

# inContact Customer Experience Transformation Benchmark

Consumer Wave,  
March 2017

Maritz **CX**

 inContact®



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# Executive Summary

Today's contact centers support an average of 9 channels\* and consumers have come to expect the ability to communicate with companies any time, anywhere and with any device. This is the first and only research study that measures actual consumer experiences including satisfaction, loyalty and advocacy, by communication channel.

Research participants—consumers—shared their actual experiences with their most recent interactions with companies in 15 different industries. **Consumers reported overall on 4,700 interactions across inbound/outbound calls, email, chat, social, online self-service and more.**

The survey, inContact Customer Experience Transformation Benchmark Study, reveals that, across all channels, consumers are not getting the “fast resolution” they demand. Insights from the survey demonstrate the critical need for companies to improve their cross-channel customer experience, revealing that less than half of customers are satisfied with their experience, regardless of communication channel.

To gain further understanding into customer experience expectations, inContact surveyed consumers to determine their perceptions for where companies are falling short, how technology is affecting service, and consumer preferences for channels and methods of communication. The results confirmed that delivering excellent omnichannel customer service continues to be a major business pain point, revealing key areas where companies are not meeting consumer demands.

## Highlights

- **8 in 10 consumers** are willing to switch companies due to poor customer service
- **Less than half of consumers are satisfied** with their experience, regardless of channel
- **67% of customers still prefer agent-assisted customer service** with phone, email, and online chat leading the way; only 33% prefer self-service
- **72% expect companies to know their purchase history regardless of method of communication** (e.g. phone, chat, email)

\* Dimension Data: 2016 Global Contact Centre Report

# Major Findings

## Consumers Still Prefer Speaking to a Human Customer Service Agent, Despite Industry's Focus on Self-Service Channels

The study revealed that speaking to a live person is still the most preferred way to deal with customer service – less than half (42 percent) of respondents are satisfied with communication through Agent-Assisted and Self-Service channels. As businesses today explore and adopt automation technologies to improve contact center operations, they need to consider strategies and solutions where technology can augment human interactions – not replace them – in order to ensure fluidity between channels.

## Email and Interactive Voice Response (IVR) are Most Frustrating Customer Service Channels

According to the results, IVR and email have the lowest consumer performance ratings and elicit the strongest emotions of anger, disgust and frustration. Consumers reported that these channels are less personalized, slow and do not provide complete information, and that the phone is the most preferred and effective method of communication. Specifically, the survey revealed that email is the least effective method of resolution, with over one-third reporting the issue as 'still ongoing' or 'nothing more the company can do.'

## Millennials Give Companies Poor Customer Service Ratings, Have Higher Expectations

Only 45 percent of millennials surveyed expressed satisfaction across customer service channels. Millennials cited that they expect brands to know their purchase history, be proactive and have seamless omnichannel integration. For self-service channels, such as websites, apps, bots and IVR, customer service ratings increased with age, further confirming that Gen X holds companies to higher standards.

## Airlines, Retailers and Credit Card Companies Provide Highest Quality Customer Service

Several industries are leading the pack in driving better omnichannel customer experiences. At the same time, industries such as fast food, Internet providers and car rentals have the lowest-rated service as they fail to provide sufficient customer service. These industry-specific findings demonstrate the need to customize service channels based on users and on specific business needs.



# Major Findings – *continued*

Quick resolution during an interaction is the predominant goal of customers. They achieve this by speaking to a live rep far more often than – but often in conjunction with – other methods

“Calling the company to speak with a live rep” dominates interactions, accounting for two-thirds of all points of contact with companies

- Across all industries, between 70-90% of interactions are classified as Agent-Assisted, and even Self-Service interactions involve an Agent-Assisted method two-thirds of the time
- Calls to and from a live rep are strongly preferred vs. other methods as almost 4 in 10 saying “calling a live rep” is their top choice for any interaction (2:1 over website)
- About 4 in 10 choose “call from a live rep” for proactive communication in general (second only to email) and for urgent means of contact (about equal to email)
- Phone is the most effective method of resolution with over 8 in 10 who spoke to a live rep saying their issue is resolved – and over 8 in 10 saying it was handled the first time (a few channels do this well on first-contact resolution)

Top suggestions for improving service experiences, regardless of channel, center on quicker response time, better customer service, and making it easier/faster to get the problem resolved

- “Resolving my question or issue in the quickest way possible” is the top driver of channel performance and a priority area for improvement efforts for both Agent-Assisted and Self-Service
- Customers expect companies to direct them to the quickest path of resolution. And while half of customers’ first instinct is to handle the issue themselves, they often end up on the phone (e.g., half of all “Self-Service – Web” interactions also involved calling a live rep)
- Methods linked to slow resolution see negative outcomes. IVR and email have the lowest issue resolution rates, lowest performance ratings (including Net Promoter Score), more suggestions for quicker and easier resolution, and elicit the strongest emotional ratings of anger, disgust, and frustration

# Research Objectives and Future Research

## Objectives

- Measure & track consumer attitudes (expectations) and preferences towards service experiences based on current and emerging channels (assisted and self-service)
- Measure & track consumer perceptions of “best-in-class” service experiences by current/emerging channels
- Measure & track consumer experiences with and attitudes towards companies who offer personalized (contextual), proactive, omni-channel service experiences via different channels (assisted and self-service)
- Measure & track consumer expectations related to improved service experiences and new technologies such as big data, artificial intelligence, chatbots, etc.

## Future Research

- This is the first of a two-part study in 2017 that will compare:
  - Actual consumer experiences across 10 service channels both agent-assisted and self-service as well as consumer perceptions and preferences
  - Business leader perceptions about channels and the best way to address consumer preferences and expectations

Note: Previous inContact studies have revealed large gaps in consumer attitudes and business perceptions about customer service.
- This report presents the results of the Consumer phase. The Business phase will be published in June 2017.
- inContact intends to conduct this study annually, and track changes over time.

\* Dimension Data: 2016 Global Contact Centre Report

# Methodology

- **Methodology:** 718 online surveys using a consumer panel. Data was collected from March 1-13, 2017
- **Survey Length:** Approximately 9 min
- **Qualification Criteria:** Consumers who had a customer service experience within the past three months either by initiating contact with a company, or being contacted by a company
- **Targeted Quotas:** Surveys were completed across the following agent-assisted (AA) and self-service (SS) channels, with targets of 100 per group
  - Inbound/Outbound voice (AA): 102
  - Email (AA): 99
  - Online Chat/Video (AA): 107
  - Text/Social Media (AA): 102
  - IVR (SS): 96
  - Website (SS): 99
  - Mobile App/Bot/Virtual Assistant (SS): 113
- **Weighting:** Data were weighted so that those entering the survey – prior to screening – aligned with US Census proportions for age, gender, race, and ethnicity
- **Research conducted by:** MaritzCX

How are customers using various channels for service experiences?

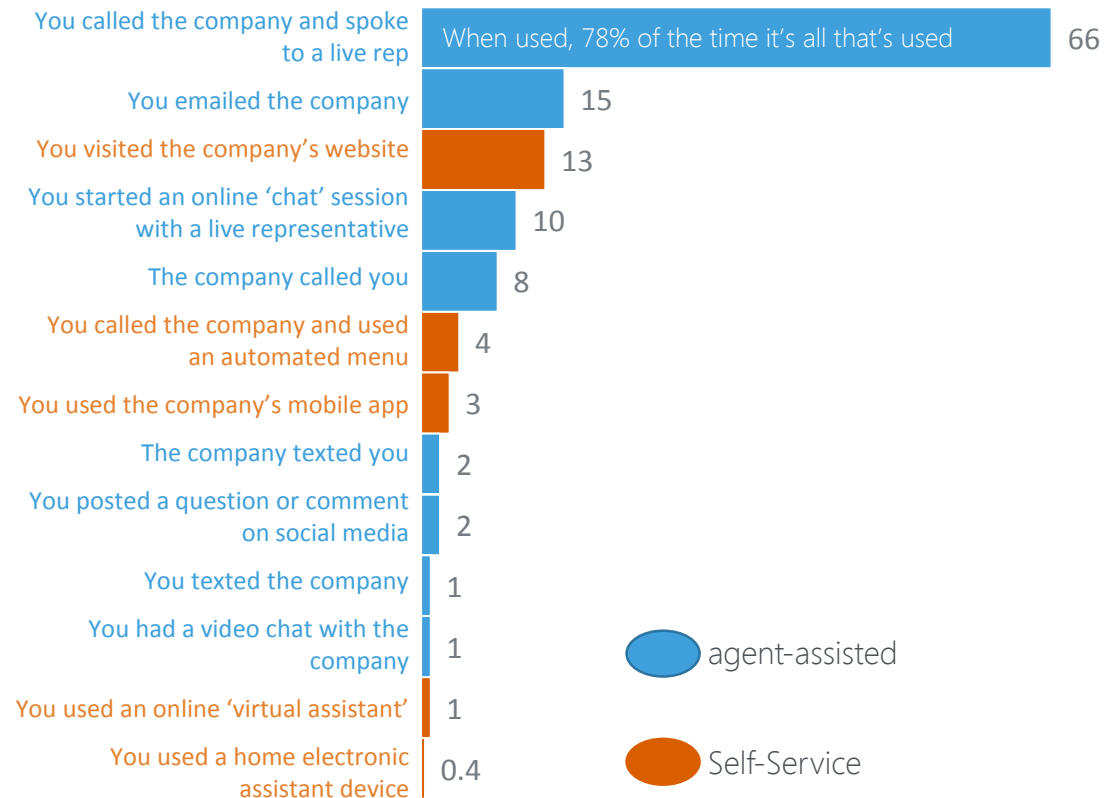


# Customers call a company to speak with a live rep to engage in a service experience far more often than any other method

- 66% of all customer service experiences involved the customer calling the company, either as the only method, or along with some other method. (n=3,771) experiences)
- Agent-assisted channels were utilized 5:1 over self-service channels.

## Methods of Communication During Most Recent Experience

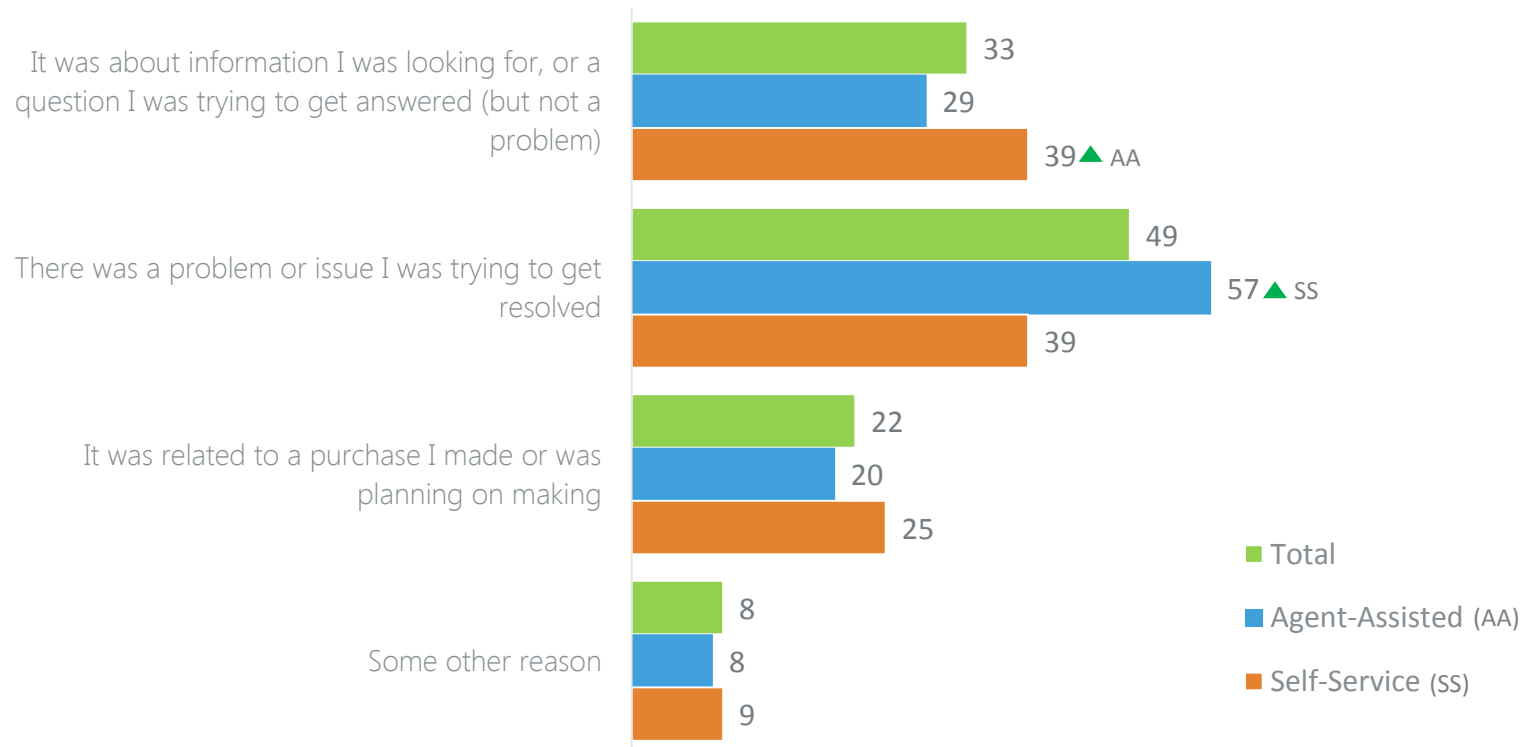
(% of Experiences in which each method was mentioned)



# During their most recent experience, roughly half of customers were trying to resolve a problem or issue and about one-third were seeking information

- Those using Agent-Assisted methods are more likely to describe their experience as problem related, while Self-Service channel users are more likely to be looking for information or get a question answered other than a problem

Purpose of the Experience when Communicating or Interacting with a Company  
(% mentioning each category)



▲ Arrows indication significantly higher/lower vs. comparison group. Tested at the 90% confidence level

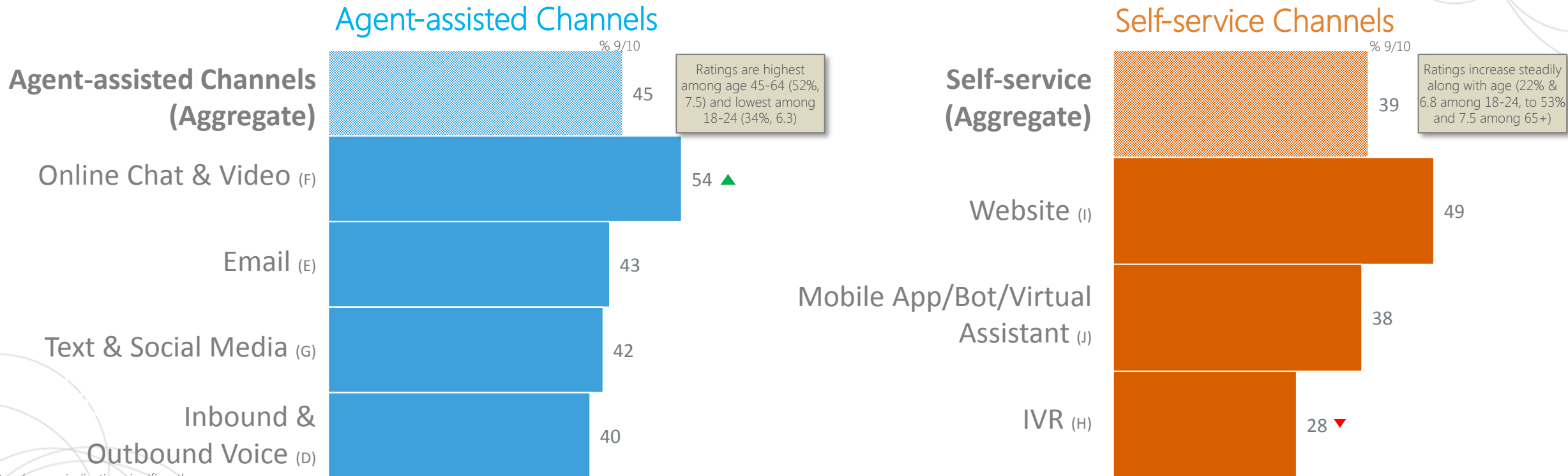
QEC1. Thinking about that recent customer service experience in the (INDUSTRY) industry where (CHANNEL), which of the following best describes the purpose? (Multiple responses were allowed) Base: Total Respondents, n=718

How satisfied are customers with their service experiences across various channels and industries?

# Less than half are satisfied with communication through Agent-Assisted and Self-Service channels related to their recent customer experience

- Online chat & video and Website lead their respective Agent-Assisted and Self-Service channels, though neither is rated particularly high as a method of communication
- IVR fares worst among all channels based on 9/10 ratings while email and IVR have the lowest mean scores. Email's low mean score is driven by 1 in 7 users rating the channel as a '1' – two to three times higher than any other channel

Satisfaction with Using each Method of Communication  
(% Rating as 9/10 and Mean Scores)



▲ Letters/arrows indication significantly higher/lower vs. comparison group. Tested at the 90% confidence level

# Commonalities exist within agent-assisted and self-service methods when it comes to what customers see working well and what needs improvement

- **Agent-assisted methods** do well on answering/responding quickly to customer issues. But response time is a downfall for many, too, with that being a leading area of improvement suggestions
- **Self-service methods** are praised for being easy, convenient, and efficient in providing the information customers need. However, each of the specific channels - at times - leaves customers desiring interaction with a live rep

|                | Channel                                     | Top Suggestions for Improvement   | Top Mentions of What is 'Good'  |
|----------------|---|---|---|
| Agent-assisted | Inbound/Outbound Voice                      | <ul style="list-style-type: none"> <li>• <b>Channel</b>: Less wait/hold time</li> <li>• <b>Communication</b>: Answer my question/Explain clearly</li> <li>• <b>Customer Service</b>: Easier to understand/Speak English</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Customer Service</b>: Helpful/Listened/Patient/Calm</li> <li>• <b>Customer Service</b>: Nice/Friendly/Understanding</li> <li>• <b>Communication</b>: Answered my question</li> </ul>  |
|                | Emailed the company                         | <ul style="list-style-type: none"> <li>• <b>Communication</b>: Respond quicker</li> <li>• <b>Communication</b>: Respond back to emails</li> <li>• <b>Solution</b>: Solve my problem</li> </ul>                                      | <ul style="list-style-type: none"> <li>• <b>Solution</b>: Solved my problem</li> <li>• <b>Communication</b>: Answered/Responded quickly</li> <li>• <b>Process</b>: Had no problems; Easy/Convenient; Caring</li> </ul>  |
|                | Online chat/video with a live rep           | <ul style="list-style-type: none"> <li>• <b>Customer Service</b>: More knowledgeable/Better decision-making</li> <li>• <b>Customer Service</b>: Be more helpful/patient</li> <li>• <b>Communication</b>: Respond quicker</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Communication</b>: Answered/Responded quickly</li> <li>• <b>Solution</b>: Solved my problem; Solved quickly</li> <li>• <b>Customer Service</b>: Helpful/Listened/Patient/Calm</li> <li>• <b>Customer Service</b>: Nice/Friendly/Understandingx</li> </ul> |
|                | Texting / Social Media                      | <ul style="list-style-type: none"> <li>• <b>Communication</b>: Respond quicker</li> <li>• <b>Communication</b>: Respond back</li> <li>• <b>Process</b>: Stop contacting me/Don't text me</li> </ul>                                 | <ul style="list-style-type: none"> <li>• <b>Communication</b>: Answered/Responded quickly</li> <li>• <b>Process</b>: Easy/Convenient</li> <li>• <b>Process</b>: Quick/Fast/Efficient</li> </ul>   |
| Self-service   | Called and used IVR                         | <ul style="list-style-type: none"> <li>• <b>Channel</b>: Easier phone options/Improve service</li> <li>• <b>Channel</b>: Less wait/hold time</li> <li>• <b>Channel</b>: Prefer live person/rep</li> </ul>                           | <ul style="list-style-type: none"> <li>• <b>Process</b>: Quick/Fast/Efficient</li> <li>• <b>Communication</b>: Received info I needed; Answered quickly</li> <li>• <b>Channel</b>: No wait; Easy to Reach</li> </ul>  |
|                | Visited the website                         | <ul style="list-style-type: none"> <li>• <b>Communication</b>: Respond back</li> <li>• <b>Communication</b>: More info/details/confirmation</li> <li>• <b>Channel</b>: Prefer live person/rep</li> </ul>                            | <ul style="list-style-type: none"> <li>• <b>Process</b>: Easy/Convenient</li> <li>• <b>Process</b>: Quick/Fast/Efficient</li> <li>• <b>Communication</b>: Received info I needed</li> </ul>   |
|                | Used the mobile app/ Bot/Virtual assistant/ | <ul style="list-style-type: none"> <li>• <b>Website/Mobile</b>: Better system needed</li> <li>• <b>Channel</b>: Prefer live person/rep</li> <li>• <b>Channel</b>: Needs to be less automated</li> </ul>                             | <ul style="list-style-type: none"> <li>• <b>Process</b>: Easy/Convenient</li> <li>• <b>Communication</b>: Answered/Responded quickly</li> <li>• <b>Process</b>: Quick/Fast/Efficient</li> </ul>   |

**Bold text** indicates the larger response category (the "net") in coding



Customers satisfied with their service experience say the channel is easy, quick, good, helpful, etc. ... while comments from lower ratings have negative modifiers and adjectives

Why Communication Methods are Good  
(Rated method as 9-10)



What Needs to Be Improved  
(Rated method as 1-8)



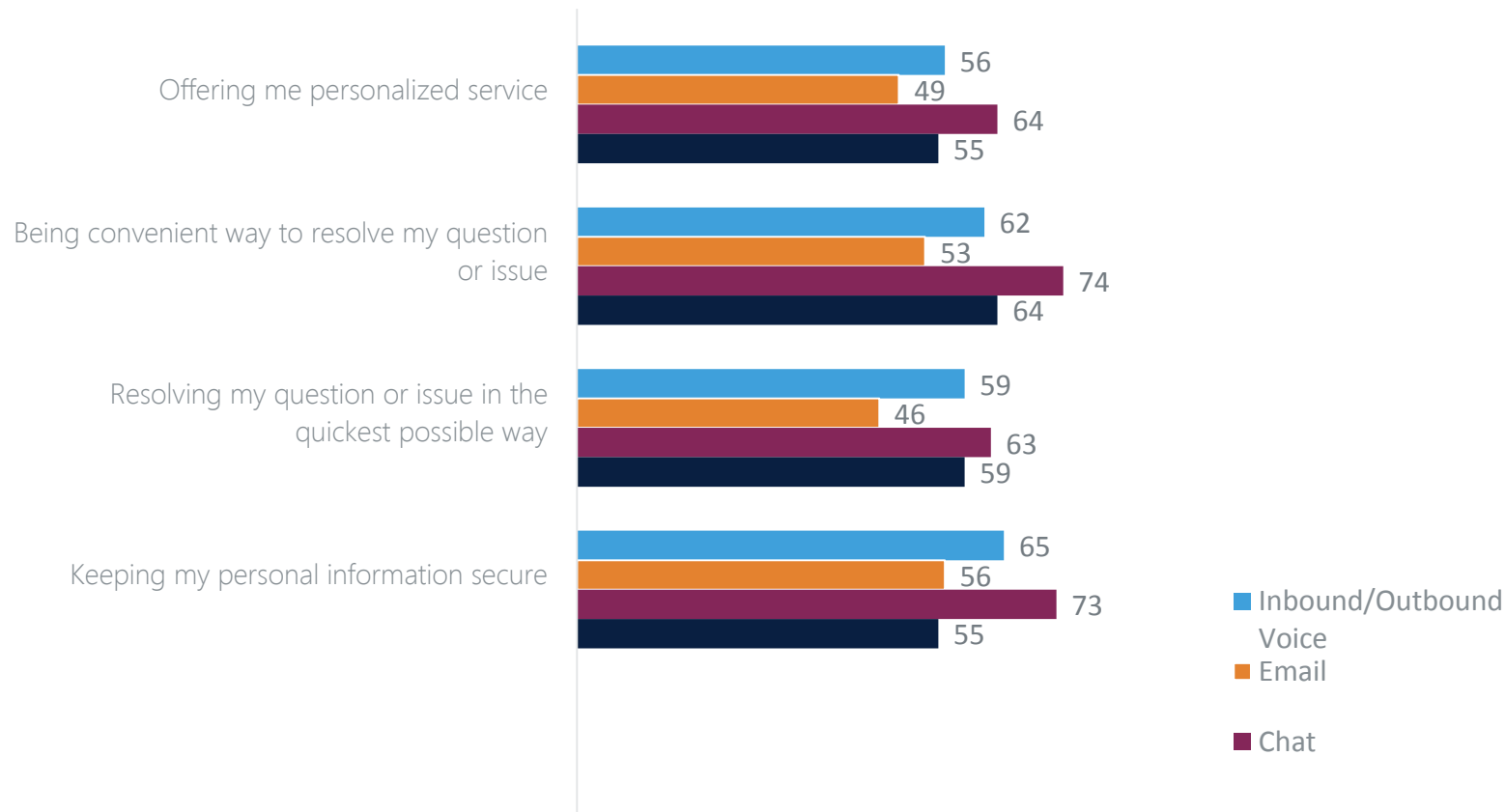
QCH2\_1. And what was particularly good about that method of communication that led you to give that rating? Base: Rated Communication method as 9-10, n=307

QCH2\_2. And what about that method of communication could be improved so that next time you would be more satisfied? Base: Rated communication method as 1-8, n=411

# Among agent-assisted channels, online chat is rated highest for “personalized service”, “convenience” and “secure”

- Email is frequently rated lower than other channels, and is viewed as less personalized, slower, and not providing the most complete information

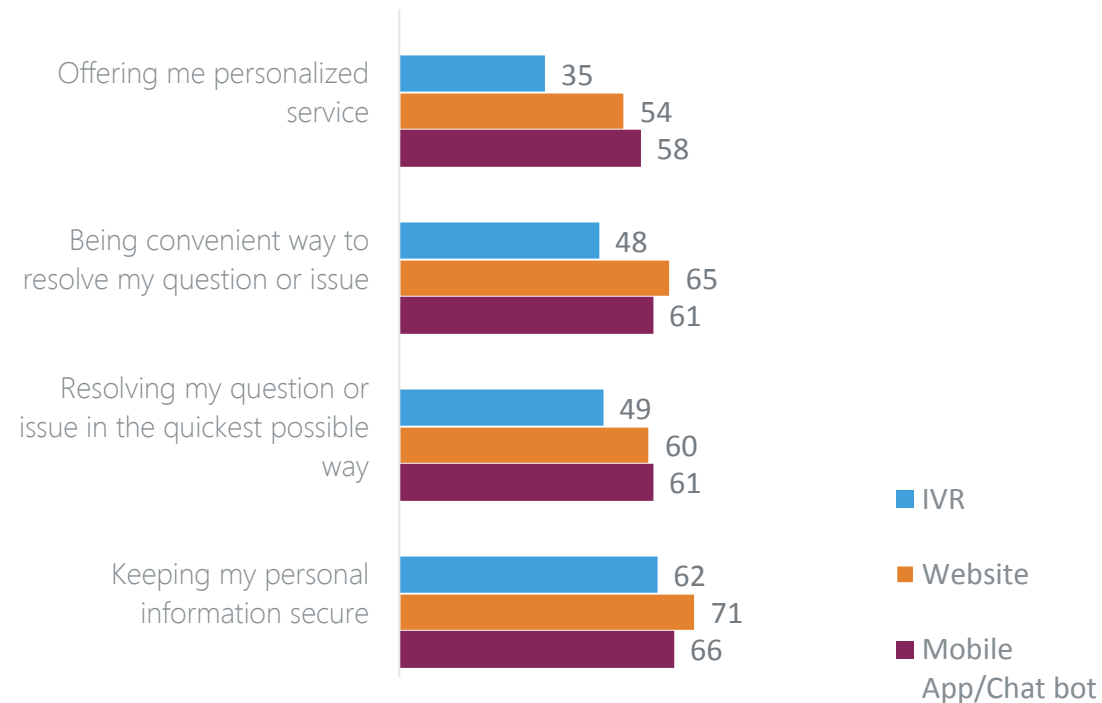
Channel Performance – Agent-assisted  
(% Rating as Excellent or Very Good)



# Overall self-service channels are rated lower for “personalized service”, “convenience”, however are valued for “security”

- IVR is consistently rated lowest compared to all other channels (agent-assisted or self-service), however it is viewed as secure

Channel Performance – Self-service  
(% Rating as Excellent or Very Good)

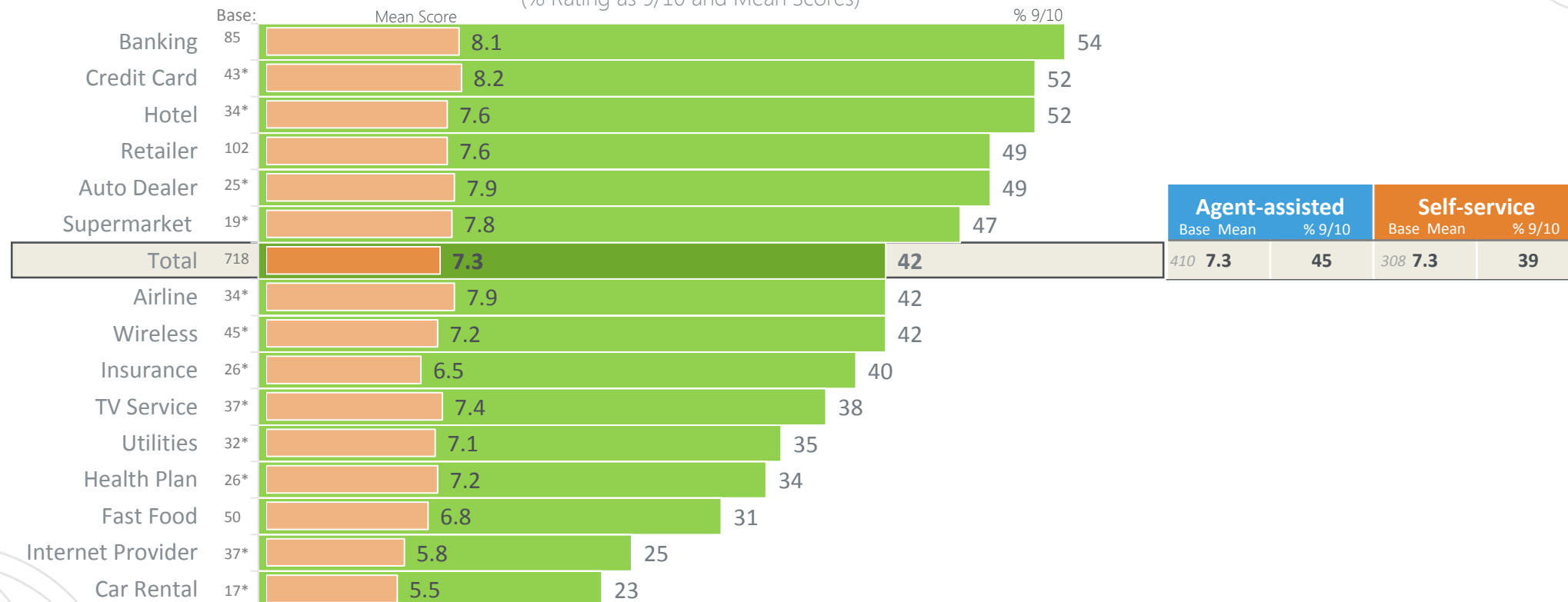


# Across industries, Banking and Credit Cards lead in overall satisfaction with the most recent service experience. Car Rental and Internet Providers fare the worst

- Hotels, Retailers, and Auto Dealers join the upper tier of service experience satisfaction when looking at mean scores and 'top 2 box' ratings
- Note that small sample sizes across most industries make for difficult comparisons and data is considered to be directional in nature rather than conclusive

## Satisfaction with Service Experience – by Industry

(% Rating as 9/10 and Mean Scores)



What attitudes do customers  
have about service experiences?

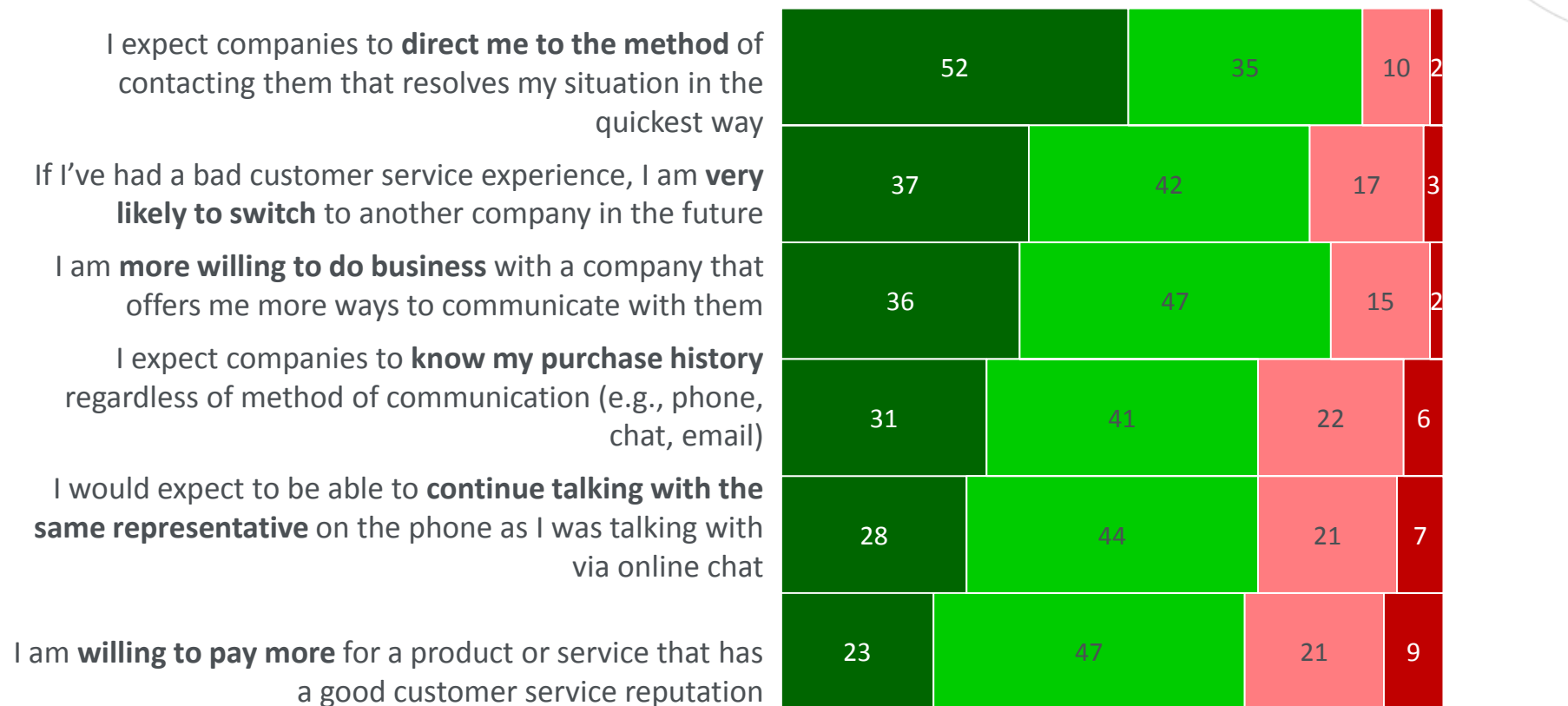


# Customers have high expectations of the companies for quality service

- Customers want companies to: Know their purchase history have seamless integration across channels (e.g., talk to the same rep when moving a conversation from online to phone)
- Customers' strongest expectation is for companies to direct them on how to quickly resolve a situation.

## Channel Attitudes

(% Mentioning each Rating)

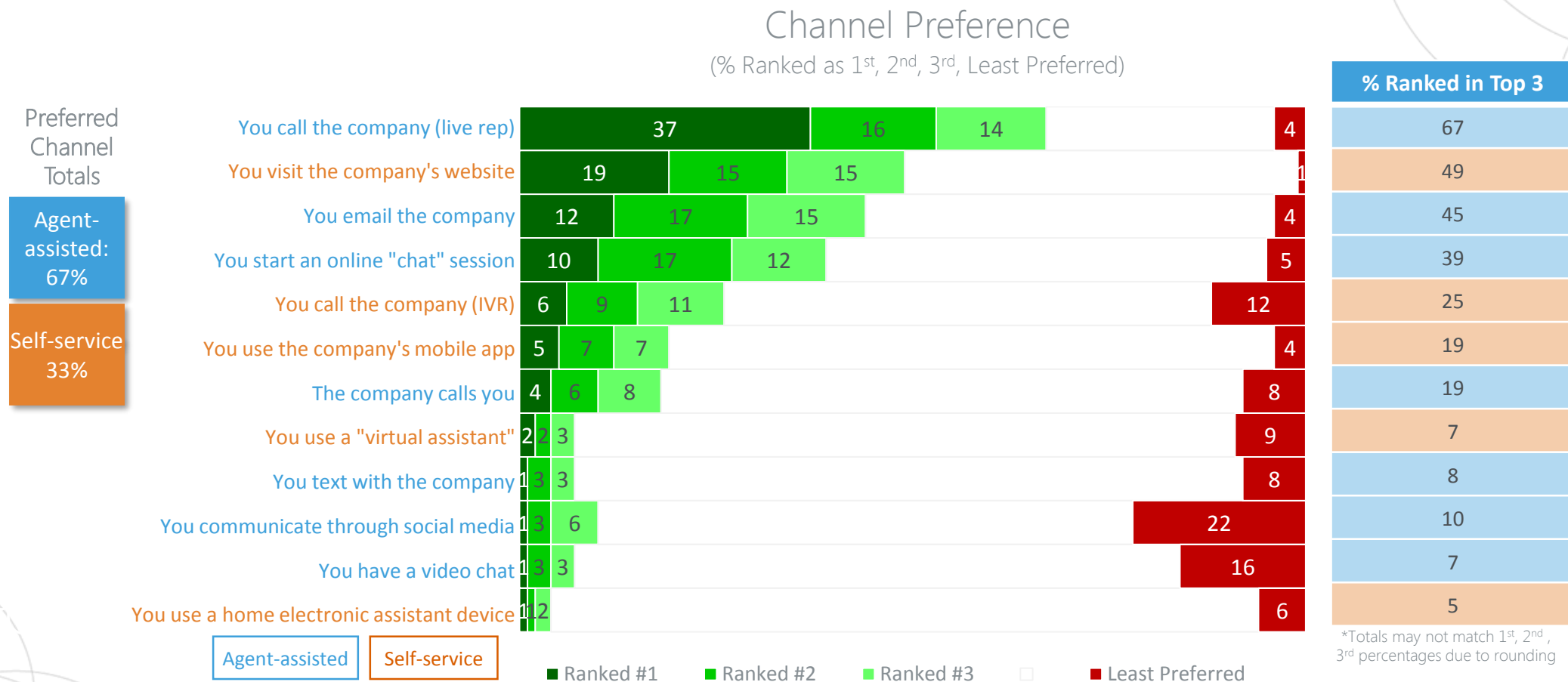


■ Strongly Agree ■ Somewhat Agree ■ Somewhat Disagree ■ Strongly Disagree

What channels do customers prefer to communicate through, and how well do channels handle problem resolution?

# Calling the company to speak with a live rep is the most preferred channel of communication, by a 2:1 margin over visiting the company's website

- In total, two-thirds of customers prefer agent-assisted interaction, with phone, email, and online chat leading the way



# Selected reasons for each method being customers' "least preferred" channel of communication

|                | You Call a Live Rep   | Company Calls You   | You Email the Company   | Online Chat Session  | You Text with the Company  | Communicate via Social Media  | Have a Video Chat  |
|----------------|---|---|---|--|--|---|--|
| Agent-assisted | <p>I hate talking on the phone</p> <p>They can never answer the question</p> <p>Because its so difficult to get through the automation to speak with a person, and then they usually have such an accent it's hard to understand them</p> <p>Lack of concern and sincerity. Too much scripting – no empowerment</p> | <p>I want to communicate on my schedule</p> <p>I like to have everything all in my mind and be ready to deal with it</p> <p>With so many fraudulent activities going on, I tend to not trust a caller saying that they are from a certain company</p> <p>I don't like being called by someone when I'm not expecting it. It is a bother</p> | <p>Too impersonal and takes too long for a response</p> <p>It takes to long to get a response and not all questions get answered</p> <p>I prefer to speak to a person</p> <p>I rather have a quick response rather than wait for email back</p> <p>Have to wait for a response and they normally have you call anyway</p> | <p>Hard to explain everything over text</p> <p>Too slow, easier to talk on phone</p> <p>It starts off with generic answers and ... feels like a live person isn't even there ... I get so frustrated I just close it out.</p> <p>Don't trust online chats</p> <p>You never get an exact answer</p> | <p>You can not properly communicate through text</p> <p>It seems less reliable and I'm concerned about my information being secure</p> <p>Texting can get very confusing and misunderstood</p> <p>Not very personal and is not a way I would feel comfortable speaking with someone about an issue or problem I'm having</p> | <p>Other people can see it. Privacy is an issue</p> <p>It would require me to be attentive to the messaging and posts</p> <p>I don't use social media</p> <p>Social media doesn't allow you to properly say what you want ... and doesn't guarantee an answer</p> <p>Completely impersonal and indirect</p> | <p>I do not want to look at people, nor do I want them looking at me</p> <p>I don't need to see the person to fix the issue</p> <p>I'm usually working on other things in my life or my business and video chat requires a certain degree of exclusive attention</p> <p>I do not want to be seen by any unknown individual</p> |

|              | Call an IVR System   | Visit the Website  | Use the Mobile App   | Use a Virtual Assistant   | Use a Home Electronic Assistant  |
|--------------|--|--|--|---|--|
| Self-service | <p>If I'm contacting the company I would prefer to connect with a live person to resolve my issue</p> <p>They tend to take longer and more often than not they don't resolve the issue</p> <p>It is so impersonal and menus can be confusing at times and not very specific to your need</p> | <p>I just hate looking at websites they just get on my nerves</p> <p>Usually hard to navigate</p> <p>Because they kept blowing up my phone</p> | <p>I don't use mobile apps</p> <p>I do not have the company's mobile app</p> <p>I like to have a record of my conversations and I am not sure I can get one from a mobile app</p> <p>I can't talk to them and it's non-interactive</p> | <p>Canned answers from a machine are annoying because I don't get any information I can't get from searching a website FAQ or help section</p> <p>It is very slow and misunderstands/limits your responses</p> <p>I feel as if it doesn't resolve my problems</p> | <p>Because I want to talk to a person and together we can hopefully resolve the issue</p> <p>I don't own a device like that</p> <p>I am not trusting of this technology yet. I think more has to be done in regard to privacy issues</p> |

CP3. Why did you select (SELECTION IN CP2) as your least-preferred method of interacting with a company?  
 Base: Total Respondents, n=718

# Three-fourths of customers had their question or issue resolved during their most recent experience, with phone being the most effective method of resolution

- First-contact resolution is low for email, too, though not as low as IVR which trails all channels

|                                      | % Handled First Time |
|--------------------------------------|----------------------|
| Agent-assisted (Aggregate)           | 80                   |
| Self-service (Aggregate)             | 81                   |
| Inbound / Outbound Voice             | 83                   |
| Website                              | 86                   |
| Text / Social Media                  | 84                   |
| Mobile App / Bot / Virtual Assistant | 85                   |
| Online Chat / Video                  | 76                   |
| IVR                                  | 72                   |
| Email                                | 78                   |

Green-yellow-red shading is based on conditional formatting. The highest number is shaded dark green, the lowest number is shaded dark red, and numbers in between receive gradient shading relative to the high and low.

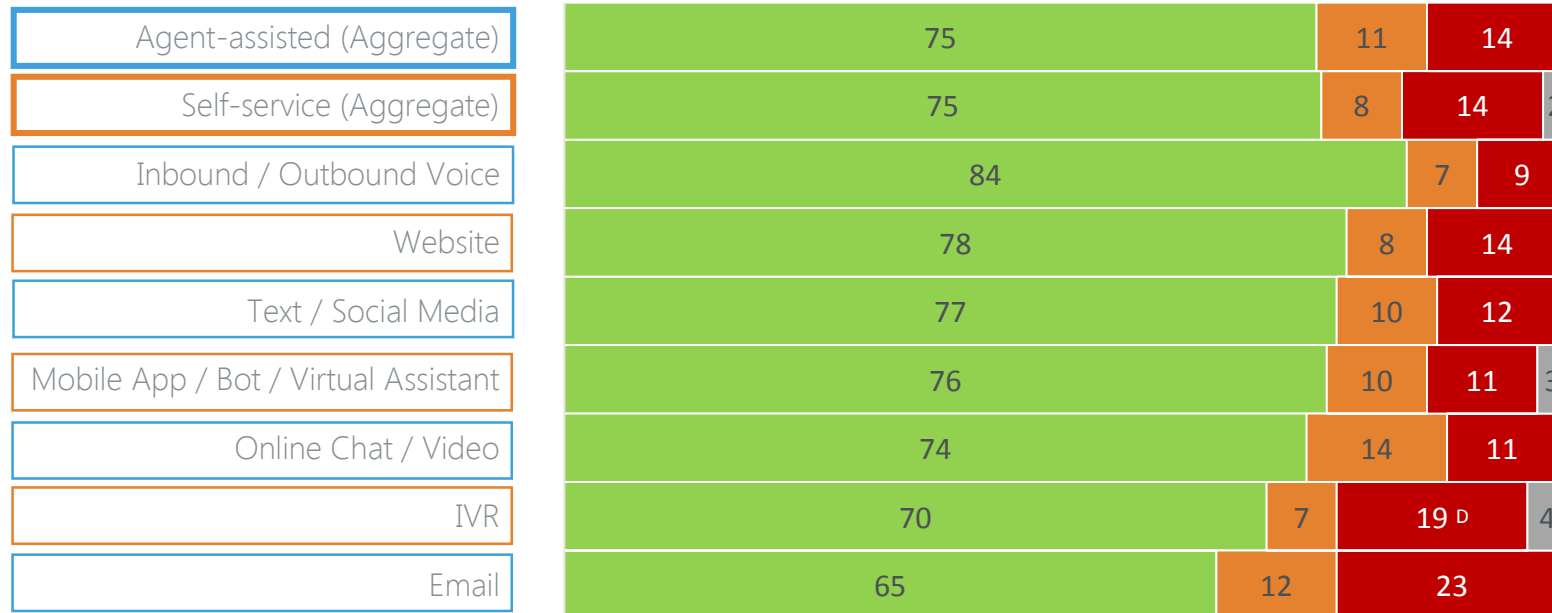
Agent-assisted    Self-service



# Three-fourths of customers had their question or issue resolved during their most recent experience, with phone being the most effective method of resolution

- Email is the least effective method of resolution, with over one-third reporting the issue as 'still ongoing' or 'nothing more the company can do'

Problem Resolution by Channel  
(% Mentioning each status)



Agent-assisted    Self-service

■ Resolved   ■ No, but nothing more to do   ■ Still Ongoing   ■ Don't recall

# Demographics

# Notable Differences - Demographics

## Differences in channel preferences

- **Older customers like calling:** Age 45+: 1.5-2x more likely than <45 to rank 'call the company' as top choice (47% vs. 25-29%)
- **Older customers dislike social media:** 'Social media' as the least preferred channel increases sharply by age, from 8% for 18-24... to 18% (25-44) ...to 26% (45-64)... to 37% for 65+
- **Video chat is least preferred by females** by a 2:1 margin (21% vs. 11% for males)
- **Young males (18-24) dislike virtual assistants** as 20% select it as the least preferred channel

## Differences in proactive contact

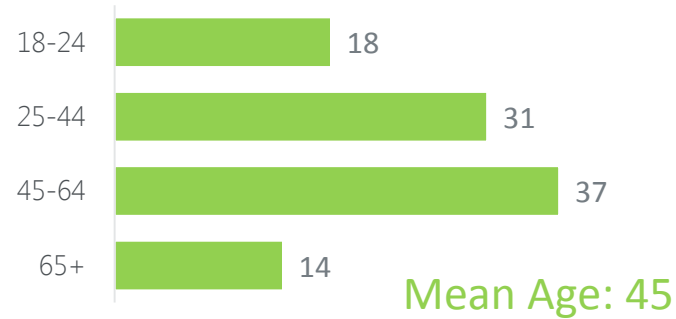
- **Age 65+ are less open to proactive contact** via text, mobile app, automated phone, social media vs. 18-44 year-olds
- **Email for urgent contact is least preferred by males 18-24** (12% vs. 27-43% for other age/gender groups). This group is far more accepting of automated phone calls, web notification, and social media contact than other groups
- **Females age 65+ are most accepting of phone calls** for situations where contact is less urgent (32%)

# Demographics

## Age

- Mean age is 45
- Website skews older
- Mobile app/ bot/ virtual assistant skews younger

## Age



## Gender

- Customer experiences skew slightly higher towards females
- Even more towards females for voice (calls), but more toward males for mobile app/ bot/ virtual assistants

## Gender

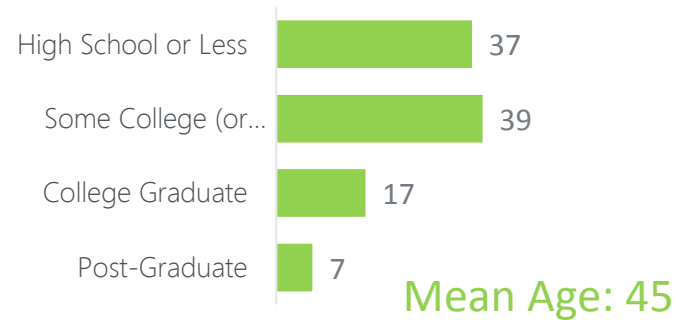


# Demographics

## Education

- Email and website usage see the highest proportions of the less educated
- IVR and mobile app/bot have the most College Grads

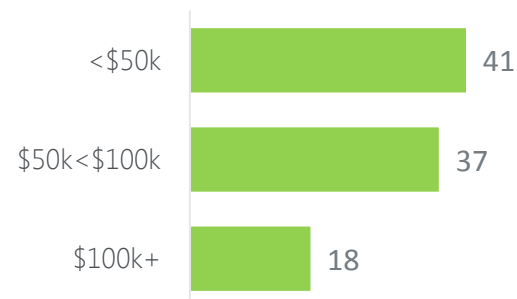
## Education



## Income

- Inbound/Outbound calls skew higher among those earning \$100k as compared to email, chat/video, IVR, and mobile app/bot

## Income



# About inContact



# About inContact, a NICE company

inContact is the cloud contact center software leader, with the most complete, easiest and most reliable solution to help organizations achieve their customer experience goals. Recognized as a market leader by Gartner, IDC, Frost & Sullivan, Ovum and DMG, inContact continuously innovates in the cloud and is the only provider to offer a complete solution that includes the customer interaction cloud, an expert service model and the broadest partner ecosystem. inContact is a part of NICE (Nasdaq: NICE), the worldwide leading provider of both cloud and on-premises enterprise software solutions, helping organizations of all sizes deliver better customer service, ensure compliance, combat fraud and safeguard citizens. Over 22,000 organizations in more than 150 countries, including over 80 of the Fortune 100 companies, are using NICE solutions. For more about NICE, visit [www.nice.com](http://www.nice.com). To learn more about inContact, visit [www.incontact.com](http://www.incontact.com).

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