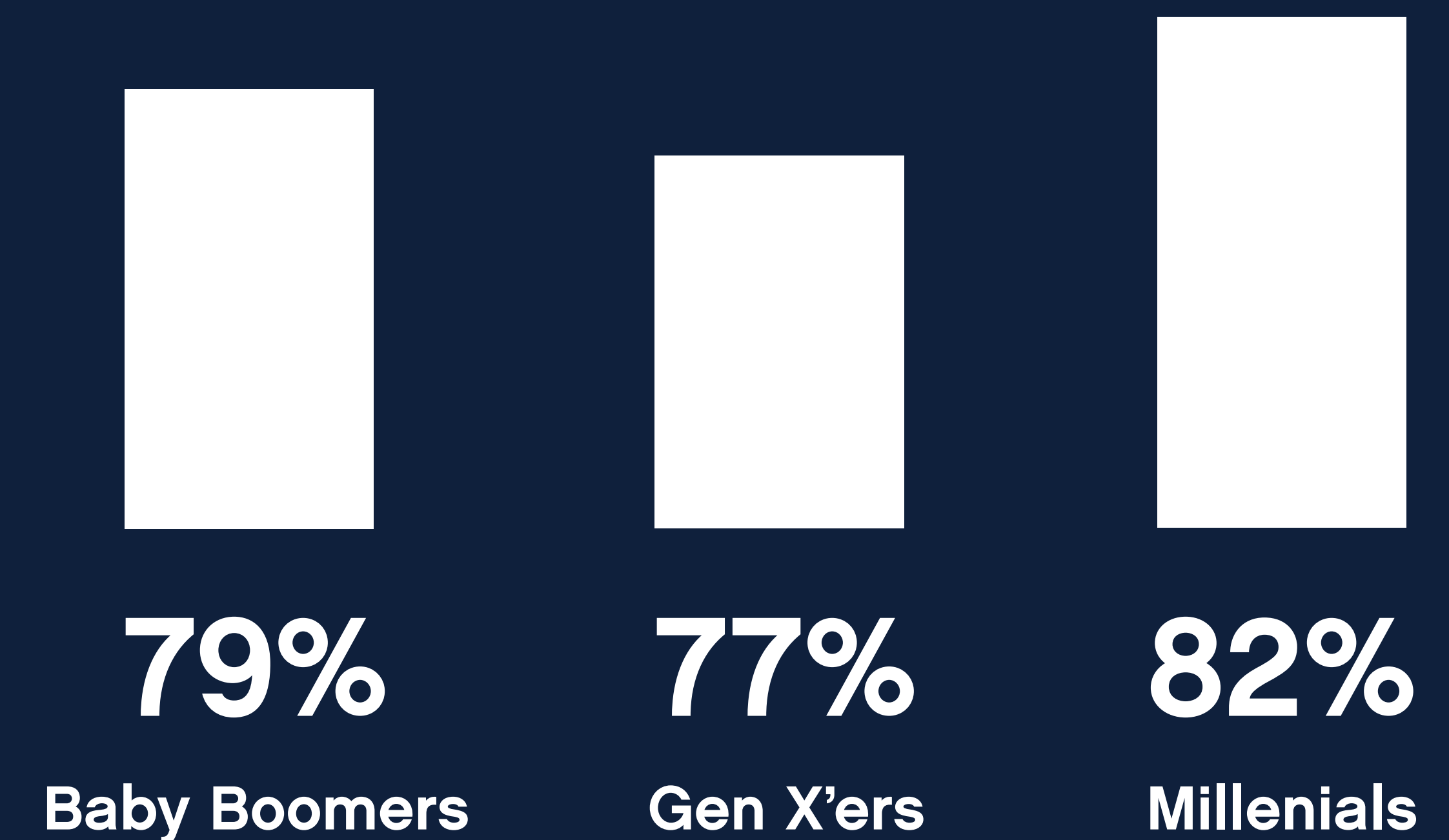
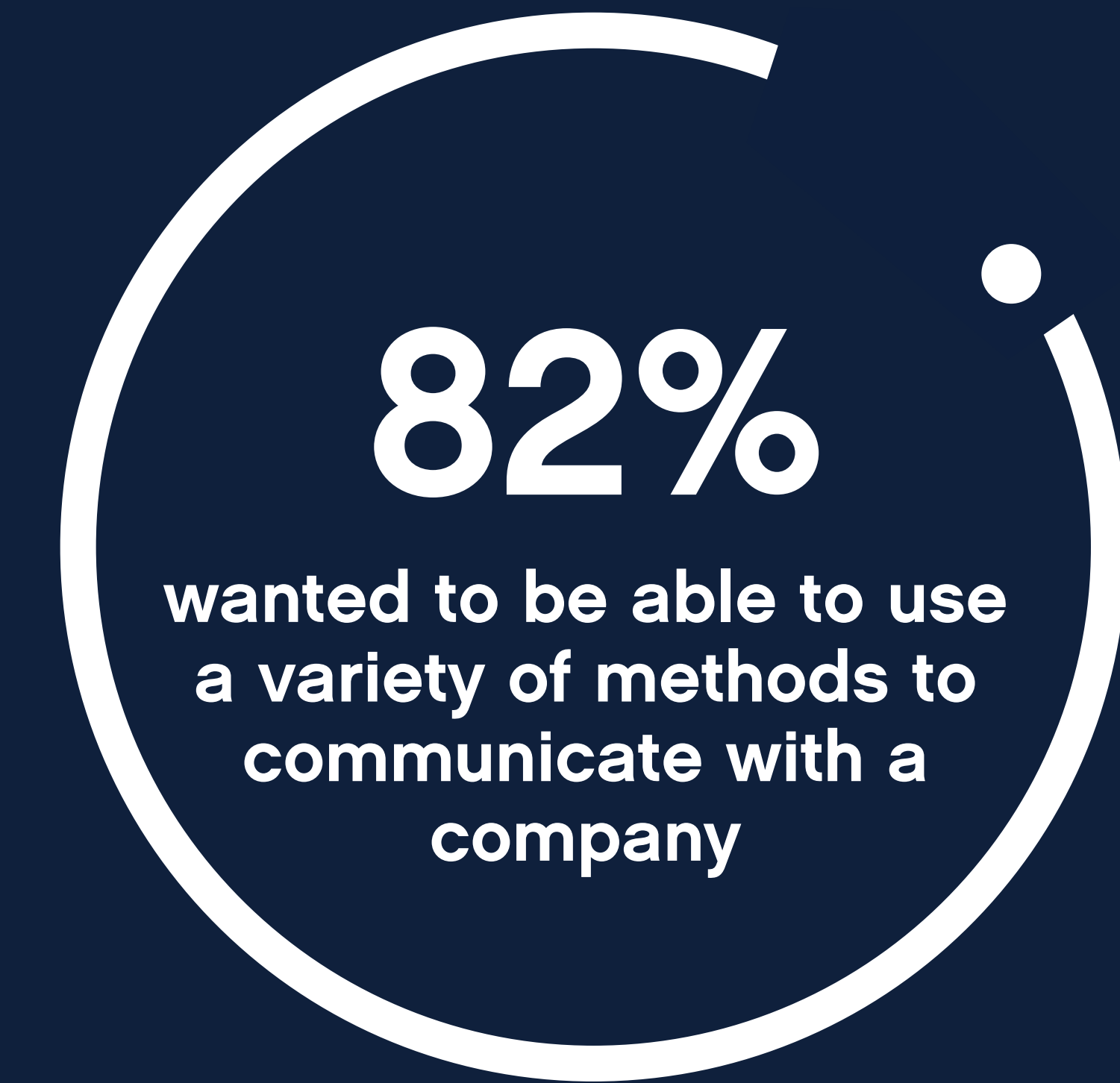
3
Channels
used by consumers on average

Be where the customer is.

Customers have spoken, and they expect to be able to communicate with companies via a variety of channels.

Of those polled, the vast majority (62%) described companies who offer multiple communications channels as fairly standard, and believed companies must offer these tools if they want to keep up.

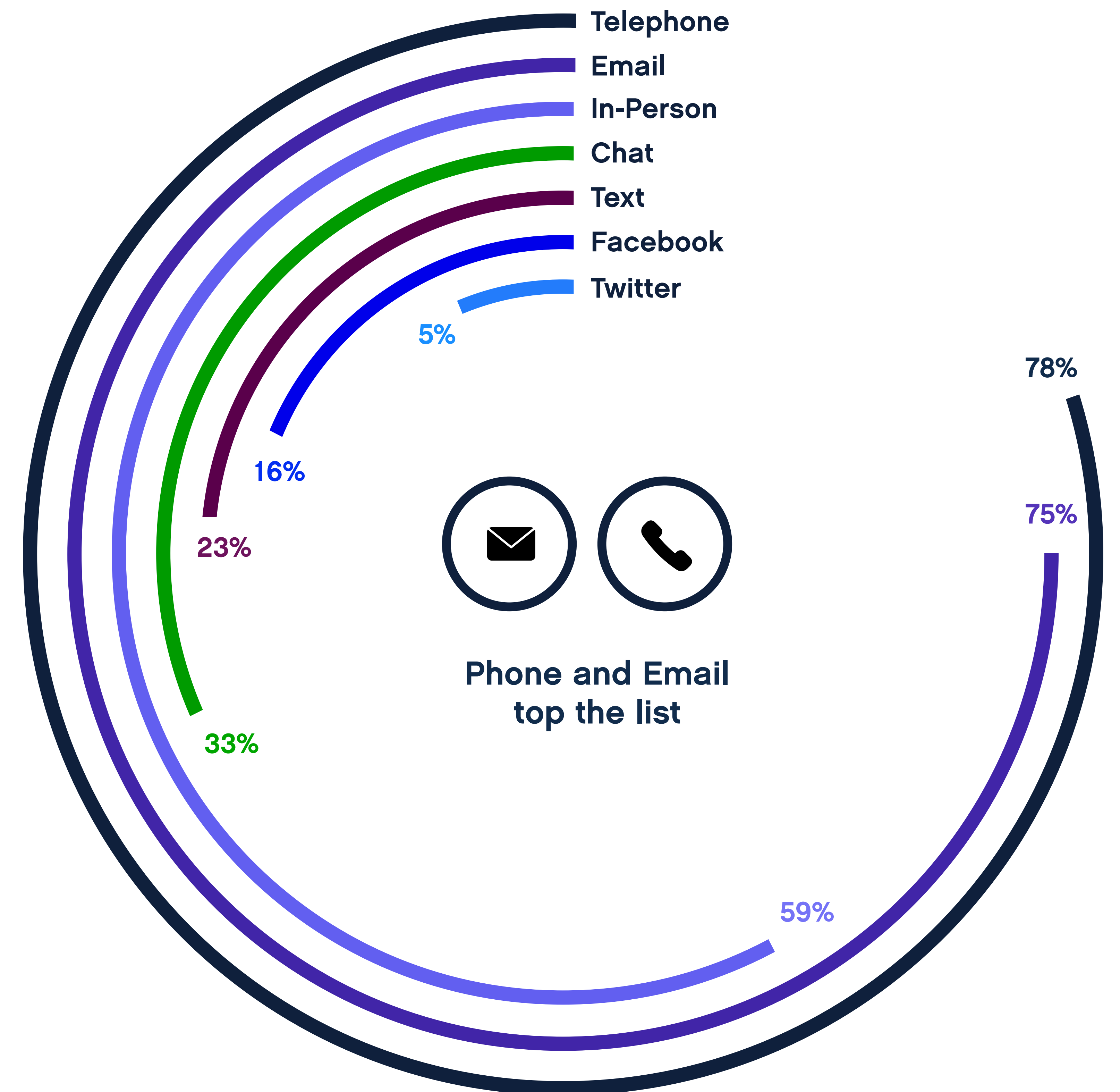
The demand for multi-channel communications is universal. An overwhelming 82% of the consumers said they wanted to be able to use a variety of methods to communicate with a company, apart from the standard phone and email. Interestingly, this demand cuts across generations as well, with Baby Boomers (79%) being just as likely as Millennials (82%) to want multi-channel support. Even amongst consumers aged over 65 (typically seen as resistant to using new technology), only 23% reported being ambivalent to the convenience of multi-channel support.



Consumers want to pick the channel of their choice.

While the traditional mainstays of support channels – phone (78%) and email (75%) – still come out on top when it comes to customer engagement, newer channels are catching up quickly.

33% of the respondents reported contacting companies via live chat through their website or mobile app, while text-message and social media saw an engagement of 23% and 18% respectively.





Phone was the #1 preferred channel for time-sensitive issues



Millennials are twice as likely as Baby Boomers to send an urgent text

But, the phone is not dead.

Consumers still prefer using the phone for time-sensitive requests. When asked about urgent issues, social media came in as the least preferred option for customers when time was of the essence. Phone support, on the other hand, easily took first position with 81% selecting it as their the first or second option.

That said, these results may be more indicative of companies' current inability to respond quickly via other channels as opposed to a preference for phone support as a medium.

Millennials (18 - 34), for example, are twice as likely as Baby Boomers to send an urgent text message but only 13% choose text message as their first or second choice in these situations.

If companies continue to improve response times and continuity across all channels in the future, we could see a shift in preferred channels over time.

History and consistency are key. No one wants to play the “repeat + recap” game

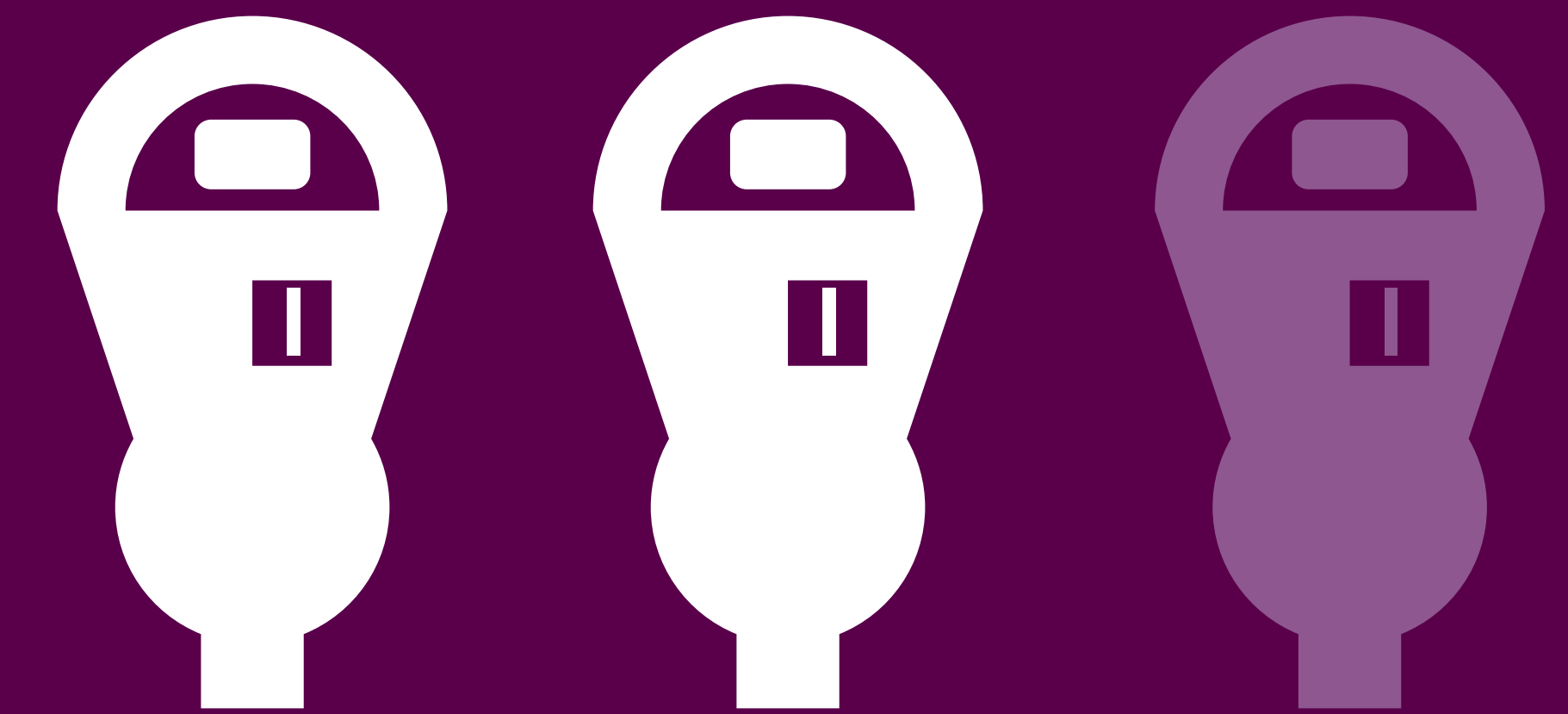
Consumers don't want the lack of visibility into their history with a company to result in them repeating themselves.

The idea of a highly tailored, personalized experience based on your history with a company is not a rare unicorn, it's now a standard expectation. Consumers don't expect to play the “repeat and recap” game just because they switch from email to phone or from agent Mary to agent John. They want companies to know who they are, their history with the company and to provide a consistent experience no matter who they're talking to, or the channel their using.

And while customers want multi-channel communications, they also expect continuity and consistency in those communications. They expect that companies have the ability to track and respond to conversations in a consistent way without the need for customers to repeat themselves at every turn and recap the previous conversation they just had.

Here lies the biggest gap between the expectations and experience consumers have had. As companies expand touch points, some seem to have forsaken consistency and continuity for quantity and speed. According to consumers, most companies are doing a poor job of integrating communication channels to deliver a seamless customer service experience.

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would rather hand out parking tickets than repeat themselves to customer service

7 of 10



expect that if they switch channels, the next person knows about previous conversations

Continuity in communications is a basic expectation of most customers.

For customers, consistency (that channels and agents didn't give conflicting advice) and continuity (that they don't have to repeat themselves should they switch channels or agents midway) came out as most important in a support interaction.

Of those polled, 85% weighed consistency as 'extremely' or 'very' important, while 80% valued 'continuity' in their support.

And while consistency is important, interestingly only half (52%) of customers wanted to be able to speak to the same customer service agent until an issue was resolved. That might be because it is such a rare occurrence to actually speak to the same agent.

When asked, the considerable majority of customers (71%) reported that if they switched communication channels in the process of resolving a customer service issue, they would expect the next person they interact with to know about their previous attempts to resolve the issue.

But consumers rarely get the continuous experience they desire.

Expectations rarely get met when it comes to continuity. Only 25% of the customers polled reported experiencing continuity when they switched channels all (6%) or most (19%) of the time, while the remaining 75% said that they experienced it sometimes (39%) or rarely, if almost never (36%).

Unsurprisingly, customers really hate repeating themselves. Customers were near unanimous (92%) in expressing their frustration with having to repeat themselves multiple times to multiple agents.

Frustration also seemed to increase with age, as older demographics (Baby Boomers and Gen X'ers) both had higher rates of agreement with the statement, "I get frustrated when I have to repeat myself multiple times to multiple different representatives about the same issue."



92%

don't want to repeat their issues multiple times to multiple agents



Tips and Takeaways for Customer Service Teams

We teamed up with customer service expert and best selling author, [Shep Hyken](#), on some tangible actions that customer service teams can take to better meet the expectations of consumers today. Here's what he had to say:

- 01. Find ways to personalize your customer experience.** Customers want you to show them you know them. Today there are more ways than ever to personalize an experience. Technology can help provide more context and automation to incorporate personal touches into your customer service experience. Kick off a “Personalization Project” to see how you can improve each and every communication. It could be as simple as addressing your customers by name and as complex as recording their purchasing preferences or previous order history.
- 02. Become your own customer.** Run through your customer service process as a real customer would. What kind of first impression does your team make? What is the experience like moving from one channel to another? Is the experience seamless or frustrating? Similarly, sit in on live customer service calls with your team. Companies who are serious about building a culture around customers will train everyone from the inventory clerk to the finance department on customer service. What's happening on the inside of a company is felt on the outside by a customer. Service starts with the way internal employees are treated.
- 03. Build a business case with data.** If you want the C-Suite to approve investing more in customer service, make the case with numbers, which includes ROI. Leverage data from surveys, like this one, to build a business case for investing in customer service. With data as your justification, you can help make the case for funds and help executives understand the need to expand channels, increase personalization into training and processes, and invest in technology to help your customer service agents help your customers better.

How Gladly Can Help

Customer service has become the key differentiator for brands in today's market. And as the data has shown, while increasing channels and response times is important, companies also shouldn't forget to provide their customers with the most important of basic needs: a human connection.

At Gladly, we set out to facilitate this human connection. Because when you get down to it, customer service is ultimately about people talking to people, having empathetic conversations.

Gladly's cloud-based customer service platform puts people at the  of customer service, not tickets or cases.

It's about people. People are the atomic unit, not tickets or cases, because who wants to be treated like a number?

Lifetime of conversations. A single view of the entire customer history allows agents to converse seamlessly across any channel (voice, email, text, chat, social), all in one platform.

Naturally productive. The simple messaging interface, inspired by modern apps, lets agents start in minutes not days and easily collaborate to help customers more efficiently.

Real-time Insights. Get a live pulse of what's going on in the contact center - from agent utilization to trending topics.

Innovation to power your vision. We innovate fast to help your contact center keep up with today's consumers.

Customer Service focused on people, not tickets.

Historically, the support ticket was the nexus of a company's operation – the customer almost secondary. However, the support ticket is irrelevant from a customer's perspective. They just need their problem resolved.

With a system focused on people, customer service teams can spend more time helping customers and less time finding tickets.

Gladly's modern platform will empower your teams to provide the consistency and continuity that consumers are asking for by putting the customer conversation history in one place, regardless of channel. If you don't want to treat your customers like a ticket, why use a ticketing system? Leaders in customer service are realizing that tickets and cases have evolved to people and personalized service. If you are ready to see a demo and continue the conversation with our team, send an email to Mitch@gladly.com (<mailto:Mitch@gladly.com>) and Mitch will follow up with you, personally.