



CUSTOMER
CONTACT WEEK
DIGITAL

AUGUST 2020 MARKET STUDY

Customer Experience Trends, Challenges & Innovations



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CCW DIGITAL MARKET STUDY: CUSTOMER EXPERIENCE TRENDS, CHALLENGES & INNOVATIONS

By revealing that only 12% of consumers felt experiences were improving and only 11% felt brands even cared about getting better, CCW Digital's 2019 CX Market Study unearthed a sobering reality. It revealed that for all their talk about customer centricity, brands were failing to live up to the promise of that concept. They were failing to listen to, let alone design experiences based on, customer demands.

As it suddenly transformed the landscape, COVID-19 threatened to exacerbate the issue. If companies could not focus on the customer during a period of relative stagnation, how could they achieve customer centricity when dealing with very real and sudden operational changes and challenges?

The cause for concern was legitimate. Inundated with decisions about how to migrate to a work-from-home environment or how to deflect calls to digital channels, it was very conceivable that brands would make operational decisions without wholly accounting for the voice of the customer. And, in fairness, some did make this mistake.

Ultimately, however, the initial reaction has been positive. Customers are reacting favorably to recent customer experience developments and are becoming more comfortable with the new, digitally driven normal.

That does not, however, mean everything went well. More importantly, it does not mean everything will be easy as customers make future changes to their demands and expectations.

By gathering data directly from consumers, this Market Study addresses those challenges. It assesses how companies are currently faring when it comes to the customer experience -- and what changes they will need to make to continue satisfying customers as the world enters its post-COVID era.

To put it simply, it reveals what customers actually want -- and how customers actually feel. It therefore represents the best foundation on which to develop a customer contact strategy.

METHODOLOGY & DEMOGRAPHICS

If the goal is to find out what consumers want, why not ask them directly?

To gather data for the Market Study on CX Trends, Challenges and Innovations, CCW Digital did exactly that. CCW Digital issued its 2020 Consumer Preferences Survey to a panel of everyday people in July 2020. Representing all age groups, income levels, and regions, the diverse panel of consumers answered a comprehensive list of questions about their expectations, preferences, behaviors, pain points, and demands when interacting with businesses.

The questions accounted for broader consumer sentiment, as well as specific reactions to the COVID-19 pandemic.

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A passionate advocate for customer centricity, Brian regularly speaks on major CX conference agendas. He also advises organizations on customer experience and business development strategies.

KEY FINDINGS

- 1 We were already in the era of customer centricity, and COVID-19 heightened the importance of the customer experience. In the wake of the pandemic, 59% of consumers say the experience plays a bigger role in impacting which brands they support.
- 2 Accordingly, the costs of a bad experience remain high. A staggering 66% of consumers will consider switching to a competitor after just one or two bad experiences.
- 3 Bad experiences also introduce additional costs, as 57% of consumers say they will complain directly to the agent or supervisor (increasing handle time), while 54% will complain to real-life or social media contacts (inhibiting customer acquisition efforts).
- 4 Although experiences have improved from 2019, issues like long wait times, multiple transfers, and unhelpful IVRs continue to frustrate many customers. Since customers still prefer efficient interactions to highly personal ones, these sources of effort and delay are particularly problematic.
- 5 As they increasingly deal with at-home agents, customers are mindful of the impact on call quality. Fifty-two percent (52%) would hold poor connection quality against a brand.
- 6 Other at-home concerns include unprepared agents, disengaged agents, and background noise during conversations.
- 7 COVID-19 has accelerated digital adoption; 82% of consumers now feel more comfortable using digital channels for at least some issues. The numbers are similarly encouraging for modern self-service options, such as chatbots.
- 8 As far as customers are concerned, ease-of-use, access to live agents, and mobile-friendliness are the most important signs of a great digital experience.
- 9 While obsessing over advanced chatbots and conversational digital channels, companies cannot ignore the good, old-fashioned website. More than half of consumers say their support journeys begin on search engines or the official site.
- 10 Brands that were transparent about service gaps and proactive in making changes scored the biggest points during COVID-19. Brands that optimize their e-commerce experiences will excel moving forward, as roughly half of customers plan to permanently scale down their brick-and-mortar shopping and scale-up their digital purchases.
- 11 An impressive 53% of consumers would be more satisfied with a brand that offers a callback option. Other satisfaction-boosting initiatives include providing text support, offering direct responses to feedback, and empowering agents with context about the customer's identity and intent.



YES, THE CUSTOMER EXPERIENCE MATTERS

By adopting customer centricity as a strategic rallying cry, the business world has confirmed its belief in the importance of the customer experience. By reading a report entitled CX Trends, Challenges and Innovations, you surely possess the same ideology.

Is this emphasis on the customer experience worth it? Does elevating the engagement journey markedly impact relationships with customers, let alone the financial bottom line?

The answer, at least as far as customers are concerned, is a resounding yes.

For starters, bad experiences can be considerably costly. Adhering to a “three strikes and I’m out policy,” **nearly 88% of consumers say they consider switching to a competitor after three or fewer bad experiences with a brand.** A staggering **66% will only need one or two bad experiences to look for another provider.**

In addition to taking their business elsewhere, these disgruntled customers will create additional costs through their complaints. **Nearly 57% of consumers will directly complain to the agent - or the agent’s supervisor - following a bad experience.** Addressing these complaints takes time, effort, and energy, thus representing a costly inefficiency for the business.

About **54% of consumers, meanwhile, say they will complain to their close “real-life” contacts and/or on social networks and review sites.** These complaints could prompt other customers -- and a significant number of them if the comment goes viral -- from wanting to do business with the brand. In effect, one bad experience with one customer could damage relationships with many others.

So, yes, there is a clear risk to skimping on the customer experience in today’s environment.

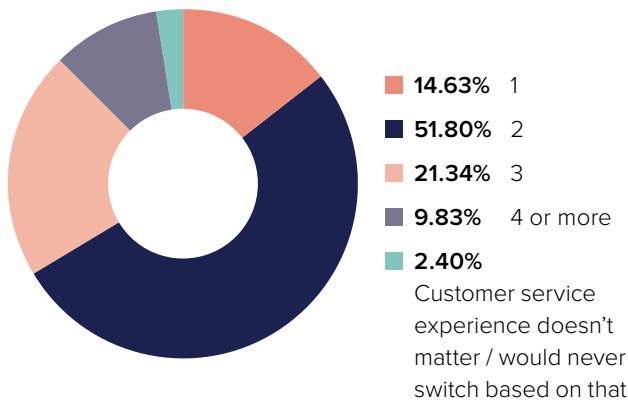
But there is also a clear upside to delivering an exceptional experience, particularly in the wake of COVID-19.

Witnessing how different brands responded to the pandemic and its fallout made today's consumers more conscientious about the experience. It made them more appreciative of brands that go the extra mile for customers and more dismissive of those that opt not to walk their customer-centric talk.

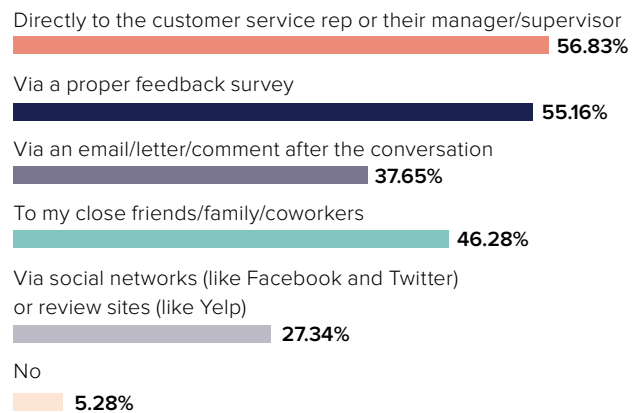
Nearly 59% of consumers, in fact, say they now place more importance on the customer experience when choosing the brands from which to buy. A brand that consistently proves its customer centricity, therefore, has an unparalleled opportunity to attract and retain customers. It has an unparalleled opportunity to grow its business.

So whether one wants to focus on the cost of a bad experience or the upside to a great one, the ultimate conclusion is the same: the customer experience matters.

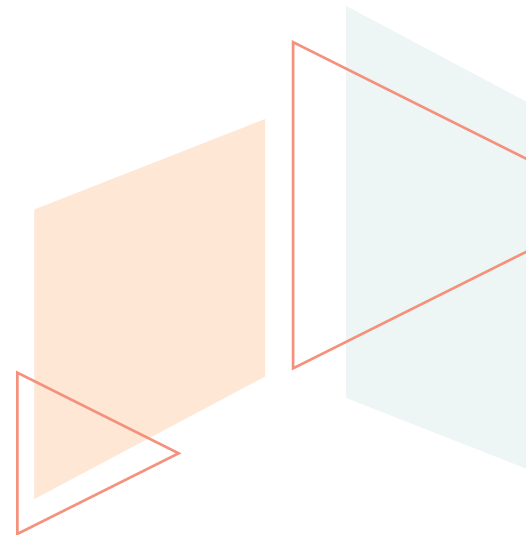
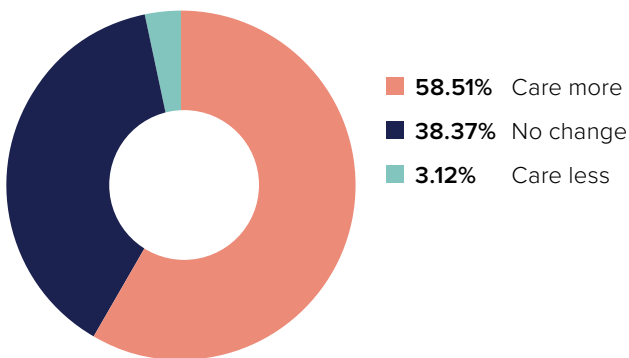
After how many bad customer service experiences would you consider switching to a competitor?



Suppose you had a bad customer experience. Would you complain in any of the following ways?



Following COVID-19, do you care more or less about the customer experience when deciding which companies to support and buy from?





MEET THE NEW PAIN, SAME AS THE OLD PAIN

Knowing something matters and making it count are two vastly different things.

The customer contact community understands this distinction all-too-well. CCW Digital's 2019 Market Study confirmed the sobering reality that for all the hype around "customer centricity," only 12% of consumers feel their brand experiences are meaningfully improving. Worse, only 11% believe companies sincerely care about getting better.

The simple reality is that it takes more than a declaration of customer centricity to reap the rewards and mitigate the risks of customer experience strategy. It takes demonstrable action.

Action, first and foremost, means delivering the experience today's customers are demanding.

That endeavor is no easy task. Customer contact operations notoriously face a plethora of operational bottlenecks and challenges. Whether in the form of strategic misalignment, antiquated systems, bad data, or ill-prepared agents, companies face crippling challenges in their pursuit of a great experience.

Before addressing these challenges, however, many organizations will have to tackle a more fundamental issue: understanding what customers actually want.

In today's marketplace, there is certainly some truth to the idea that customers want it all. Cognizant of the power they hold in the age of social media, these customers more notably know they can *demand* it all. Companies, in turn, have no choice but to consider every facet of the customer experience.

To put it simply, they have to strive for an FP3 journey - one that is frictionless, personalized, predictive, and proactive. They also have to demonstrate a supportive sense of humanity at every moment of truth.

Customers nonetheless do have a hierarchy for their demands, which means companies can set priorities for their transformations. Rather than trying to "boil the ocean," they can take an incremental approach to their improvement.

Based on the voice of today's consumers, that incremental approach should begin with delivering interactions that are accurate and fast. Asked to identify the most important aspect of the customer experience, **75% selected either accurate or efficient interactions**. A non-trivial **18% supremely value empathetic interactions**, but **only 7% prioritize personalization or omnichannel capabilities**.

In theory, this data should be *good news* for the customer contact community. The customer contact function has historically worn the "cost center" badge, rooting its operation more in tight, efficient processes than dazzling, intimately personal conversations. Providing fast, accurate support should be right within the typical contact center's wheelhouse.

In practice, the typical contact center is notorious for its inefficiencies. These inefficiencies allow all-too-familiar "pain points" to linger for customers, creating an ongoing sense of disillusionment. Speed and accuracy may *seem* like easier goals for customer experience teams, but they have unfortunately not proven easy enough.

A staggering 56% of consumers, for instance, say that they often experience long wait times when trying to reach a brand. The number is more favorable than it was last year, but it is still a major problem given the notion that speed matters greatly to today’s consumers.

Other frequent pain points include **multiple transfers** (40%), **unhelpful IVRs** (37%), **slow and unproductive agents** (36%), **difficulty reaching a live agent** (33%), and **having to repeat information** (32%).

In general, these pain points are textbook efficiency issues. Given that contacting a brand *already* represents an unnecessary burden, customers will surely object to repeating information as they endure multiple transfers or unproductive agents. Given that IVRs are supposed to boost inefficiency, their tendency to frustrate customers is a noteworthy concern.

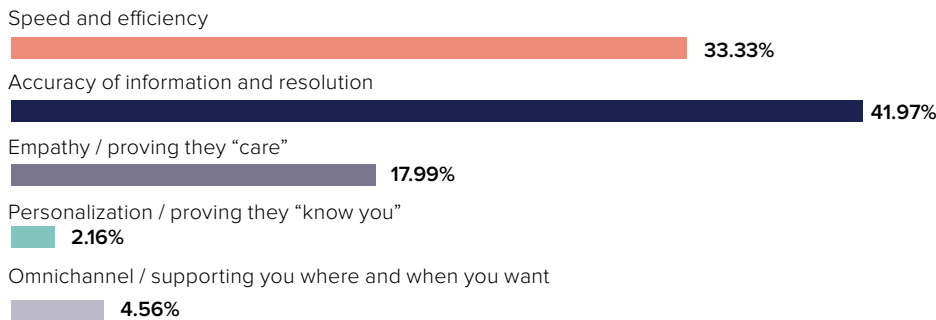
And though “difficulty reaching a live agent” may seem like a matter of channel preference, it also reflects a central efficiency challenge.

Agents may be hard to reach because they are tied up with other calls or chats - interactions that *should* be moving a lot faster than they are. Many customers, moreover, only want to reach live agents because self-service tools have proven inaccurate, unintuitive, or unproductive. If a company delivered low-touch digital experiences that “just worked,” it would reduce effort, boost efficiency, and, ultimately, mitigate concerns about agent availability.

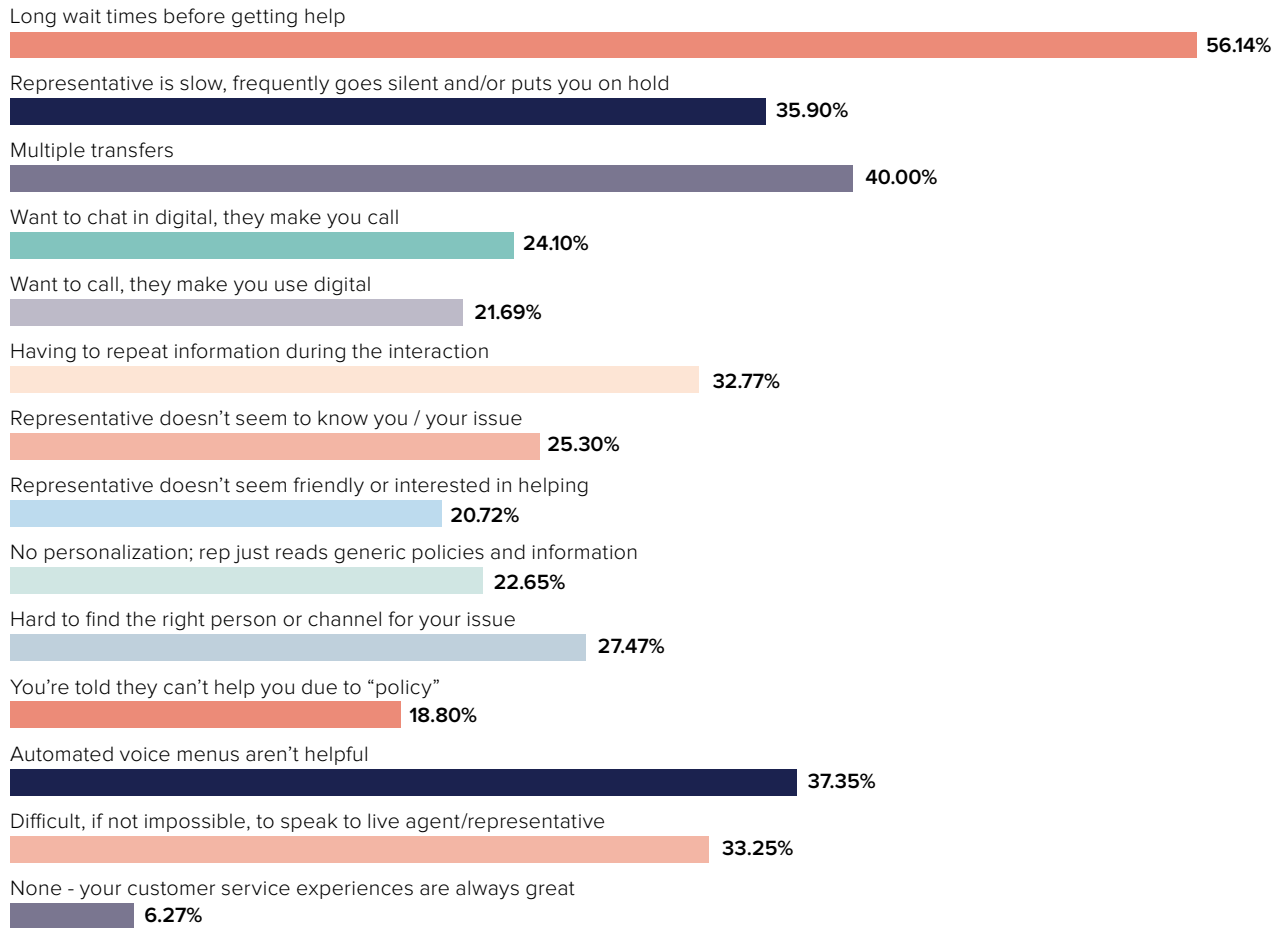
The takeaway here is simple: for all the talk about customer empowerment, today’s consumers are not extravagant in their demands. They generally just want companies to get the basics right. Few companies, however, have even mastered those core tenets.

And contrary to a popular misconception, the majority of customers are not tempering their expectations in the wake of COVID-19. **Over 32% of customers say they are no more willing to tolerate the aforementioned “pain points” and inefficiencies. More than 17% are actually less willing to accept suboptimal experiences, while 18% were more forgiving during COVID-19 but plan to revert to their original standards and expectations moving forward.**

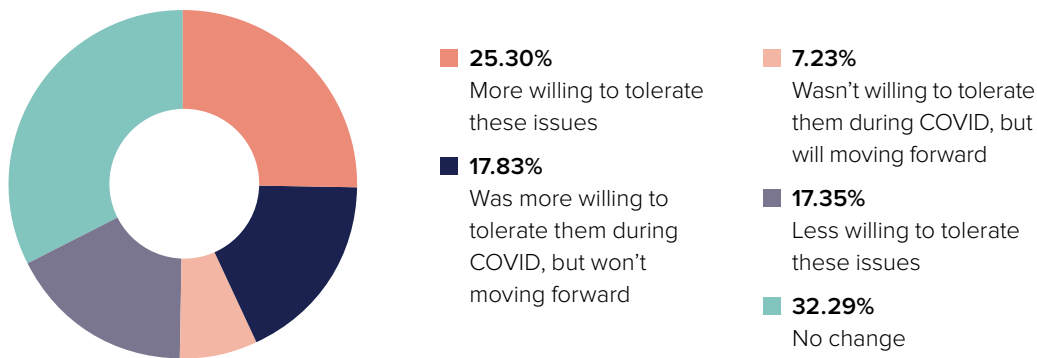
Which of these qualities is MOST important when getting customer service?



Which of these issues do you often encounter when interacting with companies?



How has COVID-19 affected your willingness to accept these issues?





WORK-FROM-HOME, THROUGH THE CUSTOMER'S EYES

A fringe topic in previous years, the work-from-home model took center stage in 2020. Due to mandatory quarantines, urgent resource gaps, and a general concern for their employees' well-being, more than 80% of contact centers turned to remote work in the face of COVID-19. More than 73% plan to make remote work a permanent scenario for at least some employees moving forward.

When thinking about work-from-home, organizations routinely (and understandably) focus on the agent experience. They consider strategies for offering remote training, keeping agents engaged, and facilitating remote collaboration. They account for matters related to employee comfort and happiness. They also plot schemes for potential "hybrid" models in which some employees would come into the physical office some of the time.

As they evaluate these different questions and challenges, they cannot, however, forget the ultimate goal of the entire customer contact operation: delivering a better customer experience.

Indeed, leading companies will view their work-from-home experience through the eyes of their customers. Will customers *know* that the agent is working from home? More importantly, will the experience suffer to such an extent that customers *care* that the agent is working from home?

The ideal answer is "no." Today's consumers certainly understand the challenges that come with working from home, but the majority are unwilling to tolerate a markedly lesser experience. They still need to feel that the agent is able to efficiently and effectively answer their questions and solve their problems.

They will specifically take offense to low-quality phone conversations, such as those that are hard to hear or get disconnected. **Nearly 52% of consumers say a low-quality phone experience with an at-home agent would leave them with a negative impression of the brand.**

Other work-from-home challenges that would hurt the brand's customer relationships include **employees who do not seem knowledgeable or well-trained** (a problem for 46% of consumers), **disengaged, bored, or tired employees** (42%), **background conversations from roommates or family members** (40%), and **other sorts of background noise** (37%).

The truth is that distracting background noise, poor connection quality, and unhelpful employees would damage customer relationships even in a traditional call center or office environment. Telephony equipment is a major priority for contact center leaders, and employee training and engagement rank highly on nearly every leader's priority list.

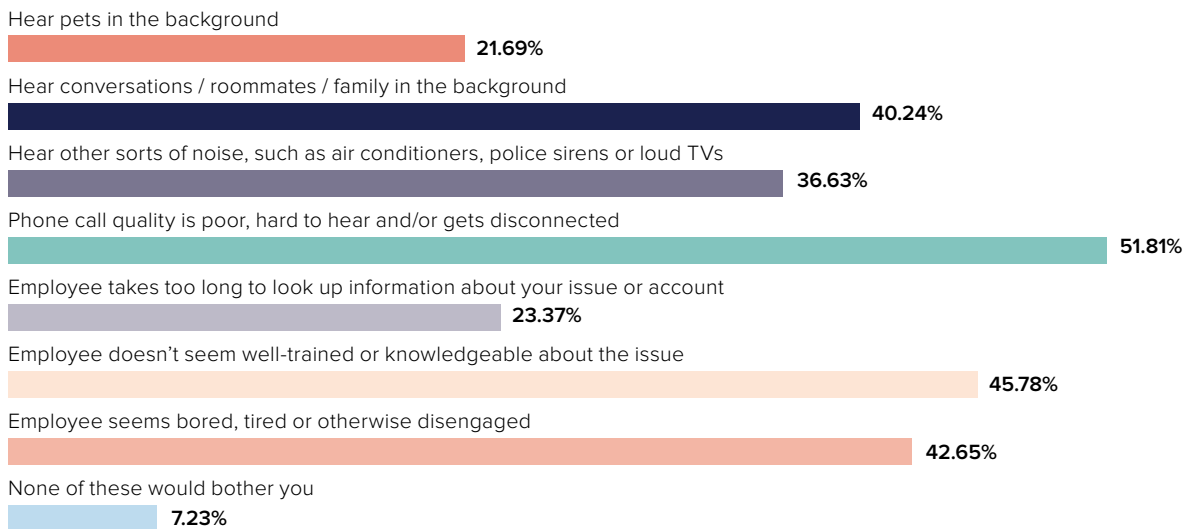
Work-from-home, however, can amplify these concerns. Call quality is by no means perfect in a traditional contact center, but it generally meets at least an *acceptable* standard. The typical office environment offers decent equipment, stable connections, and sufficient space between employees. Employees, meanwhile, have ready access to in-person training and support.

The home environment, on the other hand, makes no such guarantees. Agents may not have modern phone or computer equipment, let alone a powerful Internet connection on which to use that equipment. They may also be sharing tiny spaces with spouses, children, or roommates, none of whom have any appreciation for (let alone incentive) for staying silent. And even if they become comfortable with remote work tools like Zoom and Slack, they cannot wholly replicate the simple power of face-to-face benchmarking, collaboration, and guidance.

When designing their permanent work-from-home offerings, companies need to account for these limitations. They need to develop protocol for equipment and connection speed - whether that means supplying agents with necessary tools or asking those without modern equipment to report to the office. They will, similarly, need to establish standards and protocol for workspaces to make sure agents are not performing (or at least not answering calls) from a disruptive environment.

Improving knowledge bases, simplifying desktops, using AI augmentation tools, and leveraging real-time learning solutions will also go a long way in ensuring agents can get up-to-speed quickly. These agents will, in turn, be more confident and helpful during customer interactions.

Suppose you spoke to a customer service representative who was working from home. Which of the following would leave you with a negative impression of the company?





CUSTOMERS ARE FINALLY EMBRACING THE DIGITAL TRANSFORMATION

Although it was not quite as universal as adopting remote work, turning to digital channels was a very widespread reaction to COVID-19. Facing increases (or at least some form of fluctuation) in interaction volume, questions about unfamiliar issues, and resource concerns and limitations, many brands urged customers to use low-touch digital environments, including no-touch chatbots. Some even *eliminated* voice calls as an option.

On the one hand, this accelerated “digital transformation” represented a customer-centric development. After so many years of talking about digital engagement, companies were finally going to serve customers in the channels they use in their everyday lives. They were finally going to free customers of lingering, phone-centric pain points like long wait times and frustrating IVRs.

On the other hand, there was ample reason for concern. Although consumers clearly value digital channels in principle, they have largely been disappointed with digital customer experiences. CCW Digital’s 2019 Consumer Preferences Survey revealed sobering statistics about digital engagement; the majority of consumers still preferred the traditional phone channel for customer support issues. Despite the channel’s notorious inefficiencies, they still believed voice was the fastest option for getting their problems solved. They were particularly bearish on chatbots, with only 9% of consumers saying they trusted bots to solve their problems.

And it is not as if companies were overly confident in their digital capabilities. Few confirmed meaningful success with automated engagement in CCW’s 2019 studies, and many identified digital capabilities as an urgent improvement area.

A staggering 87% of companies, moreover, believe they can better educate customers on the value of digital.

Despite the lingering limitations and warranted pessimism, brands nonetheless proved capable of digital engagement during COVID-19. Their emphasis on digital was fairly successful, and customers are now demonstrating an unprecedented level of comfort and enthusiasm for digital environments.

In the wake of COVID-19, **82% of customers say they are more comfortable using digital channels for at least some customer support issues.** A healthy **32% are comfortable using digital channels for all issues.**

The numbers are also promising for self-service specifically, with **86% of consumers expressing a willingness to solve problems on their own** using tools like chatbots, instructional videos, and even the historically maligned IVR. More than 53% are already comfortable with these platforms; the remaining 33% are theoretically open to self-service but have not yet seen sufficient proof of success.

No, the urgent pivot to digital was not flawless. Some customers still have reservations about using self-service platforms. Some customers still have reservations about taking serious issues to any digital platform. The key, however, is that customers are markedly more accepting of these channels than ever before. They do see them as viable customer engagement options, which represents a game-changing development for organizations that have long wanted to make omnichannel - and all its efficiency, intelligence gathering, and technological advantages - a reality.

To create even more comfort and satisfaction in the digital world, companies will want to make support options easier to find. **Nearly 61% of consumers say good digital experiences make it “easy to find help.”**

Other leading digital demands include **access to a live agent for additional help** (60%), **mobile-friendliness** (55%), **the ability to solve most problems within the actual digital channel** (48%), and **seamless escalation to the phone when needed** (39%).

A simple reading of these preferences would suggest that consumers want to have their mobile cake and eat it too. They want “full-service” digital experiences that can solve most problems yet still expect seamless escalation to live phone agents.

The more logical reading, however, is that customers are demanding *frictionless* mobile experiences. Each of these

demands - easy-to-find support options, compatibility with mobile devices, less need for escalation yet less trouble in the event it is necessary - speaks to the belief that a great digital customer experience is an easy one.

Considering the fact that customers routinely endure slow, effort-intensive phone conversations *and* value speed and accuracy over heavy personalization, this demand for frictionless digital experiences makes perfect sense. Why migrate to an environment famous for its convenience and seamlessness if the experience in that environment does not live up to the billing?

As they work to strengthen their digital channels, customer-centric brands will also pay attention to their official website and search engine optimization strategy. **More than 50% of consumers say they check the company website or search the web for answers before engaging in a traditional support channel.**

How has your perspective about digital/online customer support changed as a result of COVID-19?



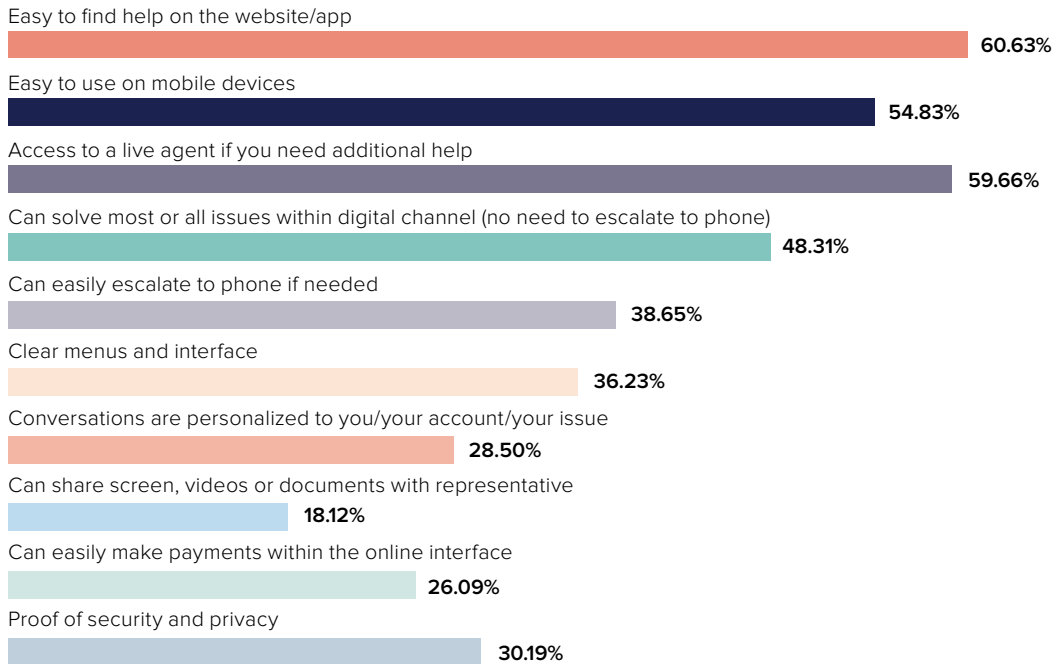
- **50.12%**
More comfortable using chat/messaging/email/chatbots for some issues
- **32.05%**
More comfortable using chat/messaging/email/chatbots for all issues
- **17.83%**
Less comfortable using chat/messaging/email/chatbots

Are you comfortable solving customer service issues on your own (without help from a representative), such as via chatbots, FAQ pages, instructional videos, or automated voice menus?

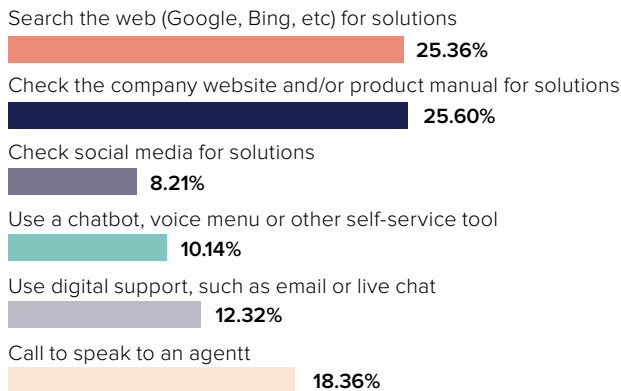


- **53.14%**
Yes - already comfortable using these self-service tools
- **33.09%**
Could be comfortable in the future, but you haven't yet had much success with bots or voice menus
- **13.77%**
No - support should always come from an employee

What defines a good customer service experience in digital channels like chat, email and messaging?



Suppose you have a customer service issue. In general, how would you FIRST try to resolve the issue?





COVID-19: SHIFTING PRIORITIES, CHANGING THE GAME

COVID-19 changed perspectives about the customer experience. It made consumers more cognizant of brands' customer experiences -- and more comfortable using their digital channels.

It also had a direct impact on brand *offerings* and customer behaviors. Many brands had to transform their goods and services to account for factors like social distancing and job loss. They also had to change their support processes to account for dramatic changes in interaction volume and customer sentiment.

Consumers, meanwhile, had to adapt their purchasing habits to a world in which merely stepping out of the house and interacting with people became a risk.

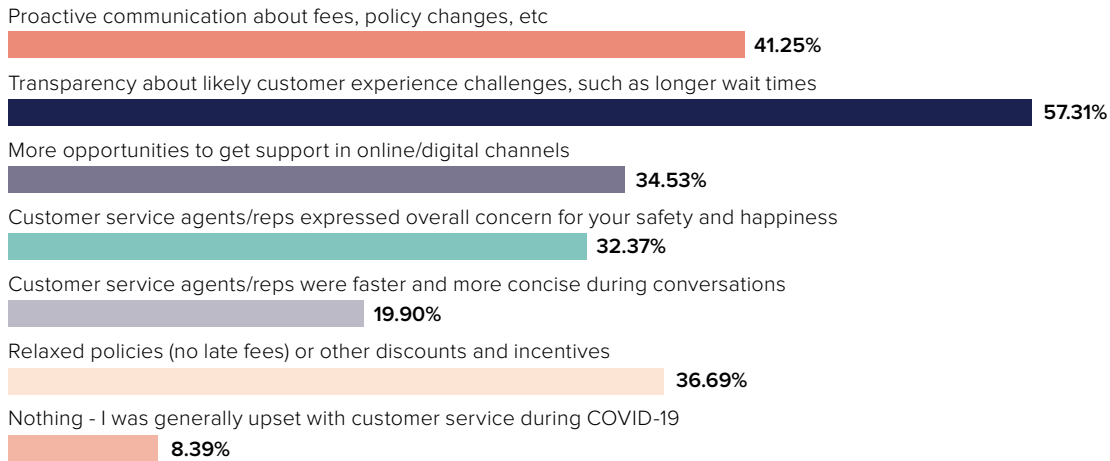
By virtue of how brands handled the transition, consumers gained a better sense of whom to trust - and support - moving forward. By virtue of how they are approaching the new world, consumers will help companies further retool their offerings and messaging.

When it comes to brand response, the most customer-centric gesture was being *transparent* about potential customer experience challenges, such as longer wait times when calling. **More than 57% of consumers say they were impressed with and potentially became more loyal to - brands that demonstrated transparency.**

Brands that proactively announced changes, such as those concerning fees or policies, scored points with 41% of customers. Brands that relaxed relevant policies (such as those regarding late fees) (37%) and offered more digital engagement opportunities (34%) also proved resonant during the COVID-19 pandemic.

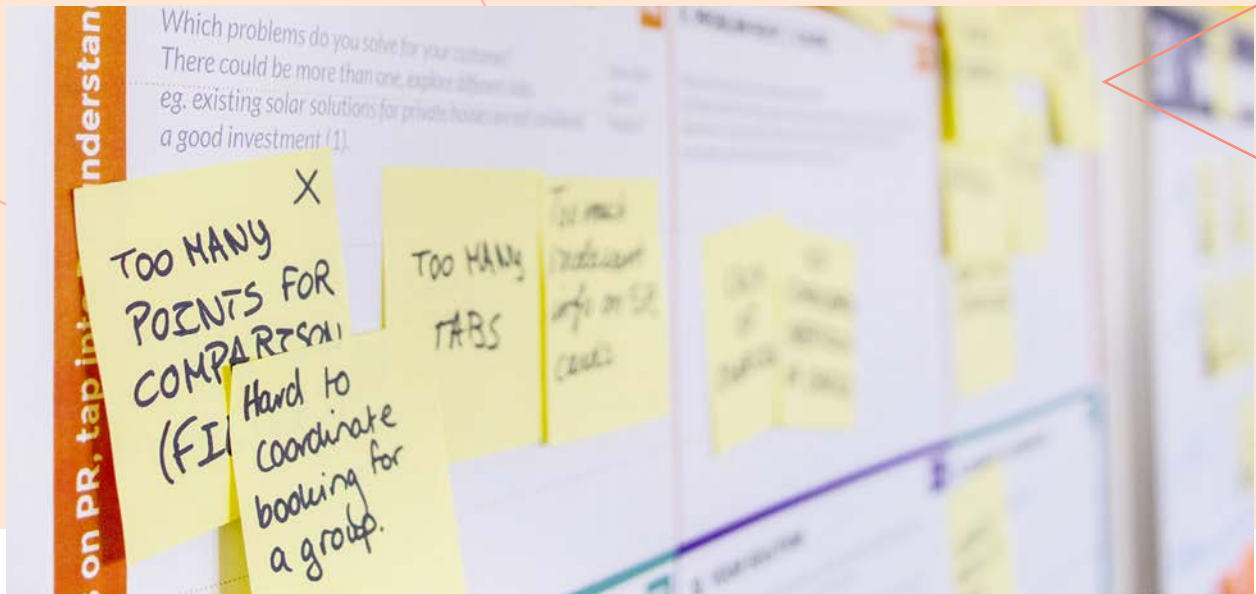
E-commerce will play a central role in the customer response. **More than 49% of consumers say they will make fewer trips to brick-and-mortar stores** even when the pandemic subsides, while **48% will buy more products online (including essentials)**. Other post-COVID changes include **more frequently leveraging curbside or in-store pickup (34%), and reducing live entertainment (34%) and restaurant (33%) visits.**

Many companies had to adjust their customer service strategies as a result of COVID-19. Which of the following changes impressed you and/or made you more loyal to the brand?



Will you make any of the following changes to your shopping/purchasing habits as a result of COVID-19, even when the pandemic subsides?





CUSTOMER-CENTRIC INNOVATIONS

The best innovation has a purpose. It solves a real problem or creates real value.

In a customer experience context, the best innovation creates value for customers. It leads to more satisfying engagement journeys. Based on this notion, call back solutions definitely warrant the customer contact community’s attention.

Unsurprising given their frustration with long wait times, **53% of consumers say the option to receive a call back at a convenient time would increase their satisfaction level.**

Also unsurprising given their increased interest in frictionless digital experiences, **44% of consumers would derive satisfaction from a convenient text messaging option.**

Other customer-centric ideas and solutions include **providing a direct response to feedback or complaints (32%), representatives already knowing who the customer is and why they are calling (26%), the elimination of knowledge-based authentication questions (26%), and proactive support alerts via text or email (26%).**

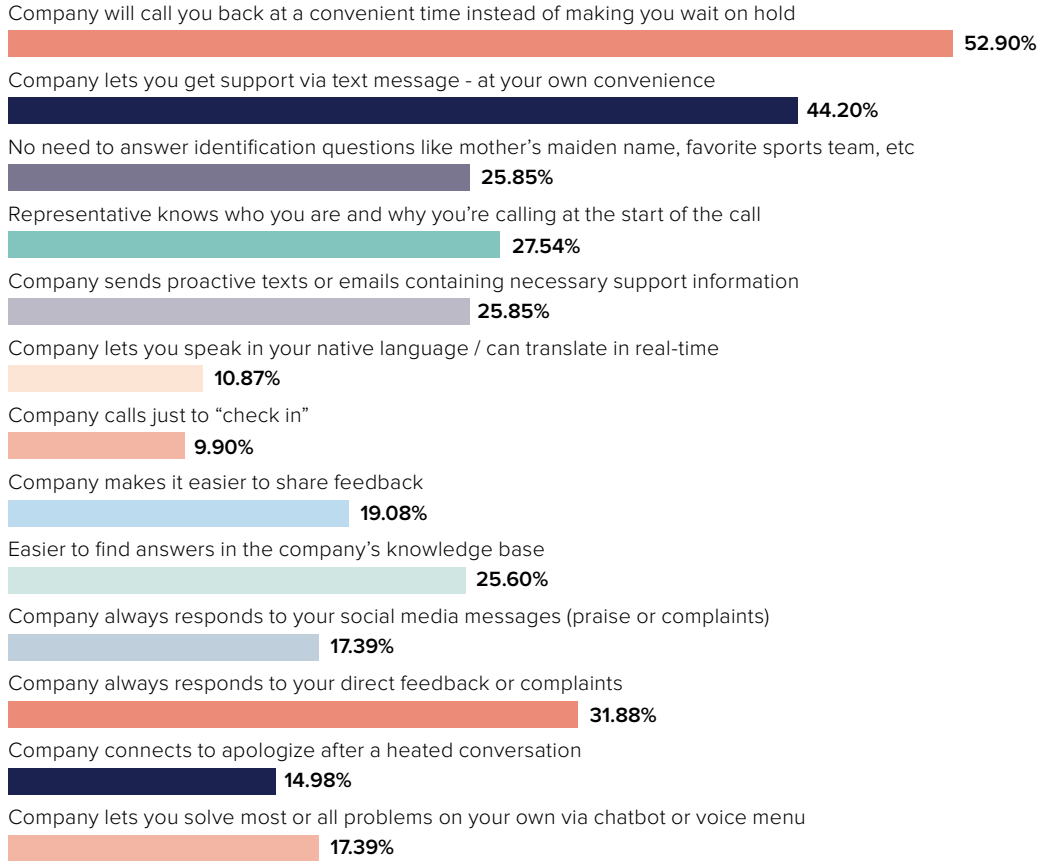
Given last year’s revelation that consumers generally do not feel brands care about their thoughts, efforts to close feedback loops will obviously go a long way in restoring trust and satisfaction. Along with a pro-customer mindset, this endeavor requires effective voice of the customer, case management, and CRM solutions.

Analytics solutions, particularly those that leverage AI and CRM integration, can help agents more quickly identify customers’ identities and intentions. Automated security solutions, such as biometrics or ownership-factor technology, can reduce the need for cumbersome authentication questions. Customer analytics, marketing automation, and omnichannel contact center platforms can make proactive communication a reality.

To put it simply, the most promising customer experience transformations are already possible thanks to existing marketplace technology. Coupled with the fact that customers care more about the experience than ever and continue to complain about the same inefficiencies and “pain points,” there is no excuse not to take action.

Dubbed the Practicality Guide, the balance of this report features an unprecedented set of recommendations for taking that action - and an exclusive set of case studies that prove success.

Which of the following would make you more satisfied as a customer?



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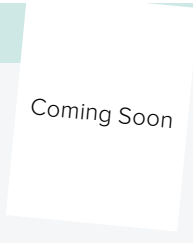
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