



## IDC Market Spotlight

# Identifying Missed Opportunities to Improve Customer Experience

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Adapted from *2014 U.S. Consumer Communication Preferences Study Results*, by Melissa O'Brien, IDC #253705, January 2015

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*Consumer communication preferences are changing dramatically, in part due to the broad variety of channels now available with which to communicate and increasing expectations for customer care interactions that are simple and require little effort. This is pushing companies to better understand the customer journey, find missed opportunities for customer engagement, and create a unified strategy for communication across channels. There is also an opportunity for greater personalization of communication with customers, in particular by understanding demographic differences in preferences. These challenges and opportunities are not limited to the customer support or marketing departments, and have an impact on stakeholders across many parts of organizations today. This paper examines the data from a recent consumer communication preferences survey and discusses the impact on companies and how they must respond to consumer needs for better engagement.*

## I. INTRODUCTION

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This IDC Market Spotlight was developed from a web-based survey of 1,953 consumers from varying demographics. The study included all ages, genders, and professions, including non-working professionals, and focused on consumer communication preferences in dealing with companies, with a focus on customer support interactions.

## II. BENEFITS

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Companies that are in tune with consumer preferences and make the appropriate investments can:

- **Improve customer satisfaction and loyalty, and reduce churn.** The survey data shows that the way in which customers communicate with companies is important to them, and often impacts their buying habits. By making processes as effortless for customers as possible and being available on their communication channels of choice, companies have the opportunity to improve satisfaction and loyalty.
- **Create more opportunities for marketing and sales.** Having a more holistic view of customers leads to a better understanding of their interests and buying habits. This information can be used to decide what kinds of offers to make to customers and when to offer them – creating opportunities to increase marketing and sales effectiveness.
- **Better anticipate future customer needs.** The information gathered by focusing on customers' experience with a product or service can offer valuable feedback that can be used to generate input and ideas for product planning and R&D.

### III. CONSIDERATIONS

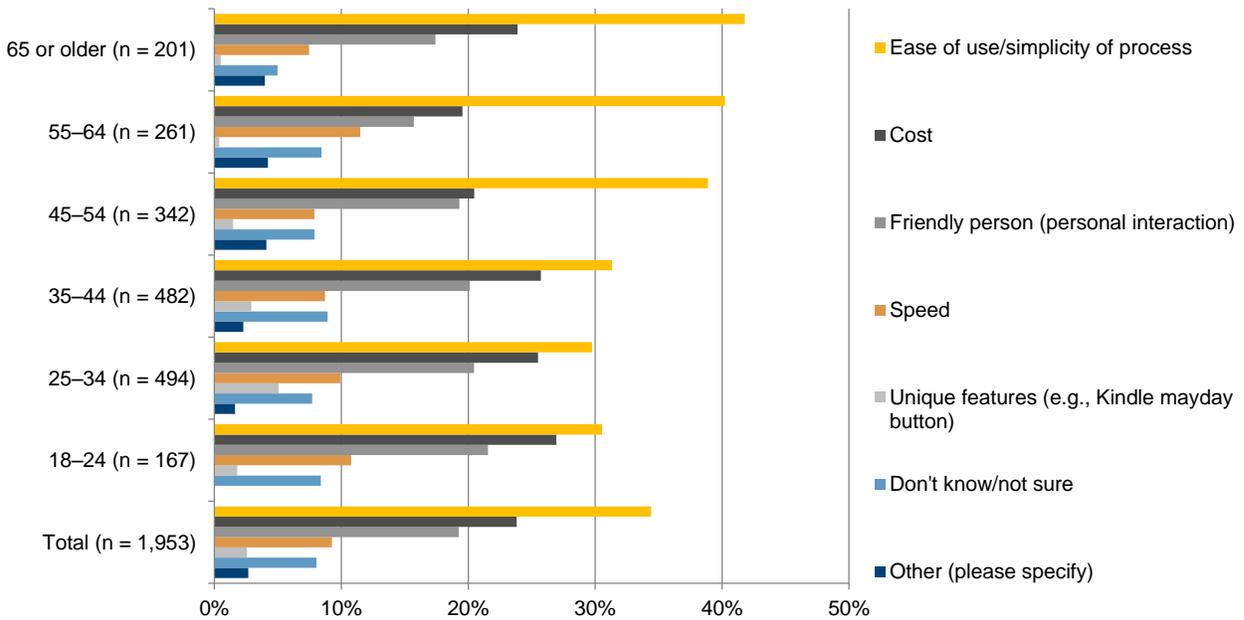
The consumer communication preferences survey revealed the following major considerations:

- The most important characteristic to ensure consumer satisfaction in communicating with a company is ease of use/simplicity of process. Overall, when asked about the most important characteristic to ensure satisfaction when communicating with a company, 34% of survey respondents chose ease of use/simplicity of process, 24% of respondents chose cost, and 19% chose a friendly person (personal interaction). The 45-65+ age range valued simplicity of process and ease of use more so than the 18-44 age range, while the younger demographic leaned toward a friendly interpersonal interaction for optimal customer satisfaction. The importance of ease of use increased with education level, with 41% of graduate or professional school graduates selecting that response and 39% of respondents earning more than \$100,000 annually selecting that response.

**FIGURE 1**

#### U.S. Preferred Customer Satisfaction

*Q. What is the most important characteristic to ensure your satisfaction when communicating with customer support for any product or service?*



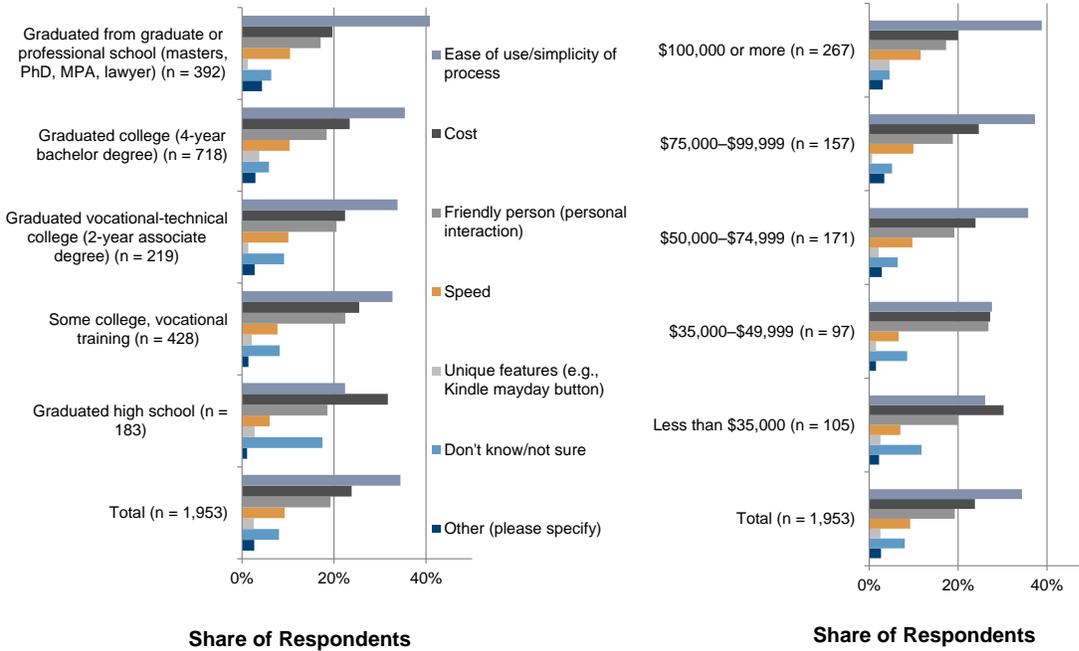
Note: U.S. Services Consumer Survey, 4Q14, n = 1,953

Source: IDC, 2015

**FIGURE 2**

**U.S. Preferred Customer Satisfaction by Income and Higher Education**

*Q. What is the most important characteristic to ensure your satisfaction when communicating with customer support for any product or service?*



Note: U.S. Services Consumer Survey, 4Q14, n = 1,953

Source: IDC, 2015

- Communication channel preferences vary depending on the type of interaction they are seeking.** For example, 76% of respondents selected a voice call as one of the top two ways to report a problem with a product or service, and 75% selected a voice call as one of the top two methods for inquiring about an issue with a purchased product or service (e.g., billing question, tech support). However, when researching a new product or service, responding to promotions/coupons, or providing a review of a product or service, respondents preferred to use web self-service over any other method. Figure 3 below shows a comprehensive view of the channel preferences indicated in the survey.

**FIGURE 3**

**U.S. Preferred Customer Channels by Interaction Type**

*Q. Please select the top 2 ways you prefer to interact when communicating and utilizing customer support with any company for each type of issue.*

	Visit Store	Call	Web Chat	SMS/Text	Web Self-Service	Social Network	Email
Reporting a problem with a product or service (value, features, etc.)	29%	76%	30%	8%	21%	2%	34%
Researching a new product or service	53%	30%	19%	7%	58%	12%	21%
Responding to promotions/coupons	42%	31%	18%	14%	46%	7%	42%
Inquiring about an issue with a purchased service or product (e.g., billing question, technical support)	27%	75%	31%	8%	20%	4%	35%
Providing a review of a product or service (e.g., feedback, either verbal or written)	15%	31%	20%	11%	51%	23%	49%

Key	Red = Less than 10% selected as a top 2 preference
	Blue = 30%–40% selected as a top 2 preference
	Green = More than 40% selected as a top 2 preference

Note: *U.S. Services Consumer Survey, 4Q14, n = 1,953*

Source: IDC, 2015

While the above preferences paint quite a varied picture of how customers prefer to interact, data overall suggests that social and self-service channels are growing in comparison to traditional channels like voice. BPO buyer survey data indicates that as a share of overall interactions, social media will grow from 5% to 9% of overall interactions and web self-service will grow from 12% to 15% of interactions over the next two to three years, while traditional channels like agent-based voice will decrease as a percentage of overall interactions.

- **Customers use social media to interact with companies frequently.** While social media was not a preferred channel for any of the interaction types, 34% of respondents indicated that they use social media for customer support at least once a month. Regular use of social media for communication with a company decreases with age: the 18-24 and 25-34 age groups are the heaviest users of social media, with 49% and 46% respectively using it for customer care at least once a month. It is also important to note that these channels can be accessed by using mobile devices such as smartphones. Over 50% of respondents indicated that they use a mobile device for contacting customer support more than half the time, and 74% of respondents said that mobile customer support was somewhat or very important. It is also

worth noting that 84% of respondents expect the contextual information provided to be transferred when switching between channels.

- **These expectations and preferences have an impact on consumer buying behavior.** Respondents indicated that it is important to communicate with a company using their preferred channel, with 71% indicating it is very important and 24% indicating that it is somewhat important. When asked how the inability to communicate using a preferred channel would impact their buying behavior, 55% of respondents said they would use the product or service much less, while 21% would stop using the product or service completely.

## IV. TRENDS

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While it is clear that traditional channels like voice and email are still preferred for many types of interactions, the presence of newer channels like chat and social, and the increasing prevalence of self-service, play a tremendous role in the changing dynamics of customer engagement. Consumers now have many ways to communicate, and are contacting companies on a wide variety of channels. So while voice is still important, the mix of channels is shifting, creating a need to balance capabilities and have a unified strategy across channels.

Consider, for example, that customers may not prefer to use social for customer care inquiries, and that they could be using it due to failed attempts with other channels or because the process is cumbersome or isn't achieving their desired result. Most companies' social media function exists in the marketing organization and is ill equipped to handle customer care style queries, but they should be prepared to both listen to customer feedback and respond to questions using social channels. Adding to the complexity of this dynamic is the public nature of social media, meaning interactions in social channels have the capability to impact brand perception, either positively or negatively. All of this points to the blurring of lines between marketing, sales, and customer care, and ultimately means that customer care needs to be a much more prominent and strategic function than it currently is in most organizations.

## V. CONCLUSION

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Companies need to consider the following to ensure they are optimizing the opportunity generated by these trends:

- **Coordinate internal efforts to understand the customer journey.** In order to ensure simplicity of processes and meet customer expectations, it is critical to understand what the customer experiences when communicating with a brand. This goes beyond customer care and requires involvement from all aspects of the company that touch customers and are a part of delivering products and services at an organization. This requires communication across departments at an organization, from the buyers of technology to marketing strategy to research and development staff, working together with a consistent vision of what customer experience should be like when interacting with its brand.
- **Invest in multichannel capabilities.** Companies must be able to provide customer support on all available communication channels that customers are using. This means investing in agent and technology capabilities that not just have the ability to handle these channels but also aim to provide a seamless view of the customer touch points over time. As the survey data indicated, customers are expecting context to be passed across channels, requiring more sophisticated and integrated processes. It is also clear that newer channels such as social and self-service are gaining popularity among consumers and will impact the dynamics of the

customer journey in a significant way. Making the right investments will help companies use customer experience as a point of differentiation to consumers, and thus increase the return on investment for these capabilities.

- **Select a BPO provider that can help identify missed opportunities.** BPO providers are inherently immersed in their clients' processes and should be able to help clients identify and address missed opportunities, whether it be ensuring a simple process for customer care interactions or meeting the expectations customers have for the breadth of channels available for communication. As part of this, BPO providers with the ability to apply analytics to customer data from calls or other communication channels can reveal where some of the missed connections can be amended and put in place benchmarks and metrics for measurement moving forward. BPO providers should be an integral piece of both the strategy and execution of a seamless customer experience.

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