

**WHITE PAPER - SITEL GROUP**

# 2018 CX INDEX

BRAND LOYALTY & ENGAGEMENT



## BRAND LOYALTY

How customer experience affects  
consumer loyalty

## ENGAGEMENT

Understanding consumers' preferred  
channels of engagement

## WHAT?

17-question  
mobile survey

## WHO?

1,200 U.S. adults  
(age 18+)

## WHEN?

October 2018

## HOW?

Direct to mobile  
users via Pollfish

## DISCOVERING

How does experience affect brand loyalty and what forms of customer engagement are most meaningful to today's consumer? This survey was conducted to understand consumer sentiment toward customer experience (CX) themes such as brand loyalty, preferred channels of engagement, customer service frustrations and more.



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Analyzing in-store versus online shopping experience  
Reviewing CX technology innovation by industry  
Assessing willingness to share personal data  
Questioning the “price” of better CX

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**LOYALTY**

Understanding the reasons for customer reviews  
Learning how poor CX affects brand loyalty

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**ENGAGEMENT**

Discovering the most-preferred communication channels  
Analyzing preference for human or digital interaction  
Assessing confidence in human customer support reps  
Reviewing biggest customer service frustrations  
Understanding the importance of personalized communication  
Assessing the need for customer support reps vs self-service



1

# EX- PERIEN- CE



## **1.1 U.S. CONSUMERS WANT CONVENIENT, PERSONALIZED CX... AND WILL PAY MORE FOR IT**

Consumers say they have better experiences shopping online (55%) vs in-store (42%) primarily because it's convenient (41%) and there is a greater availability or choice of product (26%). However, men are drawn to online shopping because they think it's cheaper.

In addition to the convenience of online shopping, consumers say that the telecommunications industry is most innovative in using technology to provide a better CX, such as chatbots, augmented reality, virtual reality and more. Overall, consumers say that the insurance, banking and financial services are the least innovative in using tech to provide a more positive CX. These two industries have an opportunity to reshape consumer perception in the near future by incorporating more personalized, innovative approaches to CX.

Even though consumers believe the banking and financial services industry lags behind in an innovative approach to CX, they're most likely to share their personal data with this industry for a better CX. Since consumers are more open to sharing personal data, consumer trust in these industries is high -- meaning these brands have an opportunity to build highly loyal, engaged customers IF they offer experiences that cater to the needs of today's digital-first customer.

In fact, in addition to sharing their personal data for a better CX, nearly half of all consumers say they would pay a higher price for a product or service in exchange for a better CX.

## Do you have better experiences shopping online or shopping in-store?

55.33%

I have better experiences shopping online

41.83%

I have better experiences shopping in-store

2.83%

I don't know

### MORE MEN SHOP ONLINE

Men (58%) are more likely than women (54%) to say they have better experiences shopping online. Women (44%) are more likely than men (39%) to say they have better experiences shopping in-store. Baby boomer women (53%) are the most likely to have better experiences shopping in-store. Conversely, millennial men (61%) are most likely to have better experiences shopping online.

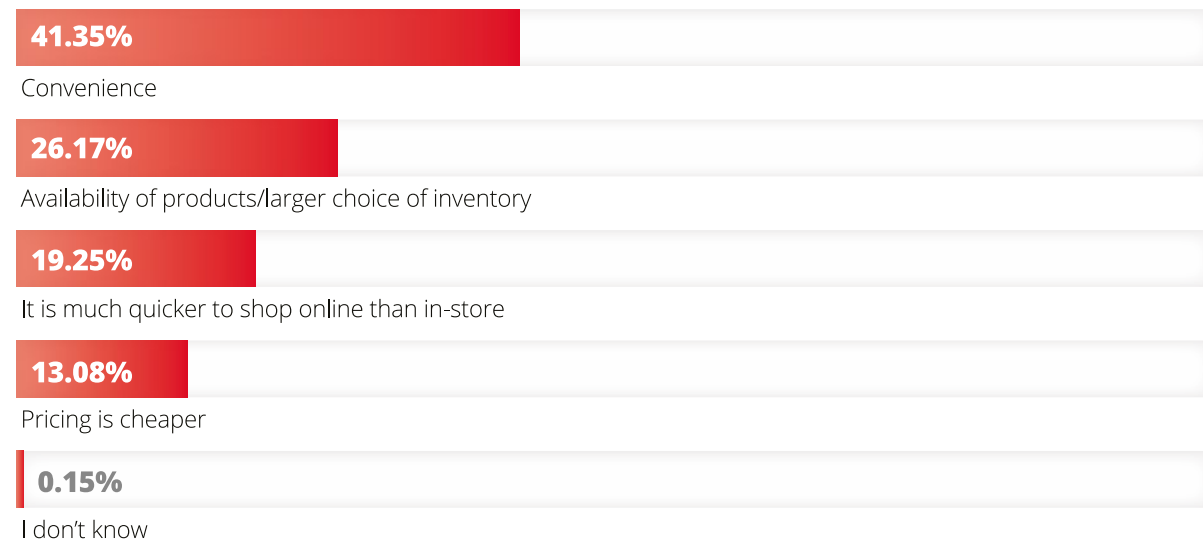
### BABY BOOMERS PREFER IN-STORE SHOPPING; MILLENNIALS STAY ONLINE

Over half of all baby boomers (53%) say they have better shopping experiences in-store. This compares to just two in five (38%) millennials who say the same. In fact, three in five (60%) millennials admit they have better experiences shopping online, compared to 44% of baby boomers who agree.

“ **The majority of U.S. consumers (55%) have better experiences shopping online than shopping in-store (42%).** ”

\*Only those who answered YES to Question 1 answered Question 2

## Why do you believe you have better experiences shopping online?



### MEN THINK ONLINE SHOPPING IS CHEAPER, WOMEN THINK IT'S FASTER

Men (16%) are more likely than women (11%) to think pricing is cheaper online than if they were to buy in-store. Women (21%) value the speediness of online shopping more than men (17% do). Baby boomer men were the only demographic NOT to rank convenience as the top reason they have better experiences online. One in three (31%) say online shopping experiences are better because there are more products and choices available.

### MILLENNIALS LIKE MORE PRODUCT CHOICES; BABY BOOMERS WANT FAST SHOPPING

After convenience, baby boomers (26%) say that online shopping is a better experience because it's quicker than shopping in-store, and millennials (29%) like the availability and larger choice of products.

**“ The majority of U.S. consumers (41%) say convenience is the biggest reason they have better experiences shopping online versus in-store. ”**

\*Only those who answered YES to Question 1 answered Question 2

Which industry do you think is the most innovative in their use of emerging CX technology (AR, VR, chatbots, etc.) to provide positive experiences?



MEN VS WOMEN

Men (16%) are more likely than women (12%) to say banking and financial services is deploying most innovative use of emerging CX.

Women (22%) are more likely than men (19%) to think the retail industry is the most innovative when it comes to using emerging technology to provide positive CX.

MILLENNIALS SAY RETAILERS LEAD CX TECH INNOVATION; BABY BOOMERS SAY TELECOM

Millennials believe the retail industry (27%) is using the most innovative CX technology, followed closely by travel and hospitality (26%), telecommunications (19%), banking (14%), insurance (2%). Baby boomers say telecommunication providers (30%) are using the most innovative CX technology. After telecom, baby boomers rank travel and hospitality (21%), retail (15%), banking (10%) and insurance (2%) industries as most innovative.

When it comes to using innovative technology to provide positive customer experiences, consumers say insurance (2%) and banking and financial services (14%) industries lag behind telecommunications, travel and hospitality, and retail.



## Which industry are you most likely to share personal data (location, age, purchase history, etc.) for a better customer experience?



### WOMEN, ESPECIALLY MILLENNIAL WOMEN, ARE MOST LIKELY TO SHARE DATA WITH RETAILERS

After banking and financial services, women (17%) are more likely than men (14%) to share their personal data with retailers to get a better CX. Millennial women (20%) are most likely to share personal data with retailers -- compared to millennial men (15%), baby boomer women (14%), baby boomer men (12%). The following industries are most likely to receive personal data from the following:

- Travel/hospitality: millennial men (21%)
- Banking/financial services: millennial women (20%)
- Insurance: millennial men (13%)
- Telecom: baby boomer women (11%)

### MILLENNIALS WILL SHARE PERSONAL DATA WITH TRAVEL BRANDS OVER RETAILERS

Millennials say they're most willing to give their personal data to brands in:

- Banking/financial services (35%)
- Travel/hospitality (21%)
- Retail (18%)
- Insurance (9%)
- Telecom (6%)
- Don't know (11%)

Baby boomers are most willing to share personal data with brands in:

- Banking/financial services (35%)
- Retail (13%)
- Travel/hospitality (13%)
- Insurance (10%)
- Telecom (10%)
- Don't know (19%)

**The majority (34%) of consumers say they're most likely to share their personal data with brands in the banking and financial services industry to get a better customer experience.**

### Would you pay a higher price for a product or service in exchange for a better customer experience?

47.08%

Yes

38.50%

No

14.42%

I don't know

#### MEN ARE LESS WILLING THAN WOMEN TO PAY MORE FOR BETTER CX

Men (40%) more than women (38%) say they won't pay more for a product or service in exchange for a better customer service experience.

However, millennial men (52%) are more likely than millennial women (50%) to say they would pay more for a product or service in exchange for a better CX. Conversely, baby boomer women (35%) are the least likely to pay more for a better CX (baby boomer men = 38%).

#### MILLENNIALS VS BABY BOOMERS

Millennials (51%) are much more willing than baby boomers (36%) to pay more for a product or service in exchange for a better CX.



**Nearly half of all consumers (47%) would pay more for a product or service in exchange for a better customer experience.**



**2**

# LO- YAL- TY



## 2.1 MILLENNIAL WOMEN INFLUENCE BRAND LOYALTY

If a consumer has a negative experience with a brand, nearly one in three (30%) say they would post a negative review online to prevent others from shopping with that brand.

Millennial women, however, are even more intense about brand advocacy, with almost two in five (37%) saying they would post a negative review to prevent other consumers from shopping with a brand. This demographic is passionate about supporting brands that provide positive experience, and is an important one for brands to reach (and keep happy).

When it comes to positive CX, consumers are also quick to advocate for a brand with nearly half (49%) saying they would post a positive review online or on social media. Millennial women are the biggest influencers here

as well with 54% saying they would share a positive review to get others to shop or make a purchase from a brand with which they've had a good experience.

While consumers are quick to criticize and praise brands, the majority of consumers (74%) say they would stop doing business with a company if they received poor customer support or had a bad experience. In fact, half (50%) of all consumers they've stopped doing business with a company in the last year because of a negative experience.

Brands who aren't focused on personalized, positive CX risk losing brand advocates and, ultimately, revenue.

**If you had a negative customer experience with a brand and were going to post a negative review online via forum or social media, which best describes your motivation?**

**41.92%**

I believe it would help the brand to understand areas of improvement

**29.83%**

I would want other to know about my experience so they don't shop with this brand

**21.25%**

I want to show the brand that I'm unhappy with the experience I had

**7.00%**

I don't know

#### **MILLENNIAL WOMEN ARE FIERCE BRAND ADVOCATES (FOR BETTER OR WORSE)**

Men (24%) are more likely than women (19%) to post a negative review online to show a brand they're unhappy with their experience. Women (44%) are more likely than men (40%) to post a negative review because they think it would help the brand to understand areas for improvement.

When it comes to speaking out about a negative CX, millennial women can cause the most damage to brand loyalty with nearly two in five (37%) saying they would post a negative review online to stop others from shopping with a brand.

#### **MILLENNIALS WANT TO SHARE BAD EXPERIENCES WITH OTHERS**

Millennials (34%) are more likely than baby boomers (28%) to say they would post a negative review to prevent others from shopping with a brand.



**If they had a negative customer experience with a brand, nearly one in three (30%) U.S. consumers would post a negative online review to prevent others from shopping with the brand.**





**If you had a positive customer experience with a brand and you were going to post a positive review online, which best describes your motivation?**

**48.83%**

I would want others to know about my experience so they shop with this brand as well

**28.33%**

I want to show the brand that I'm thankful for the positive experience

**19.67%**

I believe it would provide positive reinforcement to the brand

**3.17%**

I don't know

#### **MILLENNIAL WOMEN PROMOTE POSITIVE EXPERIENCES**

Women (29%) are slightly more likely than men (27%) to say they would post a positive review as a show of gratitude for the positive experience.

Millennial women (54%) are most likely to share a positive review online to get others to shop with the brand.

Conversely, baby boomer men (45%) are the least likely to post a review to encourage others to shop with the brand.

#### **MILLENNIALS USE REVIEWS TO BOOST BRAND LOYALTY & MORE BOOMERS USE REVIEWS TO THANK BRANDS**

If consumers have a positive experience, more than half (54%) of millennials compared to 46% of baby boomers say they would post a positive review to encourage others to shop with a brand.

Baby boomers (29%) are more likely than millennials (25%) to use reviews to thank a brand for a positive experience.

“

**U.S. consumers are quick to advocate for a brand when they have a positive customer experience. Nearly half (49%) of all consumers say that if they had a positive experience with a brand, they would post a positive review online or on social media to encourage others to shop with the brand.**

”

**Would you stop doing business with a company if you received poor customer support or had a bad customer experience?****74.92%**

Yes

**13.50%**

I don't know

**11.58%**

No

**BRANDS ARE MORE LIKELY TO LOSE MALE CUSTOMERS THAN FEMALE CUSTOMERS OVER A POOR CUSTOMER EXPERIENCE**

Men (76%) are slightly more likely than women (74%) to say they would stop doing business with a company if they received poor customer support or had a bad CX.

Baby boomer women (78%) are the most likely to stop doing business with a company due to a negative CX -- compared to baby boomer men (77%), millennial men (74%) and millennial women (74%).

**MILLENNIALS VS BABY BOOMERS**

Baby boomers (78%) are more likely than millennials (74%) to stop doing business with a company if they receive poor customer support or have a bad CX.



**Three in four (75%) consumers would stop doing business with a company if they received poor customer support or had a bad customer experience.**



## Have you stopped doing business with a company or brand in the last year because of a negative customer experience?

49.92%

Yes

46.50%

No

3.58%

I don't know

### MORE WOMEN THAN MEN HAVE STOPPED DOING BUSINESS WITH A BRAND THIS YEAR BECAUSE OF A NEGATIVE EXPERIENCE

Women (50%) are slightly more likely than men (49%) to admit they've stopped doing business with a company in the last year because of a negative customer experience.

Millennial women (56%) are the most likely to say they've stopped doing business with a brand because of a negative CX -- compared to millennial men (55%), baby boomer men (44%), baby boomer women (43%).

### MORE MILLENNIALS THAN BABY BOOMERS TO STOP DOING BUSINESS WITH A BRAND THIS YEAR

The majority (53%) of baby boomers say they HAVE NOT stopped doing business with a company in the last year due to a negative experience (compared to 41% of millennials).

Conversely, the majority (56%) of millennials say they HAVE stopped doing business with a brand or company in the last year because of a negative CX (compared to 44% of baby boomers).

### POOR CUSTOMER EXPERIENCES CAUSED



**Half (50%) of all consumers say they have stopped doing business with a company or brand in the last year because of a negative customer experience.**



3

# EN- GAGE- MENT



## **3.1 CONSUMERS WANT PERSONALIZED BRAND INTERACTIONS**

Consumers prefer engaging with a brand on the phone (28%) or over email (25%), and the majority say it's important that they receive personalized communication from a brand (50%).

When it comes to using chatbots, just one in five (19%) say this is their preferred channel engagement, and less than one in 10 (9%) prefer to interact with a digital chatbot agent compared to 70% who prefer a human representative.

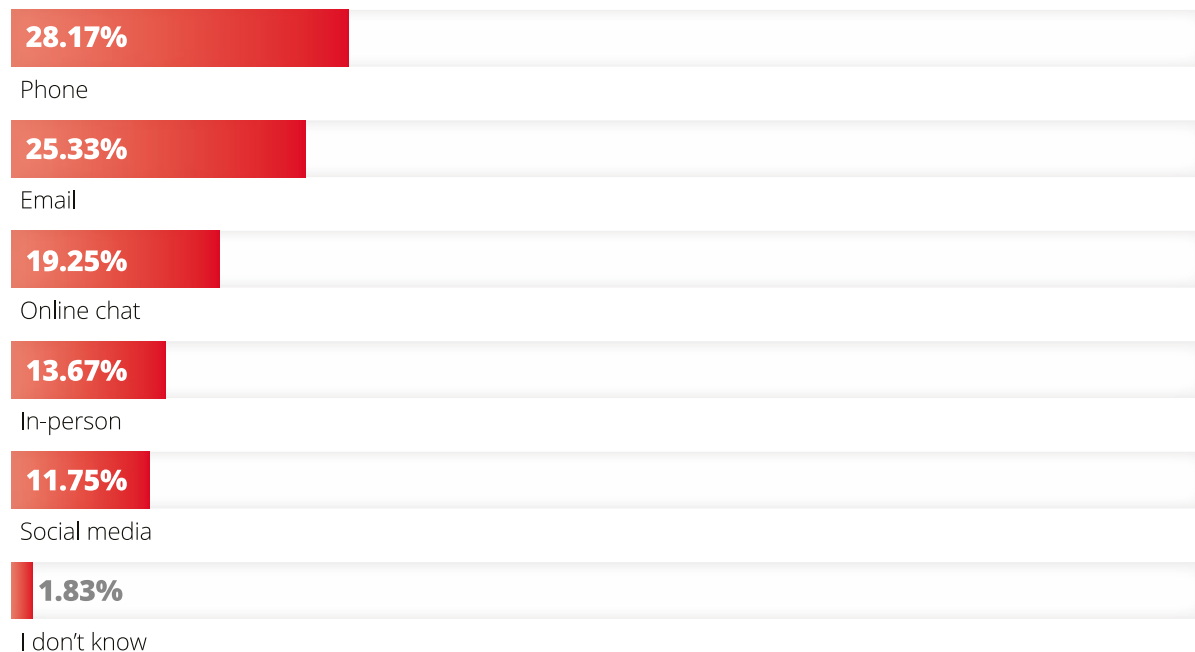
The biggest reason consumers shy away from chatbots or digital service representatives -- nearly half (48%) aren't confident digital representatives could understand their request and properly assist their needs. This signals that brands have some work to do in building consumer confidence in chatbot capabilities.

Additionally, when it comes to engaging with customer support, consumers say they're most frustrated with a company when they have to repeat the same information to multiple people.

In fact, more than one in four consumers (26%) don't have confidence that the customer service representatives they speak with are properly trained to assist their needs, which leads to further frustration when engaging with a brand. Lack of consumer confidence in customer support resolution shows the need for brands to train employees on proper engagement tactics and solutions.



## Which communication channel do you prefer to use to engage with a brand/company?



### WOMEN ENGAGE "BEHIND-THE-SCREENS," WHILE MEN PREFER IN-PERSON COMMUNICATION

Women (21%) are more likely than men (17%) to prefer the use of online chat to engage with a brand or company.

However, men (16%) are more likely than women (12%) to say they prefer communicating with a brand in-person.

The majority of millennial women (25%) say they most prefer to use online chat when engaging with a brand, and millennial men (26%) most prefer using a phone to engage.

### MILLENNIALS ARE EQUALLY USING PHONE, CHAT AND EMAIL TO ENGAGE

Millennials' preferred communication channels are:

- Phone (23%)
- Online chat (23%)
- Email (22%)
- Social media (17%)
- In-person (13%)

Baby boomers say their preferred channels of communication are:

- Phone (36%)
- Email (28%)
- In-person (18%)
- Online chat (12%)
- Social media (4%)

**The majority of consumers say they prefer to engage a brand or company on the phone (28%) and over email (25%).**

**When reaching out to a company's customer service channel, do you prefer to interact with a human or digital representative (i.e, chatbot)?**

**70.42%**

I prefer to interact with a human customer service representative

**18.67%**

I prefer to interact with a human rep for some questions/issues and a digital rep for others

**9.00%**

I prefer to interact with a digital (e.g., chatbot) customer service representative

**1.92%**

I don't know

**MEN PREFER HUMAN ASSISTANCE;  
WOMEN ARE MORE OPEN TO A MIX OF  
INTERACTIONS**

Men (73%) are more likely than women (68%) to prefer interacting with a human customer service representative.

Women (20%) are more likely than men (16%) to say they prefer a mix of human and digital representatives when reaching out to a company's customer service channel.

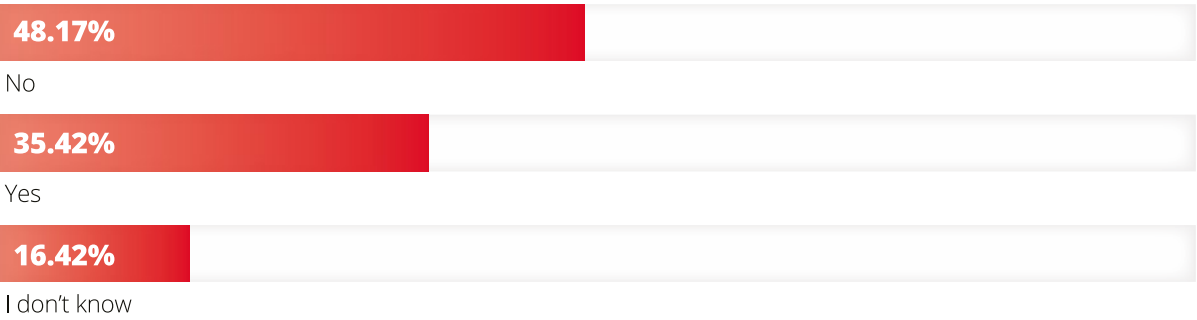
**BRANDS WON'T REACH BABY BOOMERS  
VIA CHATBOTS**

Baby boomers (79%) are much more likely than millennials (66%) to prefer to interact with a human customer service representative.

Millennials (13%) are three times more likely than baby boomers (4%) to prefer to interact with a digital customer service representative such as a chatbot.

**// If a consumer reaches out to a customer service channel, nearly three in four (70%) consumers say they would prefer to interact with a human customer service rep versus a digital customer service rep or chatbot (9%). //**

**If you were to engage with a company’s digital representative (chatbot), do you think the representative would understand your request and assist you properly (answer your question)?**



**MILLENNIAL WOMEN SAY DIGITAL REPS CAN'T SOLVE CUSTOMER SUPPORT ISSUES**

Women (49%) are slightly more optimistic than men (47%) to believe a chatbot or digital representative could properly assist or solve their customer support needs.

However, millennial women (48%) disagree and are more likely than millennial men (44%) to say they don't believe chatbots or digital representatives can solve their customer support inquiries.

Baby boomer men (57%) are the most skeptical and don't believe chatbots or digital reps can solve their customer support needs.

**MILLENNIALS HAVE MORE CONFIDENCE IN DIGITAL REPS**

Two in five (41%) millennials compared to one in four (25%) baby boomers have confidence that digital reps or chatbots could interpret and assist their customer service requests.

Baby boomers (55%) are more likely than millennials (47%) to say digital reps won't be able to understand and properly assist or solve their customer support needs.

**“ Nearly half (48%) of all consumers don’t think digital representatives or chatbots understand their customer service requests and can assist them properly or answer their questions. ”**

**If you were to call a company's customer service phone number, which of the following scenarios would frustrate you most?**

**38.42%**

When I need to repeat the same information to multiple people

**31.92%**

Having to wait on hold to speak with a customer service representative

**15.08%**

Having to listen to confusing or lengthy menu options

**13.17%**

When a call is dropped in the middle of speaking to a customer service representative

**1.42%**

I don't know

#### **WOMEN ARE EASILY FRUSTRATED WHEN BRANDS DON'T PERSONALIZE**

The majority of men (35%) find it most frustrating when they have to wait on hold.

Women (41%) say repeating the same information to multiple people is the most frustrating part of calling a company's customer service phone number.

Millennial women (36%), however, say that waiting on hold is the most frustrating aspect of calling customer service.

#### **MILLENNIALS HATE TO BE PUT ON HOLD**

Baby boomers are most frustrated with:

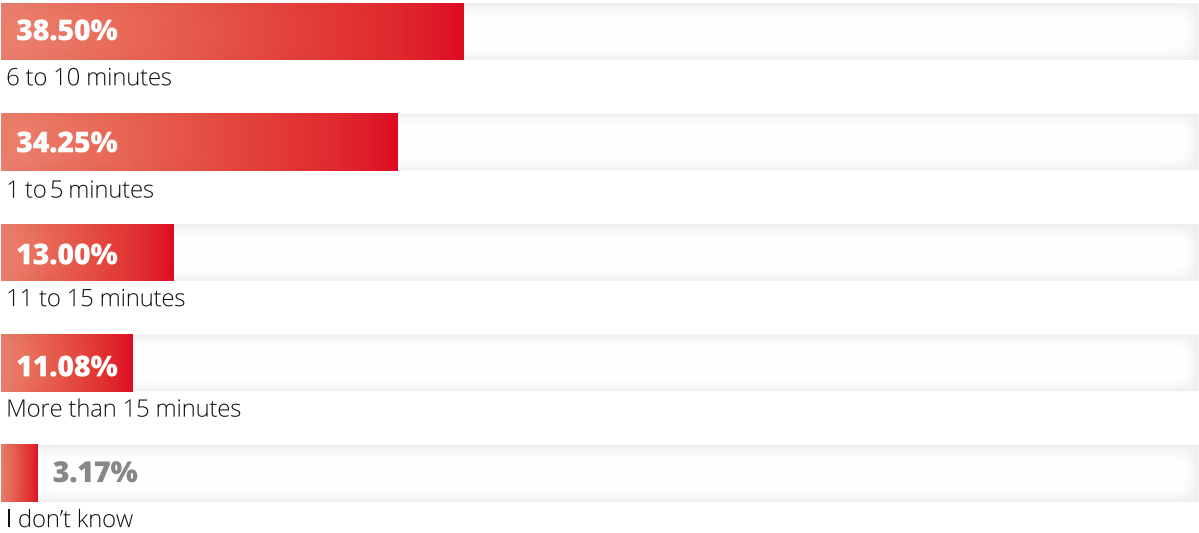
- Repeating information to multiple people (42%)
- Waiting on hold (25%)
- Listing to lengthy/confusing menu options (19%)
- Dropped calls (13%)

Millennials are most frustrated with:

- Waiting on hold (38%)
- Repeating information to multiple people (34%)
- Listing to lengthy/confusing menu options (15%)
- Dropped calls (12%)

**“ The majority (38%) of U.S. consumers are most frustrated when they have to repeat the same information to multiple people during customer service calls. ”**

**If you were to call a company’s customer service phone number, how long would you wait on hold to speak to a representative before hanging up?**



**MEN ARE LESS PATIENT THAN WOMEN**

Men (37%) are more likely than women (32%) to say they would only wait on hold one to five minutes to speak to a customer service rep before they would hang up.

Women will wait on hold longer than men, saying they'll stay on hold for 11-15 minutes (14%) (men = 11%) or more than 15 minutes (13%) (men = 9%).

**MEN ARE LESS PATIENT THAN WOMEN**

Baby boomers (41%) are much more likely than millennials (27%) to hang up on a customer service call after waiting one to five minutes.

Millennials are willing to wait on hold longer than baby boomers. Millennials will wait six to 10 minutes (39%), 11-15 minutes (17%) and more than 15 minutes (13%). This compares to baby boomers who will wait six to 10 minutes (37%), 11-15 minutes (11%) and more than 15 minutes (8%).

**“ While nearly two in five (39%) consumers say they would wait on hold to speak with a customer service rep for six to 10 minutes before hanging up, more than one in three (34%) say they’re only willing to wait one to five minutes. ”**



**When speaking to a customer service rep (online, in-person or over the phone), do you have confidence that they are properly trained to assist your needs?**



**BABY BOOMER WOMEN HAVE THE LEAST CONFIDENCE THAT REPS ARE TRAINED TO MEET THEIR NEEDS**

Women (26%) are slightly more likely than men (25%) to say customer service reps are NOT properly trained to assist their needs.

Millennial men (22%) compared to millennial women (19%) are less confident that customer service reps have been properly trained to assist their needs.

Baby boomer women (30%) are the most likely to say customer service reps aren't properly trained to handle or assist their needs -- compared to baby boomer men (29%), millennial men (22%) and millennial women (19%).

**BABY BOOMERS ARE LESS CONFIDENT THAN MILLENNIALS THAT CUSTOMER SERVICE REPS ARE PROPERLY TRAINED**

Millennials (70%) are much more confident than baby boomers (57%) that customer service reps are properly trained to assist their needs.

**“ While the majority (63%) of consumers believe customer service reps are trained to provide the support they need, more than one in four (26%) do not believe customer service reps are properly trained to assist their needs. ”**

**When doing business with a company, is it important to you to receive personalized communication over email, chat, social media, etc.?**

**60.50%**

Yes

**32.42%**

No

**7.08%**

I don't know

#### **MILLENNIAL WOMEN ARE MOST LIKELY TO VALUE PERSONALIZED COMMUNICATION FROM BRANDS**

Women (61%) are slightly more likely than men (60%) to say personalized communication from a company is important.

Millennial women (68%) are the most likely to say personalized communication over email, chat and social media is important to them when doing business with a company -- compared to millennial men (62%), baby boomer men (58%) and baby boomer women (55%).

#### **MILLENNIALS WANT PERSONALIZED COMMUNICATION**

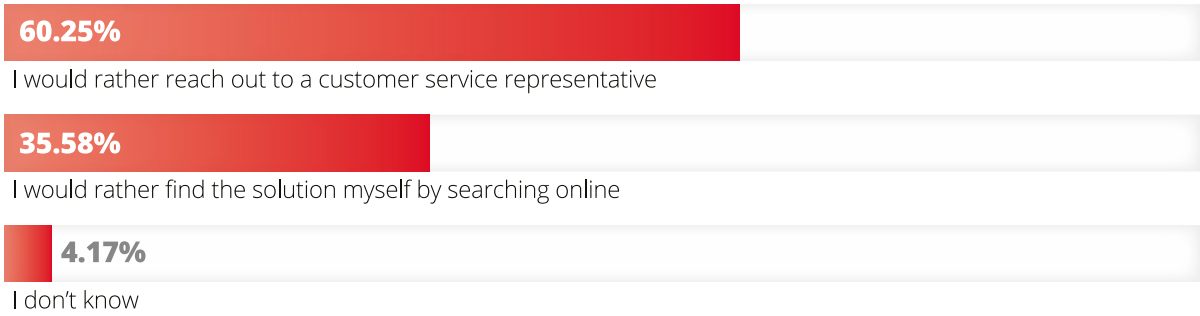
When doing business with a company, millennials (65%) are much more likely than baby boomers (56%) to say it's important to receive personalized communication over email, chat, social media, etc.



**When doing business with a company, three in five (61%) consumers say that receiving personalized communication over email, chat and social media is important.**



**If you were experiencing difficulty with a product or service, would you rather reach out to a customer service rep or find the solution yourself if you knew it was available online?**



**BABY BOOMER WOMEN ARE MOST LIKELY TO REACH OUT TO A CUSTOMER SUPPORT REP**

Women (62%) are more likely than men (58%) to say they'd rather reach out to a customer service representative. Men (37%) are more likely than women (35%) to self-service and say they'd prefer to search for a solution online.

Baby boomer women (73%) are the most likely to say they would reach out to a customer service rep -- compared to baby boomer men (64%), millennial women (58%) and millennial men (52%).

**MILLENNIALS COMPARED TO BABY BOOMERS ARE MORE LIKELY TO TRY TO SOLVE PRODUCT OR SERVICE ISSUES THEMSELVES**

Millennials (38%) are much more likely than baby boomers (29%) to search online for the solution to a product or service issue.

Nearly three in four (69%) baby boomers say they prefer to reach out to a customer support rep to solve a problem.

This compares to a little over half (56%) of millennials who say the same.

**“ If a consumer experiences difficulty with a product or service, three in five (60%) would rather reach out to a customer representative than search online for a solution themselves (36%). ”**



# THANK YOU.

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