

2017 ASPECT CONSUMER EXPERIENCE INDEX

January 23, 2018

A national study of 1,000 American consumers to investigate the attitudes, preferences and behaviors regarding customer touchpoints and engagement within the specific context of self-service, customized or personalized service and the hot topics of messaging, virtual assistants and chatbots.

Similar surveys asking some of the same questions in the same period were conducted by Aspect in Germany, Spain and in the U.K.



2017 Aspect Consumer Experience Survey

SURVEY METHODOLOGY

- A custom-crafted online study with a minimum aggregate sample size of 1,000 Americans, aged 18-65, regionally representative and divided by gender as per most recent census projections (with ~25% oversampling of those aged 18-34)
- Survey fielded online to match the behavior and expectations of this population
- Sample screened to not be non-users, of Customer Engagement Experience (CEM) in past year
- Confidence interval of +/- 3.1, 19 times out of 20
- Survey content designed in collaboration by Conversion Research and Aspect Software

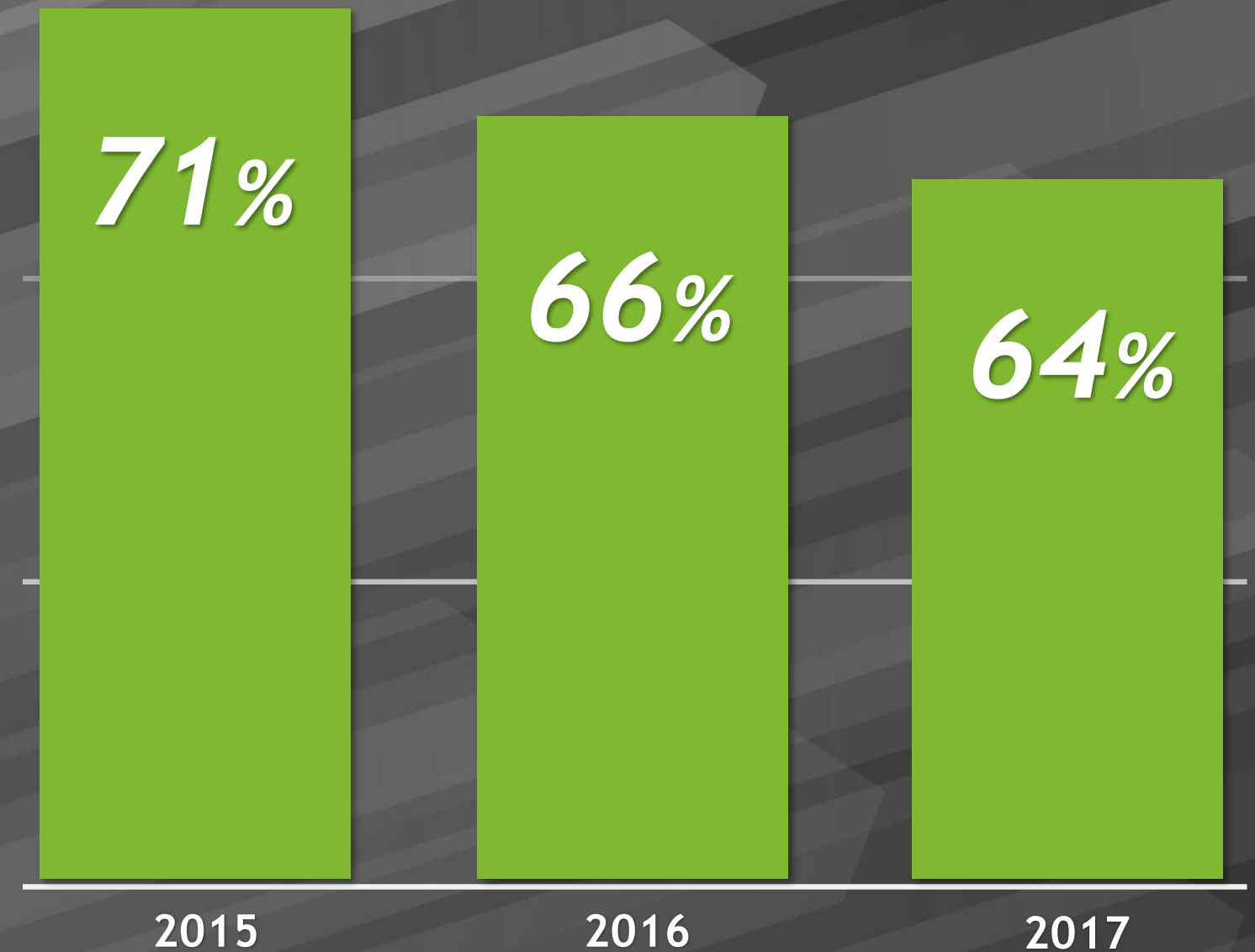


CONTACT WITH CUSTOMER SERVICE IN DECLINE

Contact with customer service has **DECLINED** by 7% in the last two years.

With the rise in self-service applications, it may be that what companies view as self-service customer service, consumers view as part of the product; part of the experience.

Consumers may be re-defining “customer service” as only the moments when the self-service process breaks down and they have to engage a live person in some way or form. Self-management of a product or service may becoming part of that product or service itself.

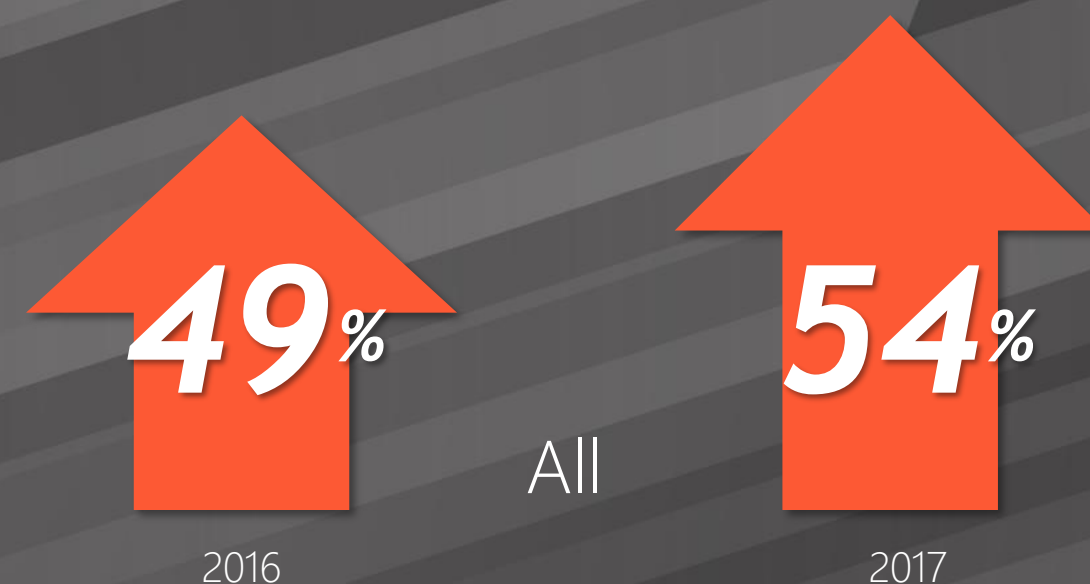


Have you contacted customer service (by phone, online, live chat, text, etc.) for ANY reason in the past month?

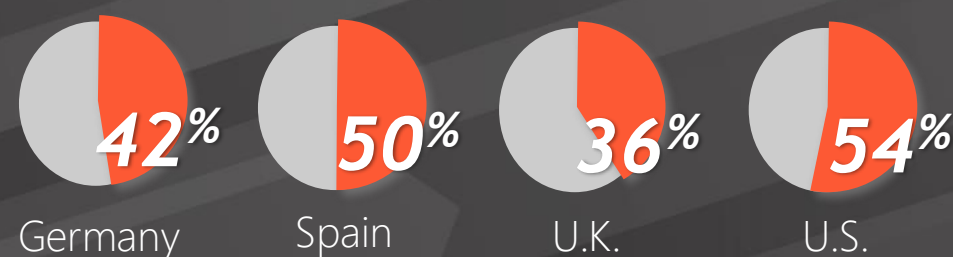
POOR CUSTOMER SERVICE IS KILLING BUSINESS

The number of people who have stopped doing business with a company because of **bad customer service** increased in 2017 by 5 points. The number of Millennials increased by 8 points.

Percent of customers who stopped doing business in 2017:



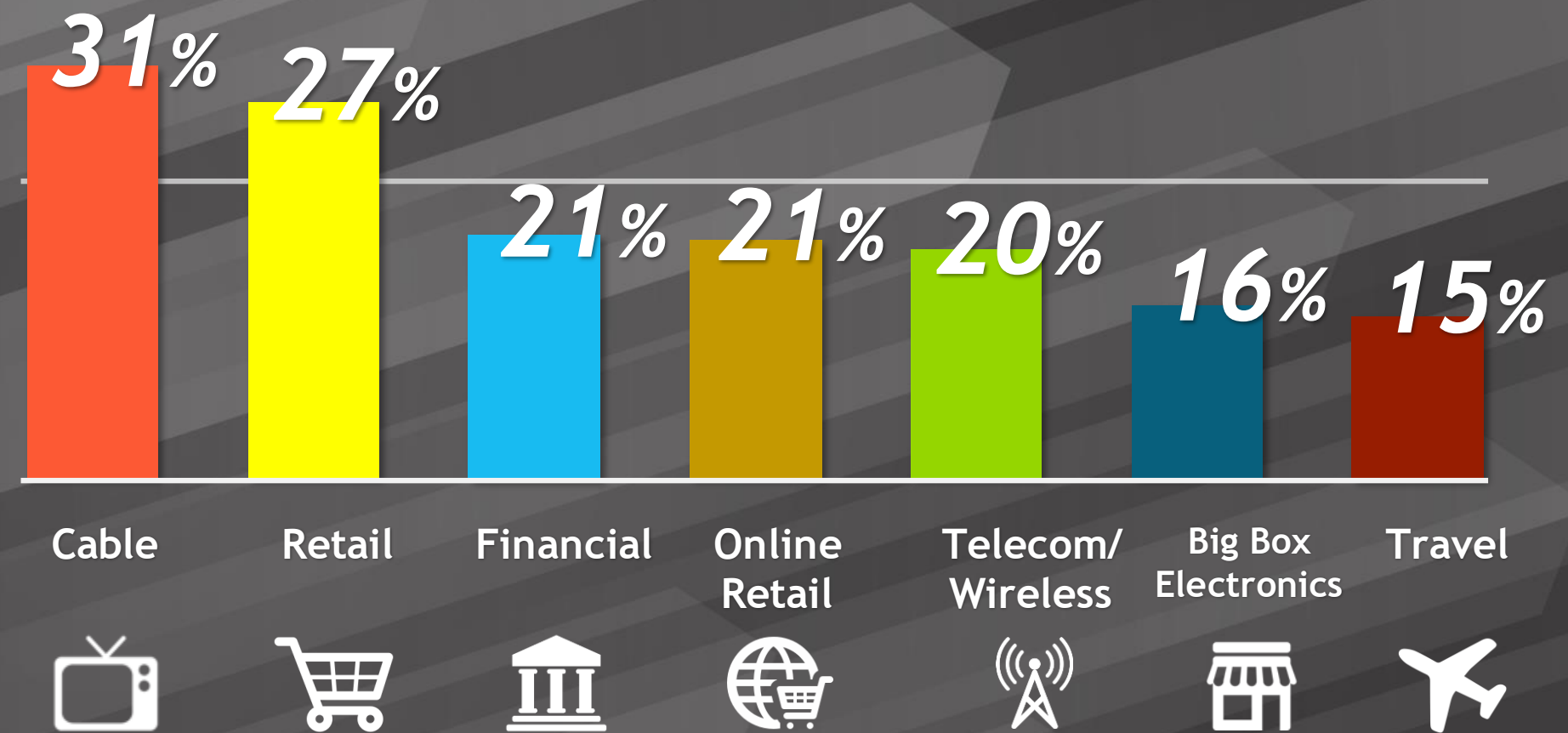
The U.K. saw the lowest churn of the countries surveyed:



CUSTOMER CHURN BY INDUSTRY

Contact with customer service via talking to a live agent has also **DECLINED** 10 points in the past 2 years.

Cable saw the greatest number of customers leaving, retail (online and instore) saw a 19 point decrease in customer churn.



PRIMARY CAUSES OF CONSUMER FRUSTRATION

The inability to complete a task or answer a question in a satisfactory manner is the top source of consumer frustration.

- German consumers much more likely (19%) to get frustrated due to resolution speed than those in the U.K. (12%), U.S. (12%) and Spain (10%).
- Spanish consumers more frustrated due to lack of effectiveness (33%) than others.
- Consumers also said effectiveness is also the most important component (36%) of a good customer service experience.

Lack of effectiveness

27%

Lack of speed

12%

Lack of accuracy

10%

From your experience, what has been the ONE most common cause of your customer service frustration?

EFFECTIVENESS IS ALL THAT MATTERS

The number of consumers who don't care if their online purchase or customer service is performed by an chatbot or a live service agent as long it is handled quickly and accurately.

45%

33% Boomers

47% Gen X

58% Millennials

41% Gen Z

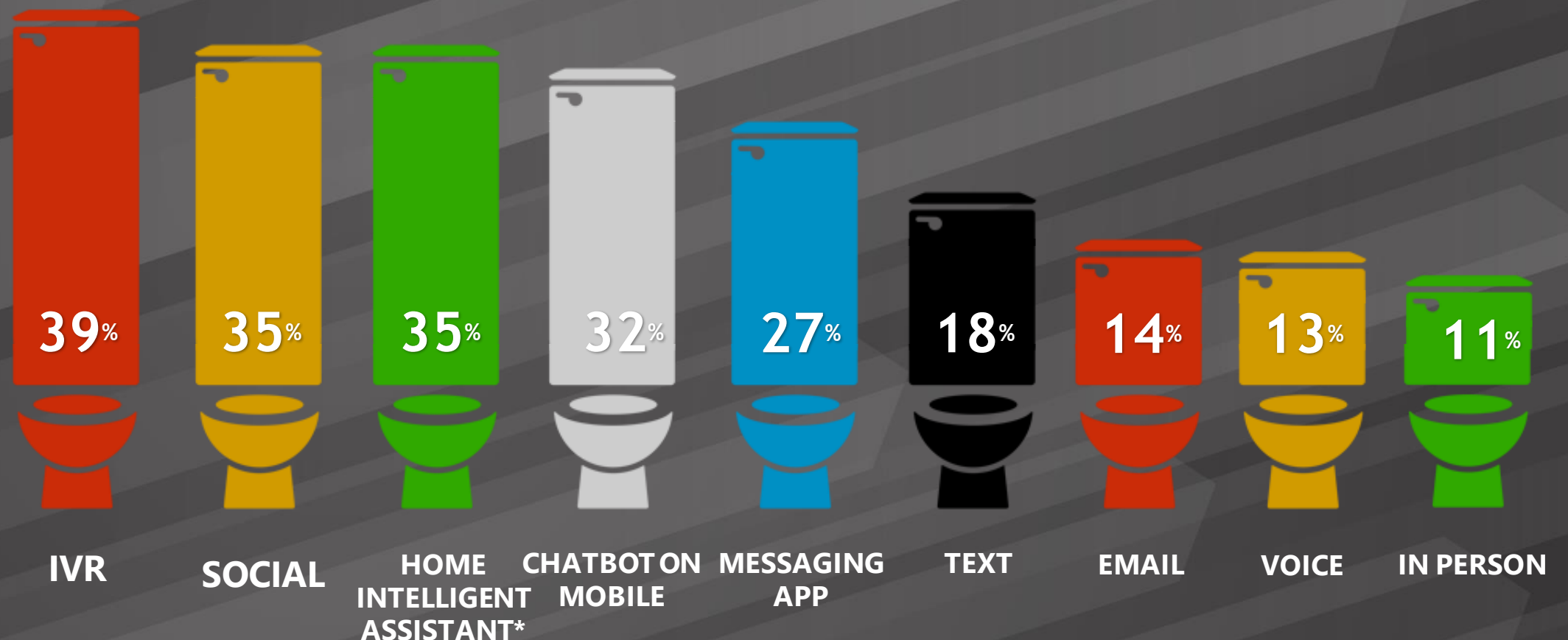
Millennialized:

52% of people with children at home likely to agree vs. 39% of people without children at home

THE TOILET INDEX

Based on what you think a typical customer service experience is like, would you rather clean a toilet or contact customer service via...

What method of contacting customer service is the least appealing to consumers? Dialing into an interactive voice response system is clearly the most ineffective means to issue resolution.



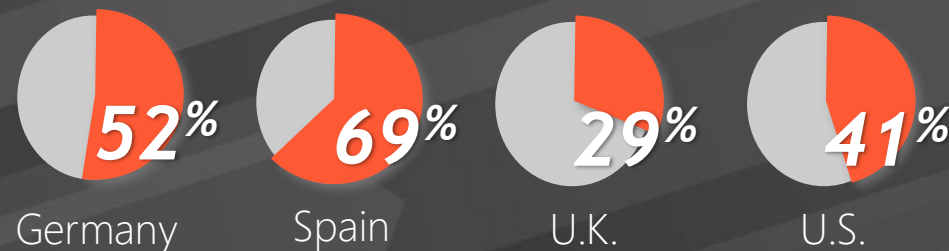
*Home-based intelligent assistant such as Amazon Echo or Google Home

NON-VOICE NOW BECOMING METHOD OF CHOICE

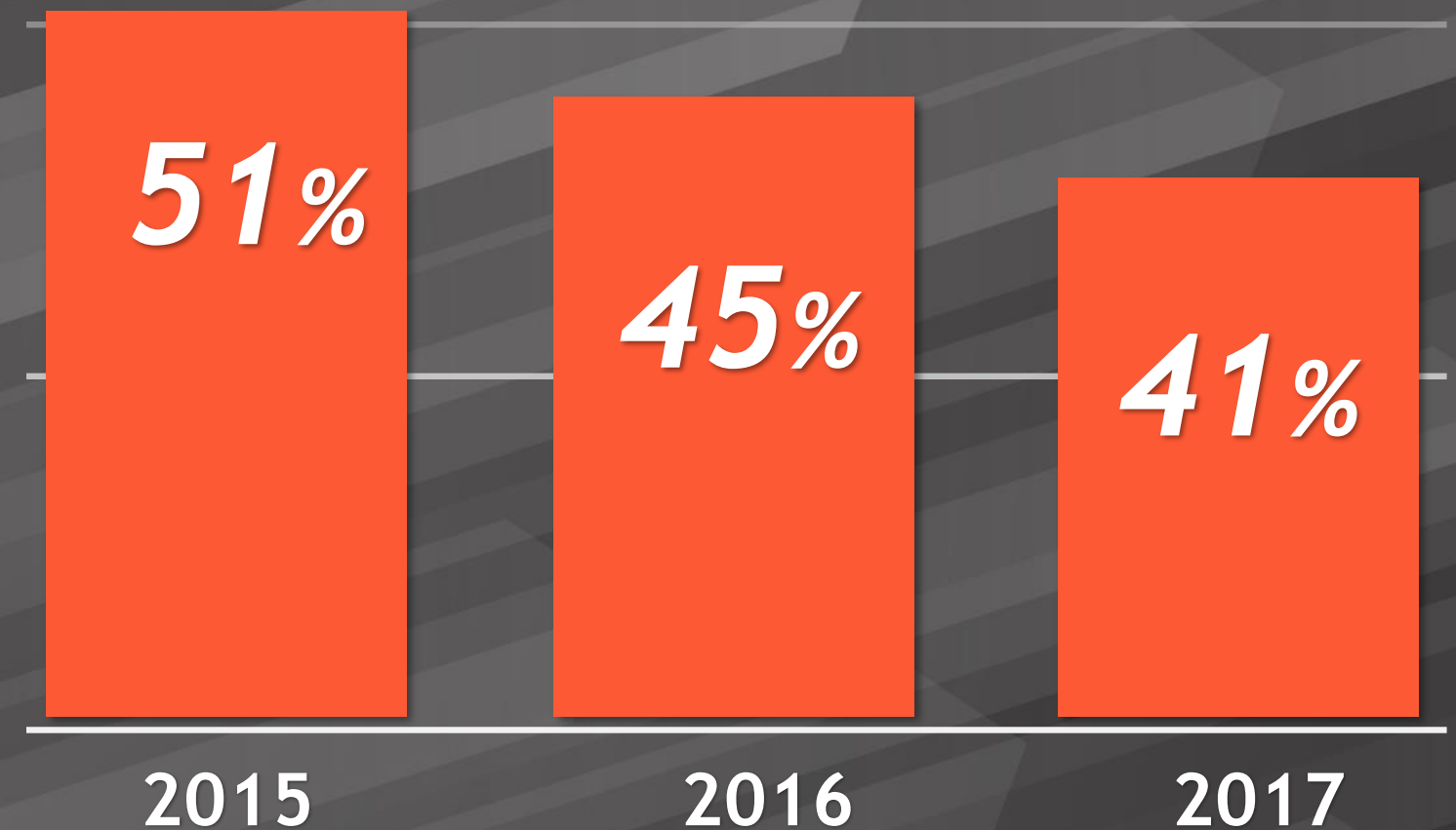
Even with frustrations on emerging channels, contact with customer service via talking to a live agent has **DECLINED** 10% in the past 2 years.

- Millennials have decreased contact via voice 15 points (29% in 2017) since 2015
- 59% of consumers prefer customer service that doesn't involve talking

Spain the most interested in using voice:



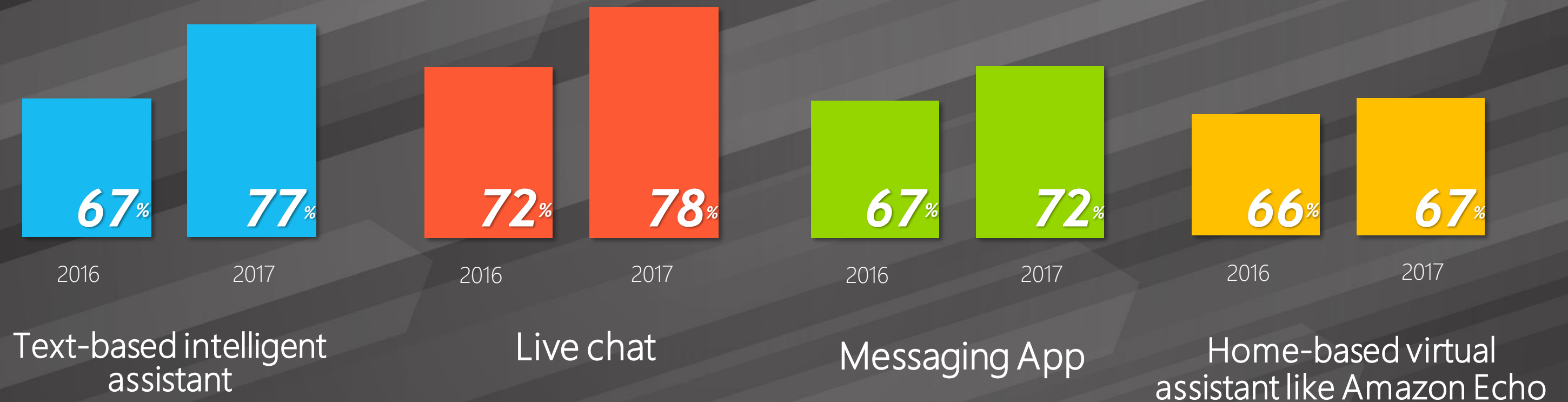
Use of Voice in Customer Service



Based on the way you normally prefer to communicate, which method would you choose if you could only pick ONE way to interact with customer service?

CX IMPROVING ON EMERGING CHANNELS

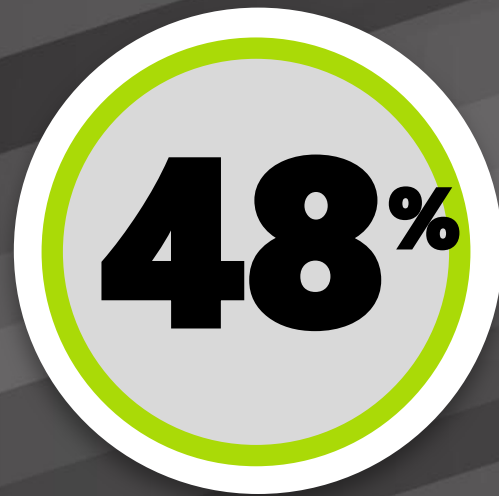
Consumers found their experiences contacting customer service on emerging channels to be incrementally better than 2016. Text-based chatbots, with a 10 point increase from the year before, saw the greatest experience improvement.



How would you overall rate your overall experience with...

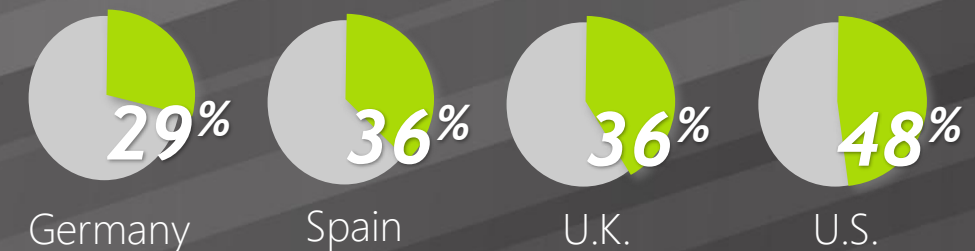
CUSTOMERS WANT THEIR CHANNEL OF CHOICE

In the 2016 Aspect Customer Experience Index, **67%** of consumers said a personalized customer service experience was more important than the speed of service.

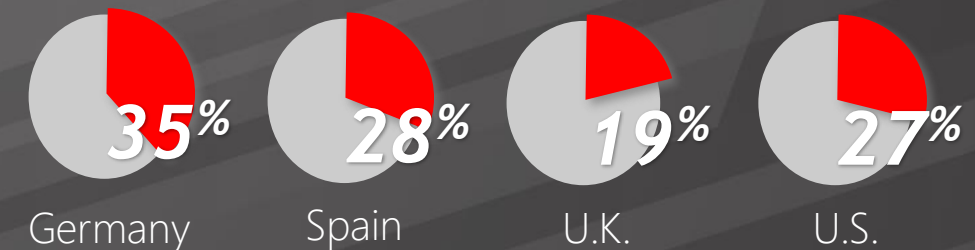


The 2017 Index found that 48% of consumers feel the ability to interact in the method/manner of their choice is the most important facet of a personalized customer experience. 3X more than knowing their name/history.

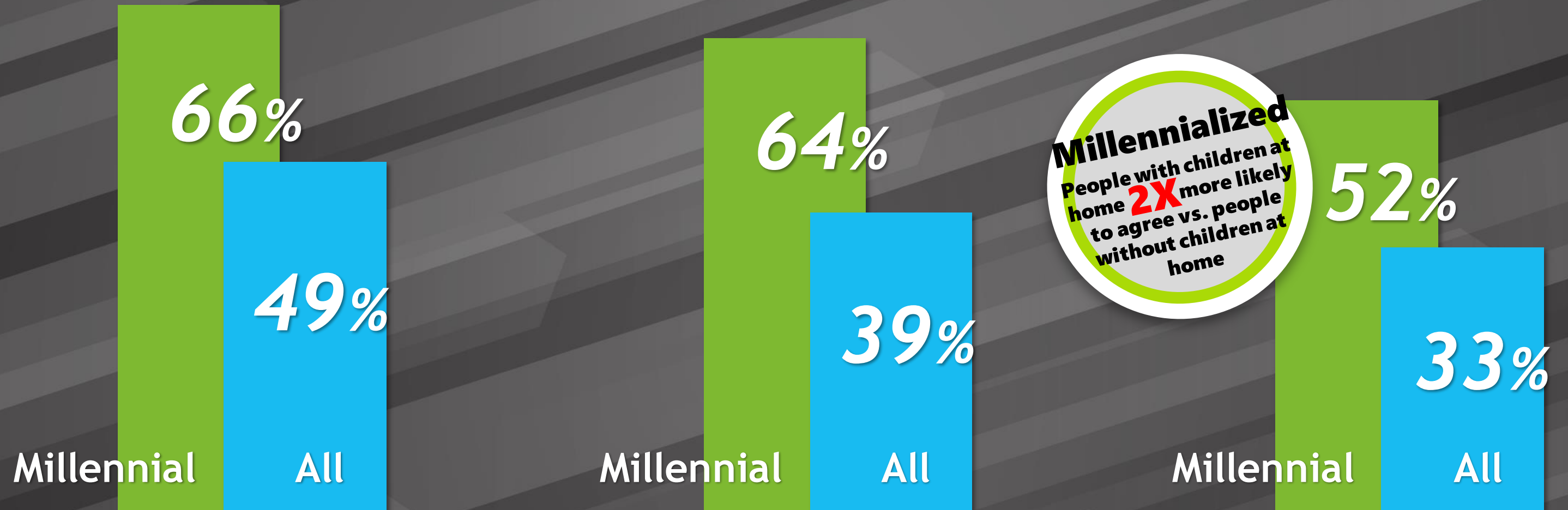
Percent of consumers who feel interaction on their method of choice is the most important part of a personalized experience:



Percent of consumers who feel anticipating needs is the most important part of a personalized experience:



AUTOMATED INTERACTION BY THE NUMBERS



The percent of consumers who say they **interact with and intelligent assistant or chatbot** at least once a week.

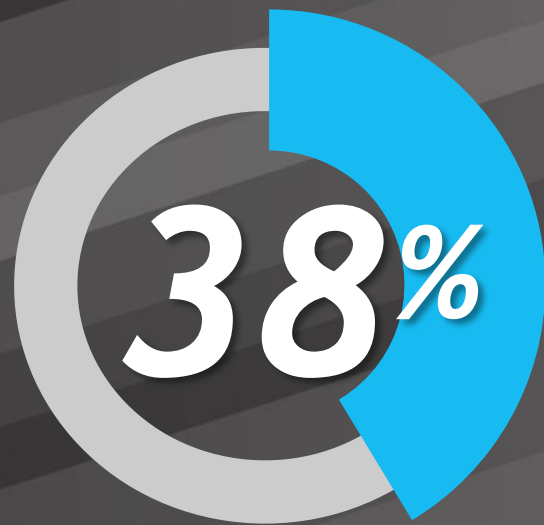
The percent of consumers who are **comfortable with non-human interaction** to answer questions or resolve issues.

The percent of consumers who would like to see **ALL** customer service done through intelligent assistants or chatbots.

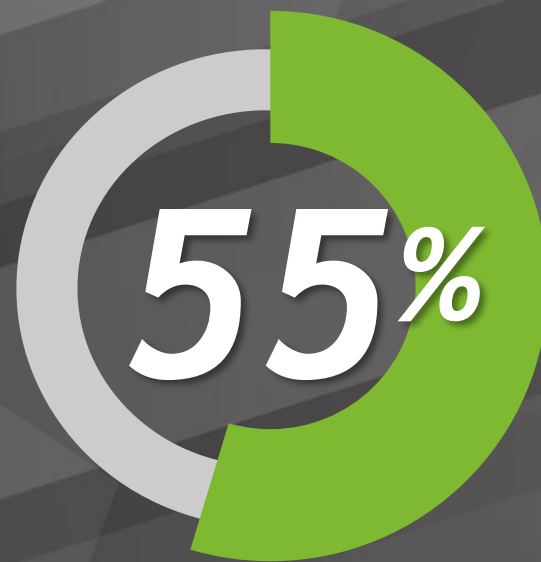
AMAZON ECHO COMING TO CUSTOMER SERVICE

More than a third of all consumers and over half of Millennials like the idea of using home-based intelligent assistants (like Amazon Echo, Google Home) to make purchases or contact customer service.

Like the idea of contacting customer service to **ANSWER A QUESTION OR RESOLVE AN ISSUE** using home-based automated intelligent assistants



All

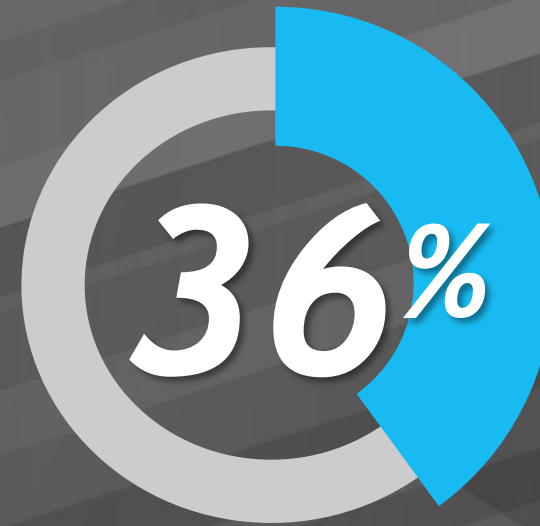


Millennials

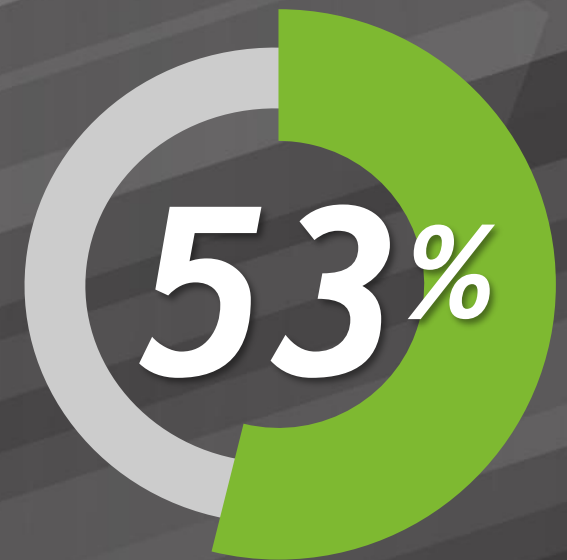
Millennialized:

50% of people with children at home likely to agree vs. 28% of people without children at home

Like the idea of contacting customer service to **MAKE A PURCHASE OR ORDER A SERVICE** using home-based automated intelligent assistants



All



Millennials

Millennialized:

48% of people with children at home likely to agree vs. 27% of people without children at home

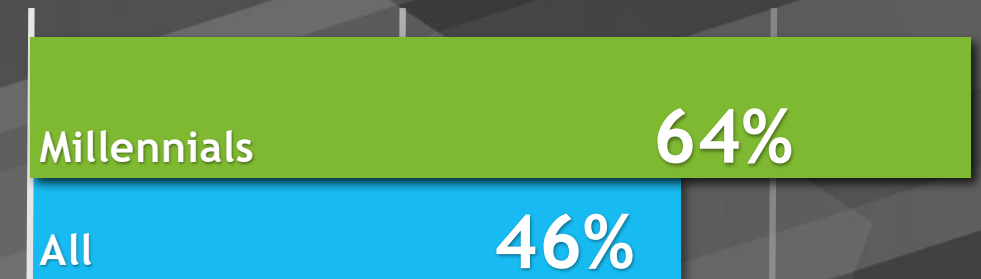
THE INTERNET OF CUSTOMER SERVICE THINGS

Over 4 in 10 American consumers are currently interested in utilizing virtual assistant technology imbedded in appliances for customer service.

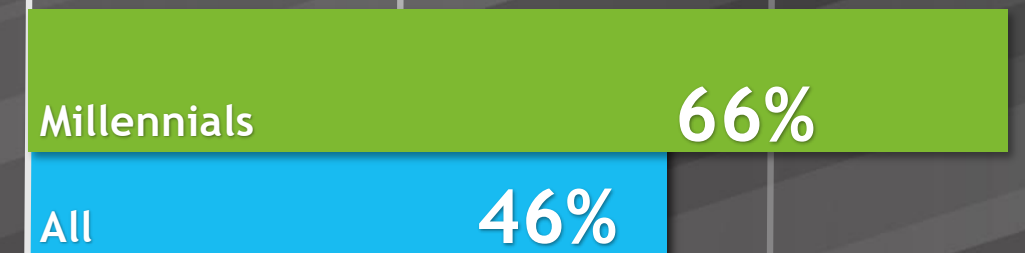
- Nearly two thirds of Millennials are interested, by far the primary drivers of the trend

How interested are consumers with having a refrigerator or oven connected to the manufacturer and:

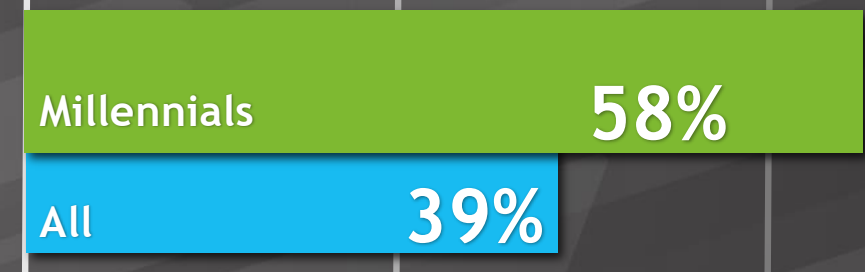
Allowing them to try to fix any software issues immediately and remotely



Alerting them of any mechanical/software issues and what next steps to take



Contacting the manufacturer through the appliance using voice-based interaction



Thinking about "the internet of things" and the new home-based conversational interfaces please let us know how interested you are in the following new customer service innovations.

NO CUSTOMER INTERACTION IS AN ISLAND

When interacting with a chatbot or an intelligent assistant, nearly 3 in 4 consumers want the ability to connect with a live agent.

71%

The older the generation,
the more important it is
to have this ability:

78% Boomers

76% Gen X

71% Millennials

57% Gen Z

CONSUMERS WILL RESPOND POSITIVELY TO GOOD CUSTOMER SERVICE

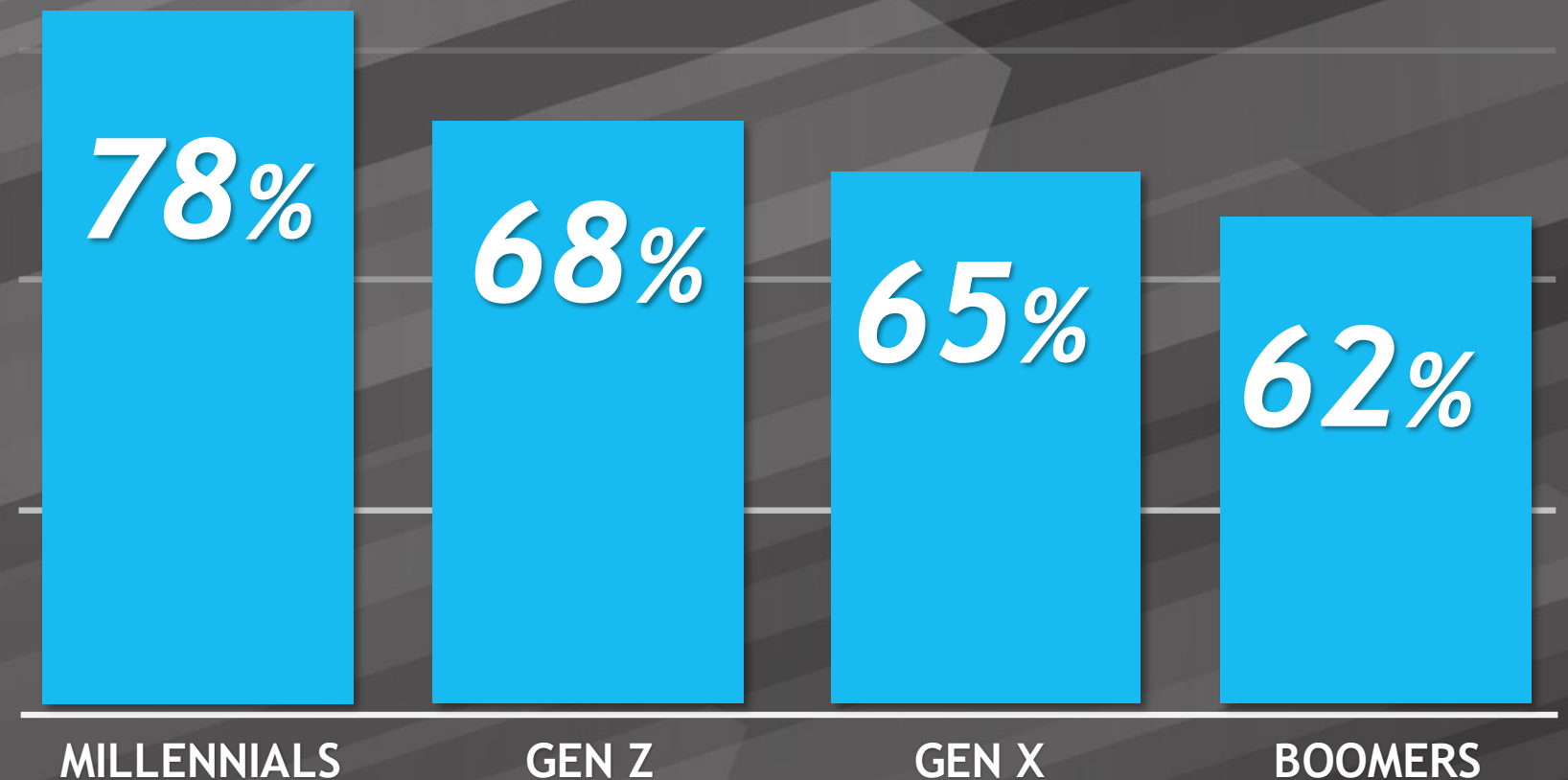
Friendliness in customer service will increase wallet share

Majority will do more business because of good customer service

Majority will pay more for GOOD customer service

68% OF CONSUMERS DID MORE BUSINESS IN 2017 WITH COMPANIES DUE TO GOOD CUSTOMER SERVICE

- 14 point difference between consumers who report having moved their business because of poor customer service and those who report doing more business with companies because of good customer service
- Millennials driving loyalty
- Friendliness cited as primary reason

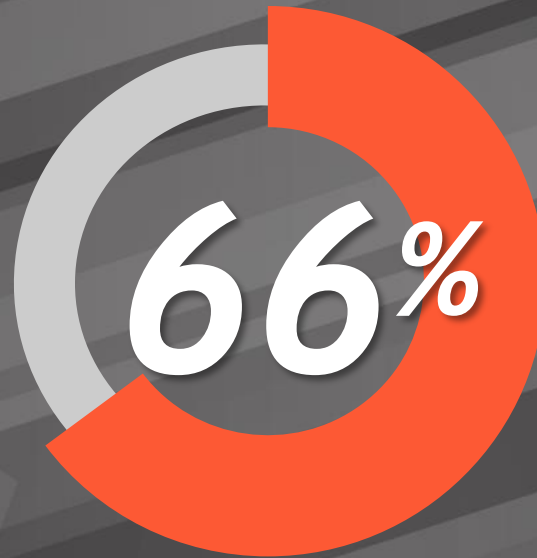


In the past year, have you done MORE business with, or used MORE of the services of, at least one company or organization because of good customer service?

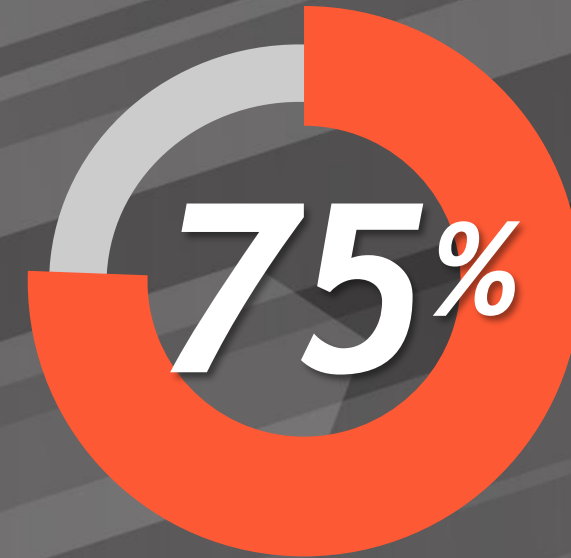
PAYING MORE FOR BETTER CUSTOMER SERVICE



of consumers would pay more for **GOOD** customer service



of consumers would pay more for **GREAT** customer service

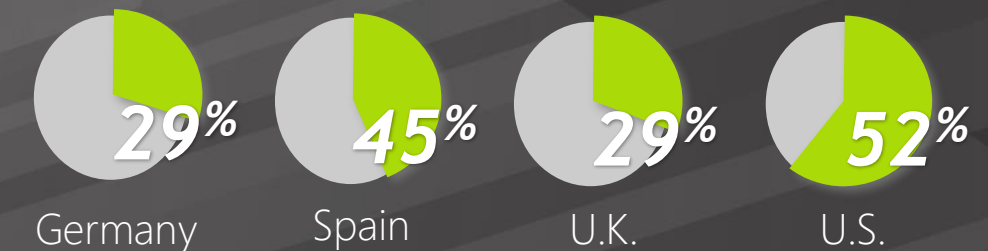


of consumers would pay more for **EXCEPTIONAL** customer service

- 60% of consumers would pay **5%** or more for EXCEPTIONAL customer service
- A third will pay **10%** more for EXCEPTIONAL customer service
- Relative parity across generations

How much extra would you be willing to pay, if anything, for good, great, exceptional customer service?

Americans far more likely to pay more:



CONSUMER PREFERENCES ARE CONSTANTLY CHANGING BUT FOR THE NEXT YEAR THERE A FEW THINGS WE KNOW:

1. Consumers will **keep doing business** with companies who consistently provide effective issue resolution.
2. They will **grow their business** with those companies who offer friendly service.
3. They have a growing interest in self-service/automated interaction and a growing demand to **interact in the method they choose**.
4. They want A.I. and agents working together. They are interested in checking out customer service through Amazon Echo, Google Home, or home refrigerator but they **want an A.I. experience connected to a live agent** if needed.
5. There is a definite **Millennialization** of Gen X and Boomers. Those with children still living at home have a significant influence on those generations' interaction preferences.