

+ Gladly

2018

# Customer Service Expectations Survey

Trends and insights  
from consumers  
about customer service



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# Methodology

Gladly worked with a third party to conduct an online survey of 935 adults aged 18 and over in the United States. The survey was fielded between April 21, 2018 to April 24, 2018 using Market Cube's proprietary online survey software, and a panel of survey participants.

Data collected from the survey was weighted by age, educational attainment, and race to ensure the survey sample accurately reflected the demographic makeup of the U.S. population.

The margin of error probability for a sample this size is +/-3.2%, 19 out of 20 times.

## **DETAILED BREAKDOWN**

- 47% Male, 53% Female
- 26% Millennials and Gen Z (Ages 18 to 37)
- 30% Gen X (Ages 38 to 54)
- 44% Baby Boomers (Ages 55 to 72)

EXECUTIVE SUMMARY

# 2018 Customer Service Expectations Survey

Expectations are defined as “the strong belief that something will happen, or be the case in the future.” So why is it important to understand what consumers expect?

Because it’s those expectations that influence a consumer’s decisions; which in turn, influence their loyalty; which then influence a company’s long-term revenue.

Companies today realize the immense value that comes from keeping their finger on the pulse of their customers’ expectations, which is why the focus on customer experience continues to be one of the top initiatives for companies this year.

In this year’s Customer Expectations Survey, we saw three major themes emerge around the expectations and behavior of consumers when it comes to customer experience.

SERVICE MATTERS

## The quality of a company’s customer service can make (or break) the bank.

Consumers truly value a company that provides great service, and they’re willing to reward or punish companies with their pocketbooks, based on the service they provide. Of the consumers polled, 92% would stop purchasing from a company after 3 (or less) poor customer service experiences.

CUSTOMER EXPECTATIONS

## Today’s consumers expect zero repeats, one answer, and multiple channels.

Just like in their personal lives, consumers expect to use lots of different methods of communication when they reach out to companies. But access isn’t enough—they also want consistency and continuity. 71% desire a consistent experience across any channel, but it’s a reality for only 29%.

PERSONALIZATION IS KEY

## 21<sup>st</sup>-century consumers want service that’s fast, yet still furious(ly) personal.

No one has enough time in the day. But while speed is important for service, consumers actually value one thing even more—being treated like unique, valued individuals. We found that being treated like an individual (59%) was valued more than the speed of resolution (53%).

HIGHLIGHTS

# The Highlight Reel

Quick insights from the consumers surveyed.

# 54%

## MAKE DECISIONS

based on customer service, with 19% considering it the most important deciding factor.

# 59%

## VALUE PERSONALIZATION

over speed (53%) when it comes to customer service.

# 98%

## TRY TO SKIP THE IVR

in order to get to a human agent. The top three terms used are “representative”, “customer service”, and “live person”.

# 76%

## GET CONFLICTING ANSWERS

when dealing with the same issue with different representatives.

# 68%

## WILL PAY MORE

for products and services from a company with a strong record of good customer service.

# 92%

## WILL SWITCH

to another company after 3 (or fewer) bad experiences.

# 59%

## PREFER HANDING OUT PARKING TICKETS

over reciting case numbers.

# 61%

## FEEL THEY'RE TREATED LIKE CASE NUMBERS

rather than people.



SERVICE MATTERS

The quality of a  
company's customer  
service can **make**  
**(or break)** the bank.

SERVICE MATTERS

# Great service pays for itself

Consumers reward companies that provide great service by not only purchasing more from them, but paying more for what they buy.

We all know the adage, one good turn deserves another. As it turns out this holds true in customer service as well, with consumers willing to reward companies that provide a high standard of service by purchasing more from them. **Of the consumers polled, 74% cited the quality of customer service as a 'very important', if not the 'most important factor' when deciding on a purchase.**

And not only are consumers willing to buy more, they're also willing to pay more for their purchase. **68% of respondents said they would pay more for a product from a company which had a strong record of good customer service.**

Customer service shouldn't be seen by companies as simply a cost of doing business anymore. Instead, it's an investment that in time, will pay for itself many times over.



# 68%

would pay more if a company has great service

# 33%

would pay 1-9% more

# 27%

would pay 10-20% more

# 8%

would pay 20%+ more

SERVICE MATTERS

# Paying more for service isn't just a "Millennial thing"

Contrary to popular belief paying more for good service isn't exclusive to Millennials.

While Millennials were amongst the most likely to pay for better service (with 77% answering in the affirmative), **both Gen X and Baby Boomers came out as just as likely to do the same, at 71% and 60% respectively.**

Millennials do, however, appear to place a higher premium on good service than their Gen X and Baby Boomer counterparts, **being almost four times more likely than Boomers to spend upwards of 20% for good service.**



SERVICE MATTERS

# The hidden costs of poor customer service

Most consumers will forgive a company for a poor customer experience—but three strikes and you're out!

While consumers will purchase more from companies with great service, they're also willing to walk away from a company when they're treated poorly.

A poor customer experience is inevitable, but companies can find some comfort in the fact that **73% of consumers are willing to give a company more than one chance** before they switch to a competitor. **More accurately, they're willing**

**to give companies up to three chances, after which only 8% are willing to stay on.**

But that doesn't mean companies should rest easy. In fact, **for 26% of the consumers we polled, just one poor experience was enough for them to switch to someone else.** It's critical, therefore, for companies to identify those poor experiences and remediate them, before they lose the consumer entirely.



**26%**  
switch after just one bad experience.

**92%**  
switch after three or fewer bad experiences.





SERVICE MATTERS

# Consumers will share their “good, bad, and ugly” experiences

Customer experiences don't live or stay in a vacuum. Consumers will share them with friends, family, and anyone who will listen on the Internet.

Not only does a positive customer experience drive consumers to buy more at a higher price point, it also encourages them to share their experiences with friends, family, and complete strangers on social media. **According to our survey, 80% of consumers will recommend a company to friends and family after a good experience, while 40% will post about it on social media.**

On the flipside, **poor customer experiences come at a heavy cost.** Of those polled, 67% said they would actively dissuade

friends and family from buying from a company that provided them with poor service, while 42% would post it on social media.

Consumers are also becoming more active on social media when it comes to sharing their experiences compared to 2017. **In terms of sharing positive experiences, we saw a sizeable 12% increase in sharing over last year (from 28% to 40%), with a commensurate 11% increase in sharing negative experiences (from 31% to 42%).**



**42%** are likely to post on social media

**67%** are likely to dissuade friends and family



SERVICE MATTERS

# Good service is the **best marketing**

Consumers may turn to friends and family to talk about service, but when making purchase decisions, they're more likely to look online.

While consumers may turn to friends and family rather than their keyboards to share their service experiences, when it comes to making their own purchase decisions, online referrals often prove more persuasive.

According to our survey, **consumers are 50% more likely to rely on online reviews (on websites and social media) than recommendations from family and friends when deciding on a purchase.** With the increased sharing on social media over last

year, coupled with the propensity to share negative reviews over positive ones, it's vitally important that companies provide consumers with a good, consistent experience.

**Company-issued advertising, on the other hand, saw the least reliance, with just 8% of customers turning to them when making purchase decisions.** So for companies looking to make a bigger impact on customer loyalty and revenue, it makes sense to trade in some of those advertising dollars and invest in customer service instead.



The background of the slide is a close-up photograph of green leaves, likely from a succulent, with a white rectangular area in the center containing the text.

CUSTOMER EXPECTATIONS

**Today's consumers  
expect zero repeats,  
one answer, and  
multiple channels.**

CUSTOMER EXPECTATIONS

# It's the age of multi-channel

With the rise of smartphones and social media, consumers have a multitude of communication channels at their disposal, and they expect to be able to use the channel that's most convenient for them, or best suited to their issue.

The days where a company could provide just a phone number and an email address are long gone. **According to our survey, the typical consumer (one who contacts customer support between 1-5 times a year) uses an average of at least three types of channels to contact the companies they do business with.** And for the more frequent user, that number jumps to four channels.

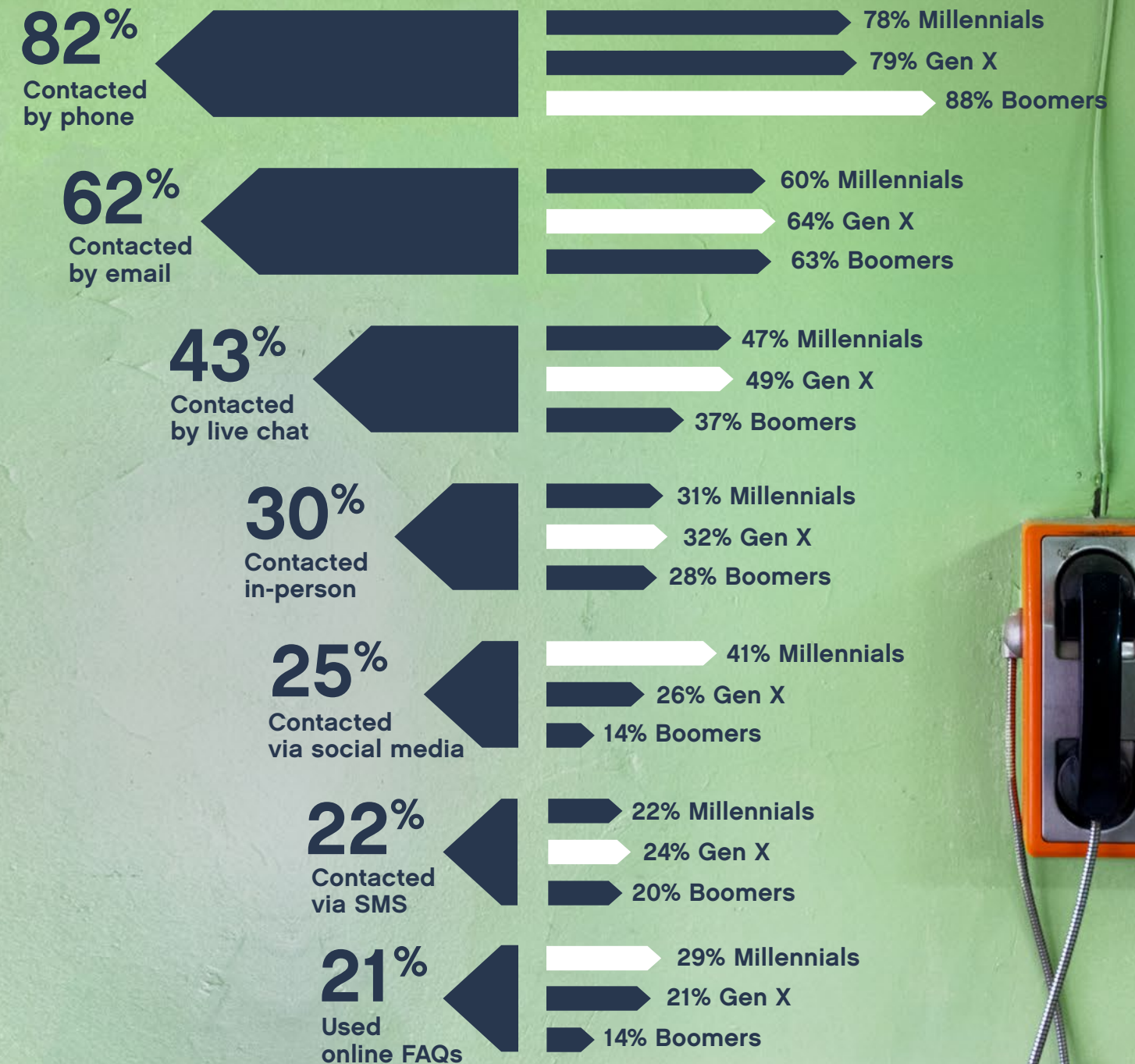
**Phone, email, and live chat saw the highest user engagement at 82%, 62%, and 43% respectively.** But there was still healthy demand of an average **20% by consumers**

**across the board for other support channels like in-person, SMS, self-service, and social media,** so they shouldn't be ignored by companies looking to capture the attention (and dollars) of their customers.

As companies continue to invest in providing a better, more seamless omnichannel experience, we expect to see a continued trend upwards in the average number of channels that a consumer uses. This puts the onus on companies to ensure not only that they provide access to these channels, but maintain a high standard of service across the spectrum as well.

CONSUMER ENGAGEMENT BY CHANNEL

BREAKDOWN BY GENERATION



CUSTOMER EXPECTATIONS

# Seamless expectations

In the same way they speak with friends or family, consumers want to switch between channels without losing the context of their conversation. **Yet only 22% of consumers have experienced seamless transitions.**

Consumers today want the same experience that they have when they speak with friends and family, with the businesses they interact with. They aren't reaching out via a single channel anymore, switching instead between channels depending on what's most convenient for them.

But just like their personal conversations, they expect that the context of their previous interactions shouldn't be lost, and they should be able to simply pick up where they last left off.

And while a seamless, omnichannel experience is a reality in their personal lives, an **overwhelming 78% of consumers feel when it comes to communicating with businesses, this experience is rare, or never happens.**

**This level of dissatisfaction among customers has increased 3% (from 75% in our 2017 survey),** an indicator that consumer expectations are outpacing companies' efforts when it comes to providing a seamless, omnichannel experience.



CUSTOMER EXPECTATIONS

# Consistency across channels is queen

It isn't enough to provide an array of communication channels. Consumers expect companies to provide a consistently high experience throughout those channels.

While companies might choose to split their support teams according to channel, the average consumer is blissfully unaware of the inner workings of their contact center. They just want to reach out and receive support on the channel of their choosing.

But unfortunately, the majority of consumers aren't getting the consistent experience they seek,

with **more than three quarters of consumers having received conflicting information when they reached out on a different channel, or spoke to another agent.**

Apart from this being a frustrating experience for consumers, it also results in a loss in confidence and trust in the company, making them more likely to turn elsewhere for their needs down the road.

**76%**  
receive conflicting answers.

CUSTOMER EXPECTATIONS

# Rinse + Repeat = Irritation

Consumers want the companies they purchase from to know their prior history of interactions; they don't want to repeat themselves each time they use a new channel, or speak to a new agent.

To follow up on an issue, a customer has to take precious minutes out of their already busy day—the last thing they want to do is spend more of their time rehashing conversations and information the company should already know. **Unsurprisingly, we found that 87% of consumers felt frustrated when having to repeat themselves several times to different agents about the same issue.**

Consumers want companies to know their previous interactions with them. **A whopping 71% of the consumers we asked want the**

**companies they purchase from to know and remember their previous interactions with them.** Yet despite this overwhelming desire, **only 29% of consumers reported experiencing it some, or all of the time.**

With today's technology, it's possible for customer support teams to better track and record previous conversations, and maintain a single view of the customer that is easily accessible to any agent who helps the customer down the line. Now that's the power of innovation.



CUSTOMER EXPECTATIONS

# Self-service could use an upgrade

Despite the much-touted benefits, most consumers aren't warming up to self-service support, with the biggest complaints centered around a poor user experience.

Self-service support—like a company's FAQs, chatbots, or IVR (the automated phone systems where you press or say "1" for English)—have been embraced by companies over the years as a relatively cheap, easy way to provide customers with 24/7 help, at their convenience.

**Yet despite these lauded benefits, self-service support ranks as one of the least-used or liked methods of communication (in fact, in this year's survey, FAQs were the least-used method of support).**

Self-service has plenty of benefits to companies when it comes to efficiency and reducing costs, but only if customers actually use them to help serve themselves. Otherwise, it can actually cost companies more than they save.

In a recent Harvard Business Review case study, it was found that introducing self-service options at a national retail bank had in fact **increased their support volume, and resulted in customers visiting and calling the bank more instead of less.**



Only  
**21%**  
used FAQs in the last 12 months



CUSTOMER EXPECTATIONS

# Nearly everyone tries to **avoid IVR**


Despite advancements in IVR technology over the years, consumers are still resistant to using this automated system of support.

Interactive voice response (or IVR) has come a long way from the simple touch-tone directory of the past. Today's IVRs leverage complex technologies like speech-recognition and AI-capabilities to help route, or even answer customer questions directly.

Yet despite these advancements, IVR remains a wildly unpopular

choice amongst consumers, with **98% admitting they try to bypass companies IVR systems to get straight to a human service agent.**

The top three words or phrases consumers used to bypass IVR were **“representative”** (34%), **“customer service”** (27%), and **“live person”** (15%).

 [Click to Share](#) 98% of customers try to bypass IVR



**98%** try to bypass IVR to talk to a human.

CUSTOMER EXPECTATIONS

# Chatbots and FAQs need more human assistance

More than half of consumers were disappointed with their chatbot and FAQ experience.

The use of chatbots and FAQs have exploded amongst companies today. But as more companies climb aboard the self-service bandwagon, this enthusiasm hasn't quite caught on with the very people they're meant to serve—the customers.

**More than half of consumers who used chatbots (53%) and FAQs (51%) rated their experience at the lowest end of the scale** (either 'average' or 'poor'). When asked to explain why, it all came down to poor user experience.

The top three complaints about chatbots were that **they took too long to provide answers to simple**

**questions, provided unrelated information, and couldn't handle complex questions.**

For FAQ users, the top three complaints were **that the answers were too generic and lacked detail, were poorly organized, and couldn't answer complex questions.**

These channels are only as good as the information they're programmed with, so companies should consider more human assistance to better their non-human support offerings



**more than half reported “average” or “poor” experiences with chatbots or FAQs**





PERSONALIZATION IS KEY

**21<sup>st</sup>-century consumers  
want service  
that's fast, yet still  
furious(ly) personal.**

PERSONALIZATION IS KEY

# Consumers prefer personalization over speed

While consumers value speed in getting their issues resolved, it isn't the most important factor. Instead, they favor service that's personal, over service that's simply fast.

Like bees to honey, consumers are drawn to the channel they think is fastest.

In our survey, we found that—save for email and in-person support—a consumer's preferred channel matched directly with the method they thought was fastest.

Yet, while consumers obviously value speed, they also want service that's personalized. They want companies to demonstrate they know who the consumer is, and their history with them. **In fact, we found that a higher proportion of consumers valued having service that's personalized, over receiving service that's fast.**

59%

rated personalization  
"very important"

53%

rated speed  
"very important"



PERSONALIZATION IS KEY

# To know me is to love me

As human beings we have a natural desire to be recognized as unique, valued individuals. Instead of being identified by a ticket or case number, consumers want the companies they buy from to make the effort to know who they are, and their history with the company.

Consumers don't expect companies to know them the way a friend or family member might. But they do want the companies they purchase from to have a general sense of who they are, instead of treating every interaction as if it were brand new, or asking for a ticket number at every turn.

According to our survey, **76% of consumers want the companies they've done business with to remember who they are**, and their history with the company. Yet despite this strong desire to be known, a surprising **61% of consumers**

**feel as if they're treated like anonymous tickets, rather than individuals.**

**While 61% is a huge percentage of consumers, the good news is that this number has come down significantly from the 67% who felt this way when we asked this question last year.** It's a sizeable decrease of 6%, which means companies are stepping up their game when it comes to recognizing and valuing their customers' individuality—though there's still some ways to go.



76%

want companies to remember who they are



61%

feel treated more like tickets than people

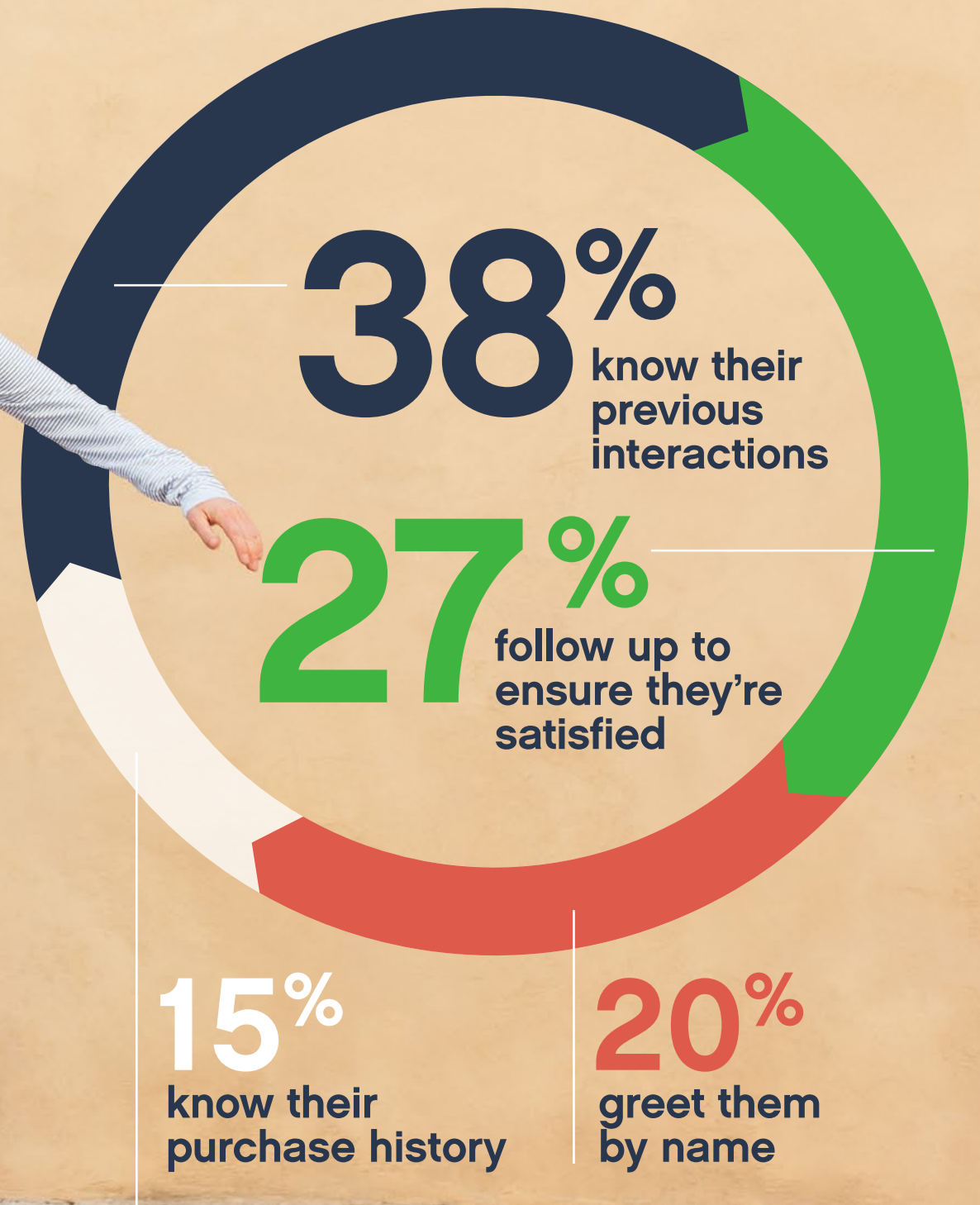


PERSONALIZATION IS KEY

# What can companies do to make customers feel unique?

## Get personal.

We asked customers for the one thing a company could do to make them feel like unique, valued individuals.





BEST PRACTICES

## How to turn Customers into Cheerleaders

We had best-selling author Shep Hyken share his secret sauce for how companies can turn their customers into their biggest advocates.

### Be where your customers are.

There's no one, magic method of communication that all your customers are using—they just want to use what's most convenient for them, at that moment in time. So make it easy for them to reach you by providing support across every channel. At the same time, keep an eye out to ensure that they're getting the same standard of service across all those methods, so they're not treated any better or worse depending on the method they use—or worse still, get conflicting answers.

One tip for consistency? Have clear guidelines on your company's voice and values in place, and communicate them to your support team through regular training. Empower your team to always fall back on these values, so that even if you aren't standing right behind them, they'll make the right decision for your company, with your customers best interests at heart.

“Time is precious—for you, and your customers—so look for ways to optimize and streamline processes in your workflow.”

[Click to Share this Tip](#)

### Put the customer at the top of your pyramid.

Doesn't it feel great when you walk into your usual coffee place and they just know your name and order? Your customers get that same fuzzy feeling when they're remembered, so try to make this experience happen for them. Start small by getting to know their names, and then progress up to providing bigger value-adds, like making product or size recommendations based on what they've purchased before. The technology and tools are out there to help you do this, it's all about leveraging them.

### Put the focus on efficiency and convenience.

Time is precious—for you, and your customers—so look for ways to optimize and streamline processes in your workflow. For example, rather than have your customers repeat their issue and history each time they reach out to a new agent, put a system in place that lets agents see the context around who they're speaking with (like their loyalty number, or a summary of their earlier calls). Not only does this help agents solve issues faster, but it reduces your customer's overall effort—a surefire way to your customer's heart.

### Listen to your customers.

Before your customers can become your cheerleaders, you have to make them feel like a part of your team. And there's no better way to do it than by reaching out and getting their feedback on how you're doing, and what you can do better. But don't just gather feedback for the sake of it—actually act on that feedback, then be sure to close the loop, letting your customers know how and when their ideas are being implemented. When your customers feel heard and listened to, they feel connected to your brand as an individual, so they're more likely to advocate on your behalf. And those customers turned cheerleaders will be using their megaphone to champion the great experience they've had with your company.

“Before your customers can become your cheerleaders, you have to make them feel like a part of your team. And there's no better way to do it than by reaching out and getting their feedback on how you're doing, and what you can do better.”

HOW GLADLY CAN HELP

# Putting people at the heart of service

How to deliver customer service  
focused on people, not tickets.

As the data shows, today's consumers want to feel known and connected to the brands they purchase from—especially if they're repeat customers or have shown longtime loyalty. They want companies to provide service that's personalized based on their history with them. And they expect the context of their past interactions to follow them to their present conversations—even when they're speaking to a different agent or using a different communication channel.

At Gladly, we wanted to reinvent customer service to help facilitate that human connection. Instead of routing 'tickets' and 'cases' we route people, and with them, their entire history of conversations and interactions, so agents can see a complete view of the customer and use that to provide the seamless, omnichannel experience that customers desire. An experience that not only engenders the loyalty that keeps them coming back, but encourages them to champion a brand to friends and family alike.

If you're ready to get rid of tickets and cases and learn how to center your service around people, send an email to [ben@gladly.com](mailto:ben@gladly.com) and we'll be happy to continue the conversation with you.

