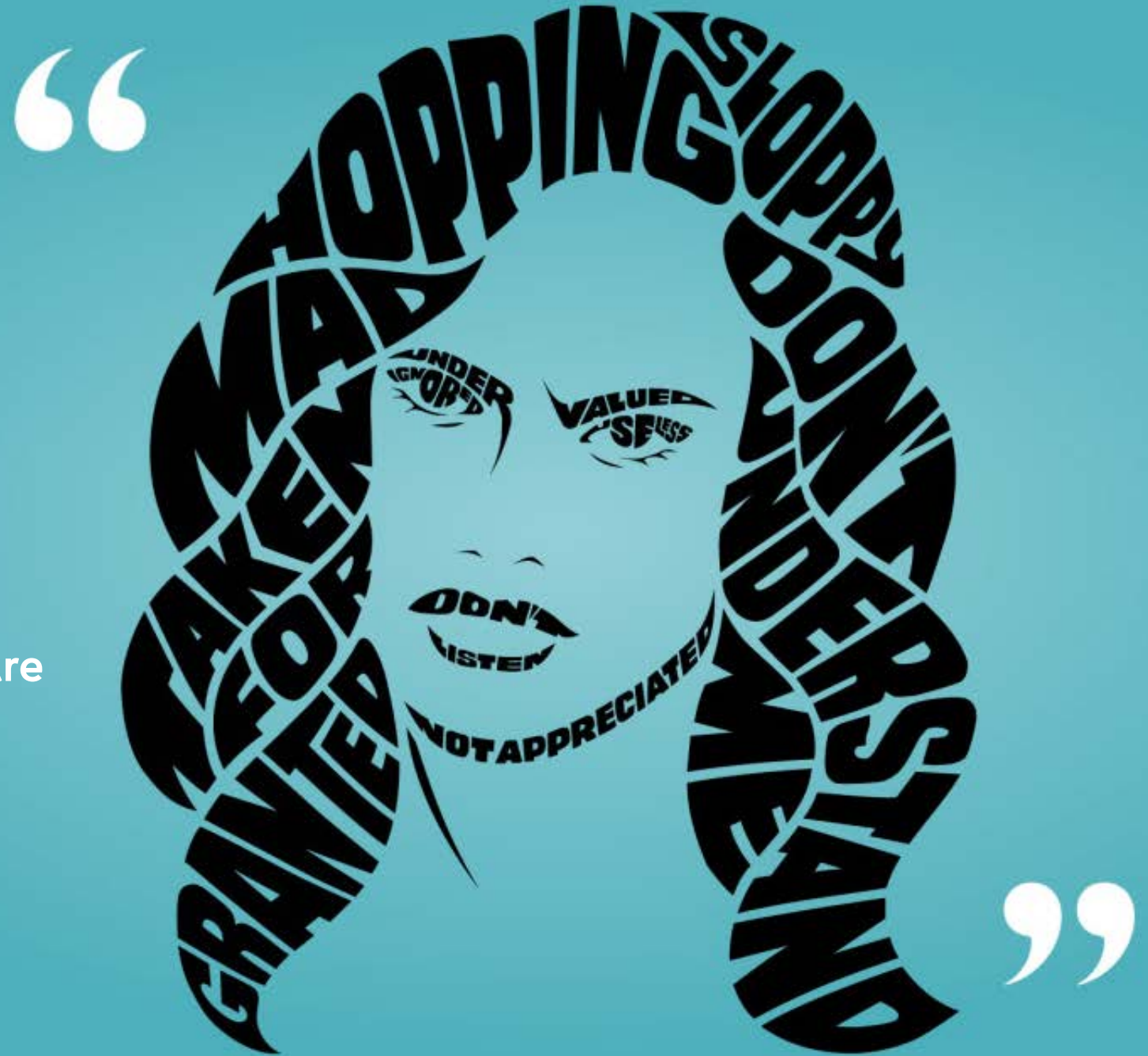


Serial Switchers Swayed by Sentiment

How poor emotive customer experiences are costing brands billions

NNN NewVoiceMedia

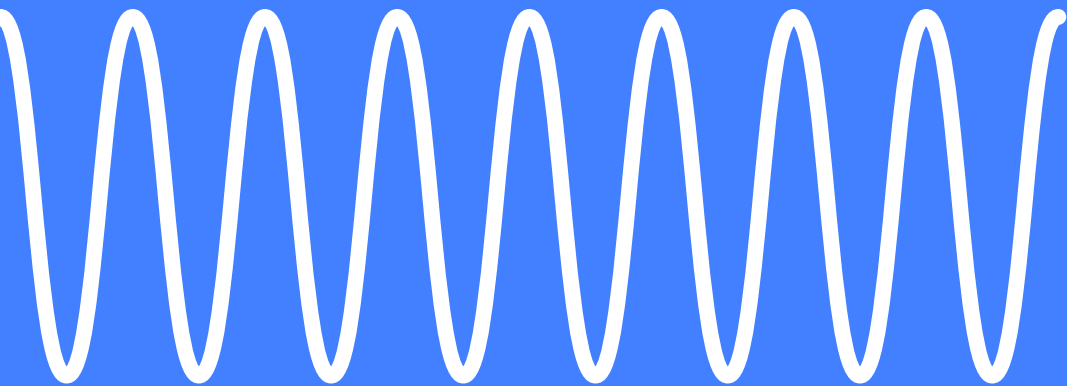




Customer experience has become a crucial battleground for businesses – and the losers are losing big. This report explores the types of experiences that drive customers away from businesses into the hands of their competitors, what companies can do to stop them leaving; and why providing more emotive service experiences is essential to customer relationships.

"NewVoiceMedia continues its focus on helping businesses create exceptional, emotive customer experiences to serve better and sell more. We are all living and working in the Age of Customer Experience, where companies compete on the basis of customer delight, and as such, we maintain a pulse on trending topics and provide in-depth analyses to improve customer experiences. Business growth and customer retention are dependent on providing great customer relationships. In the following research, we dig into some of the greatest customer service struggles businesses are facing today. It is our hope that by bringing these issues and technological gaps to light, we can help improve the customer experience across industries."

Dennis Fois, NewVoiceMedia CEO



**Customer experience
has become a crucial
battleground for businesses**

Are customers continuing to experience the same problems?

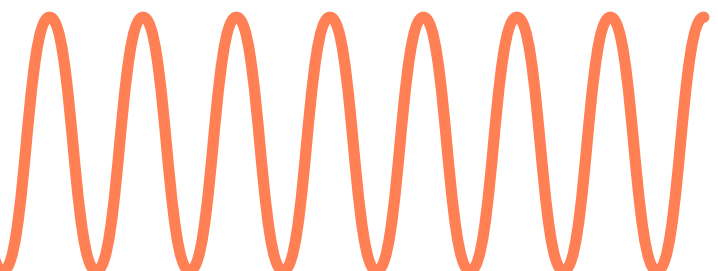
Customer service has never been higher on the C-level agenda than it is today, and companies are investing more than ever in efforts to improve the customer experience (CX). Yet customer satisfaction is reaching new lows, according to Forrester's UK CX Index, with CX quality worsening across the board between 2016 and 2017. So, what's going on? Why are so many businesses getting it wrong?

We believe, reinforced by this study, that the failures lie in a misunderstanding of what's most important in CX – a miscalculation of the "Customer Experience Equation".

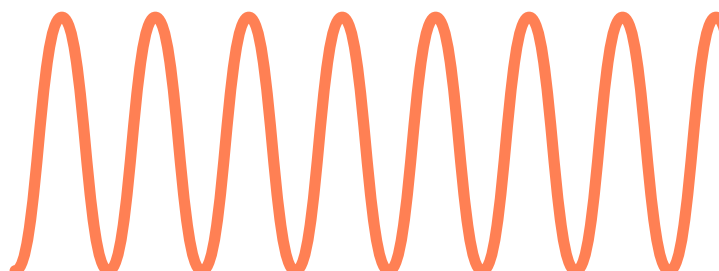
There are three variables that make up Forrester's CX Equation: Did the customer achieve their goal, how easy was it, and how did it make them feel.

That third piece of the formula – how the experience makes customers feel – is the most important and makes up 50 percent of the equation.* Therefore, providing interactions that create positive emotional experiences is the key to competing – and winning – in CX.

Indeed, the majority – 63 percent – of respondents to our survey said that if they felt they'd made a positive emotional connection with a customer service agent, they would be more likely to do business with that company again. However, on average, respondents indicated that they felt emotional connections with just 13 percent of companies they'd done business with over the last year.



Providing interactions that create positive emotional experiences is the key to competing – and winning



*Understanding The Impact Of Emotion On Customer Experience, Forrester, 2015

But why? Companies aren't blatantly ignoring the needs of their customers.

Since NewVoiceMedia's 2016 Serial Switchers survey, the number of UK consumers who reported leaving a business due to inadequate customer service is unchanged at 42 percent. Reasons for leaving include: not feeling appreciated, not being able to speak to an advisor, unhelpful/rude staff, being passed around to multiple people and being put on hold for too long.

Businesses are botching the moments that matter in their customer experience. They are failing to alleviate pain points along their customer journey, which compound into negative emotional experiences that are inconsistent with what today's consumers have come to expect.

When asked about the key drivers of feeling emotionally connected to a brand, our survey respondents flagged the ability to contact the company through any channel (call, email, social media, web chat, etc.); being connected to a highly knowledgeable customer service agent; and being offered a personalised experience, as the most important.

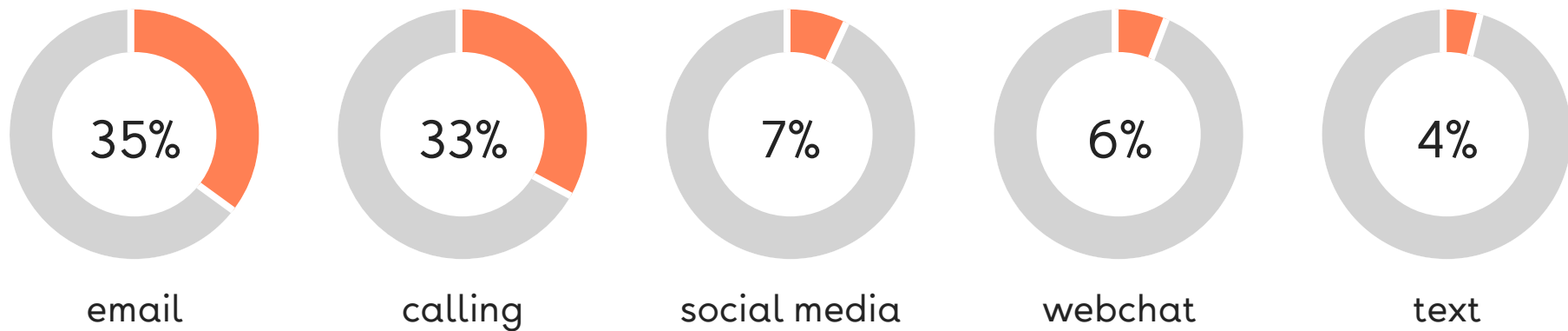
"Emotive customer experience recognises that our decisions are driven by deep seated motivations: the things that really matter to us in terms of identity and personal fulfilment. Tap into these and customers become more valuable in every respect: from advocacy to lifetime spend."

Martin Hill-Wilson, customer engagement strategist and founder of Brainfood



Today's customers expect to get help on their terms – on any device and through any channel. They want to move seamlessly from one channel to the next and pick up each conversation where they left off. They demand quick resolutions to their problems with the least possible effort. Delivering on these expectations requires complete visibility across each customer touchpoint and every interaction, so service teams can optimise processes and communication in ways that positively impact a customer's emotional experience.

Companies with cross-channel visibility into their customer journey are often able to eradicate the potential frustrations that sour interactions. They can reduce hold times, connect customers with the most appropriate agent the first time, personalise experiences and engage proactively.



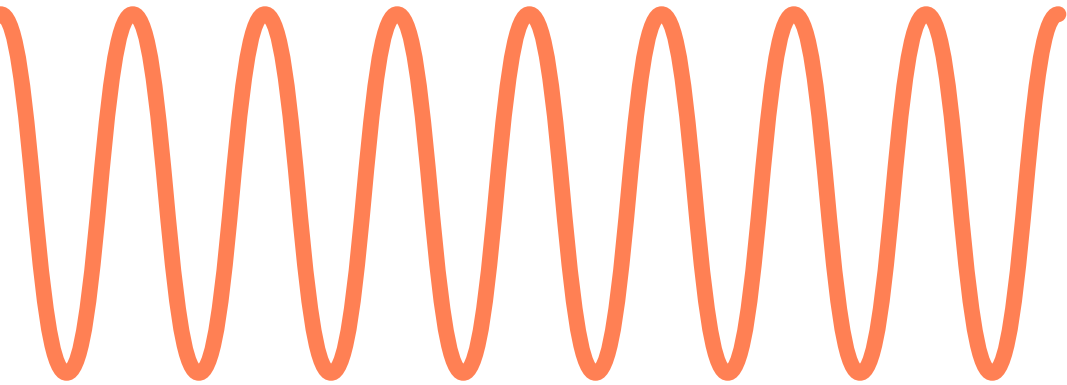
For many businesses, the core of these issues lies in the contact centre

While the recent proliferation of and advances in self-service technologies now enable consumers to handle many routine tasks easily, across many devices and channels, our survey results indicate that customers are still seeking live, human connections to resolve their issues.

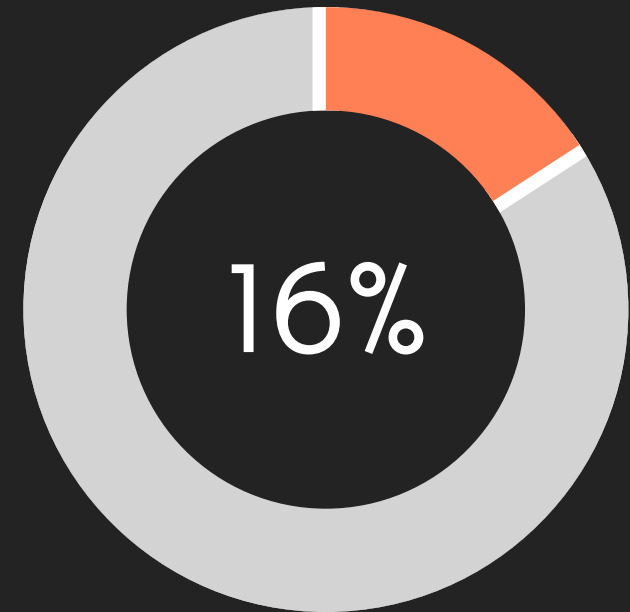
The majority of respondents selected emailing as their preferred method of communication (35 percent), followed by calling (33 percent), social media (7 percent),

webchat (6 percent) and text (4 percent). Additionally, nearly half of respondents (48 percent) designated calls as the quickest way to resolve an issue.

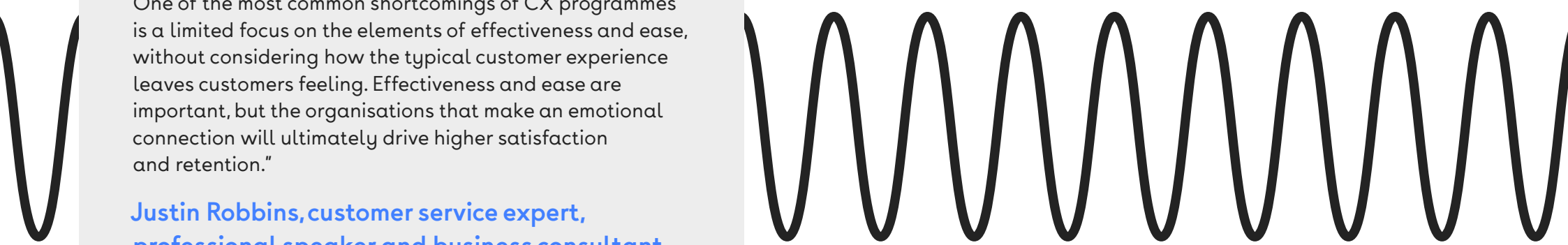
This suggests that frontline contact centre teams will continue to be the difference-makers on the battlefield to win the hearts and minds of customers, and that organisations deploying self-service solutions should ensure that there is always an option to reach a live agent if the customer becomes frustrated or confused.



However, only 16 percent of respondents said calls are the most effective means of resolving an issue (down 11 percent from 2016), with 49 percent believing there is no most effective way to solve a customer service problem. Our survey found that unnecessary obstacles including being kept on hold, not being able to speak to a "real person" right away and having to repeat info to multiple agents have smothered the contact centre's perceived effectiveness. Again, many of these problems echo symptoms of the aforementioned visibility issues.



Only 16 percent of respondents said calls are the most effective means of resolving an issue



"One of the most common shortcomings of CX programmes is a limited focus on the elements of effectiveness and ease, without considering how the typical customer experience leaves customers feeling. Effectiveness and ease are important, but the organisations that make an emotional connection will ultimately drive higher satisfaction and retention."

**Justin Robbins, customer service expert,
professional speaker and business consultant**

More channels, more problems

Our research showed that 16 percent of customers turn to social media as an effective channel to resolve issues. However, many respondents view social media as a bullhorn, blasting complaints in public forums – essentially hurting companies to illicit a response. This stick-over-carrot approach to resolving issues is indicative of company failures to provide quick, effective resolutions and positive emotional experiences. The fallout from increasingly public complaints means companies could face even greater losses over time.

"In many ways, the capacity and computational power of technology far outstrips our own... Nevertheless, when we're looking for creative solutions to service problems, we still seek out other humans. If we get stuck, if there's ambiguity in the information, or if we need help making a purchase decision, we still opt for a person."

**Ryan W. Buell, UPS Foundation Associate
Professor of Service Management in the
Technology and Operations Management
unit at Harvard Business School**


Never again

Dissatisfied customers are not just walking out on businesses, they are slamming the door – and widely sharing their negative experiences. Faced with poor customer service, 31 percent of respondents indicated they'd never use the offending company again, 41 percent would write a complaint email/letter, 29 percent would change suppliers, 20 percent would post an online review, a fifth would complain publicly via social media, 8 percent would tell friends and colleagues not to use the company, and 4 percent would even inform the media. Just 15 percent would take no action.


Serial switchers

Of those surveyed who had switched services over the last year, 57 percent had changed once, and 43 percent had switched two or more times (up 12 percent from our previous study). It's not simply a grass-is-always-greener phenomenon; customers today have a higher expectation for companies and are willing to shop around for businesses that will meet their requirements.





55 percent of customers
would be more loyal
if provided with better
customer service



Sparking loyalty

It's easy to blame the victim, but customers aren't just being high maintenance. In fact, many are open and willing to be wooed by caring companies. Survey respondents indicated they would be more loyal (55 percent), would recommend the business to others (47 percent), would use the company more frequently (26 percent) and would spend more money (26 percent) if provided with better customer service.

The resolution?

Customer service issues often stem from treatable problems that begin in the contact centre.

Contact centres bogged down with long hold times, disjointed channel experiences and inaccessible agents systematically wear down customer appreciation and retention. In many contact centres, agents are stretched, across multichannel operating systems, with little insight into the overall customer journey or back-end operations. It's a problem that will continue to chip away at profits in the Age of the Customer.



Enter cloud contact centres linked to CRM

Cloud customer contact centre solutions, when tightly integrated with your CRM platform, enable you to monitor and automate customer interactions across all touchpoints, so you can provide consistent support on every customer's channel of choice. Cloud-based automatic call distributor (ACD)/IVR and intelligent call routing allow callers to be easily routed to the agents with the skills and knowledge to help them, eliminating the need for customers to repeat information. Agents get immediate access to a single source of truth that presents important information about the caller, including which products they own, open cases, caller status and sentiment – allowing them to personalise the interaction, resolve the caller's problem and leave them with a positive emotional experience.

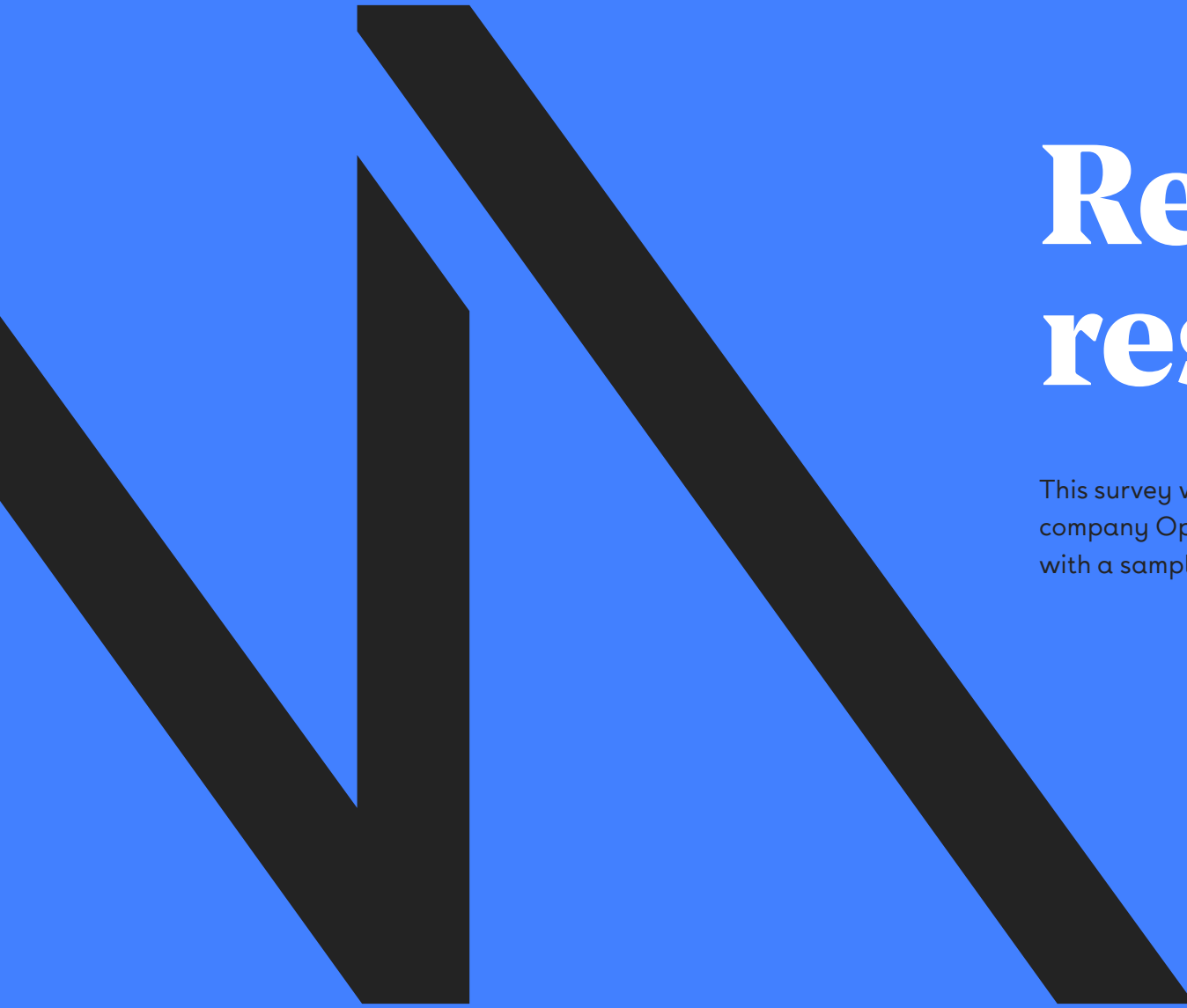
With integrated features like Conversation Analyzer, NVM's speech analytics solution, businesses can hone in on potential frustrations across their customer journey and focus on maximising the moments that truly impact customer experience. Conversation Analyzer turns thousands of hours' worth of contact centre calls into structured data that can be mined for a better understanding of customer experience and agent performance.

Call recording technology enables managers to better coach agents by showing examples of calls that were handled well and those that could use improvement. Service teams can use these insights to improve their processes and agent communication skills to help customers solve problems more efficiently and ensure that they feel good at the end of each conversation.

Motivate, NVM's gamification software, builds onto that by enabling managers to offer rewards and incentives for agents who implement best practices and replicate the behaviour of top performers.

Empowering service professionals with the right tools and data is key because, ultimately, establishing emotive customer connections depends on better conversations. With billions of pounds hanging in the balance, it's time for companies to consider their options.





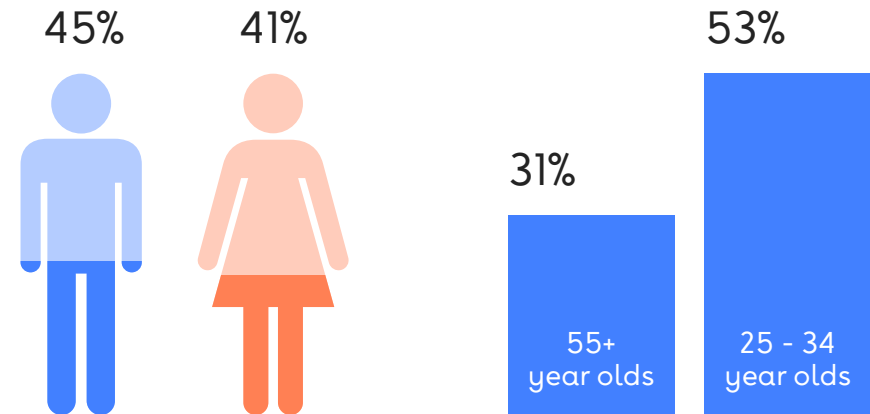
Research results

This survey was undertaken by independent research company Opinion Matters from Jan. 31 to Feb. 6, 2018, with a sample size of 2,011 adults from the United Kingdom.

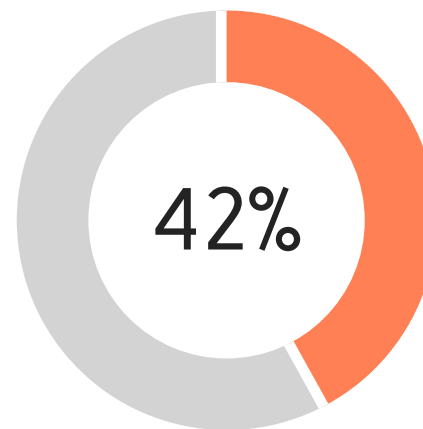
01

Have you switched to a different business as a result of poor customer service?

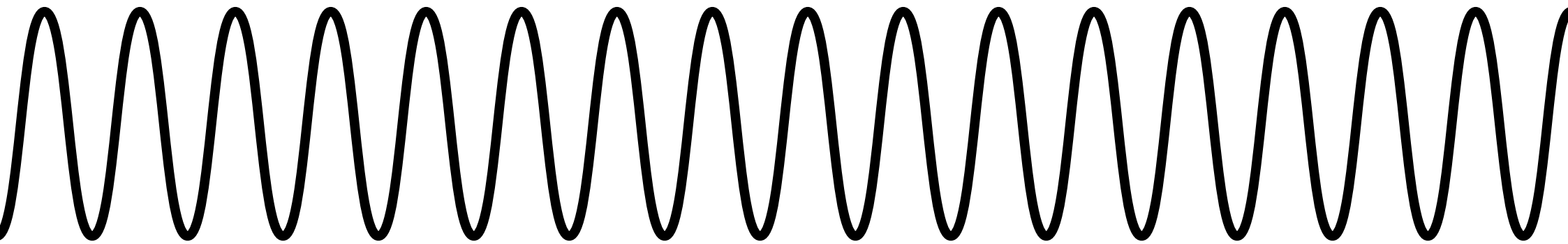
42 percent of respondents reported leaving a business due to inadequate customer service. Reasons for leaving by those who switched included: feeling unappreciated (36 percent); not being able to speak to a person (26 percent); unhelpful/rude staff (26 percent); being passed around to multiple agents (25 percent) and being fed up of queuing (20 percent). 7 percent of customers had such low customer service expectations that they didn't even bother contacting support for their service issue before changing companies.



More men (45 percent) reported switching businesses than women (41 percent), and mirroring our 2016 survey, older generations, aged 55+, were the least likely to switch, with only 31 percent indicating a change of business as the result of poor customer service. Those aged 25 to 34 were the most likely to switch, with 53 percent making a change following a poor experience.



42 percent of respondents have left a business due to poor customer service



02

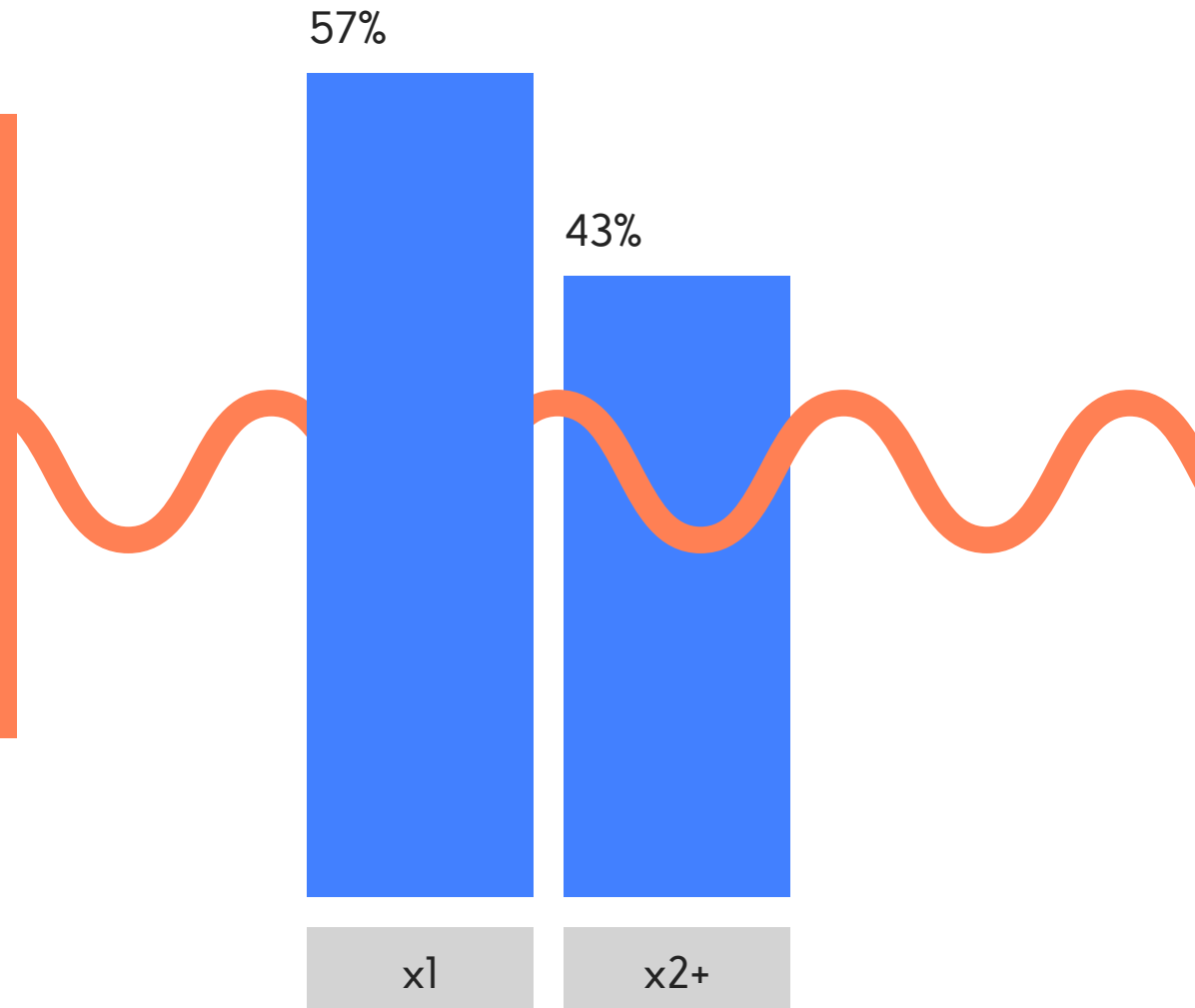
If you switched, how much on average were you spending?

Those who switched were spending an average of £308 over the course of a year, which equates to a total of the UK spending £7.1 billion.

03

How many times have you switched businesses in the last year because of poor customer service?

57 percent of respondents who reported switching patronage had changed businesses once in the last year. 43 percent had switched two or more times (up 12 percent from the previous survey).



04

What puts you off about calling a business directly in relation to an issue?

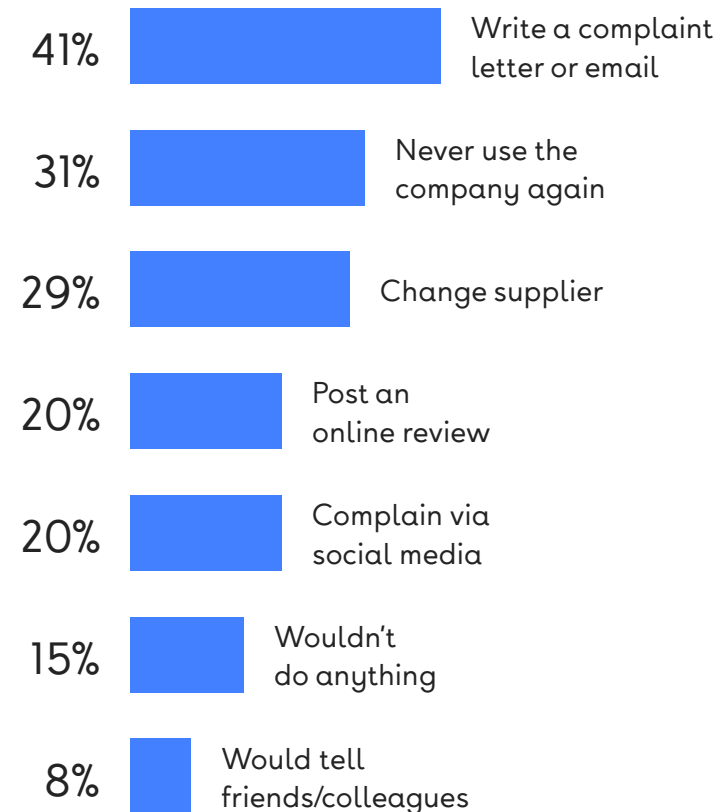
Respondents flagged being kept on hold (34 percent) as the top reason they dislike calling companies. They also noted not being able to speak to a "real person" straight away (30 percent), having to repeat info to multiple agents (26 percent), the cost of calling (23 percent) and needing to navigate multiple menus (21 percent) as off-putting.



05

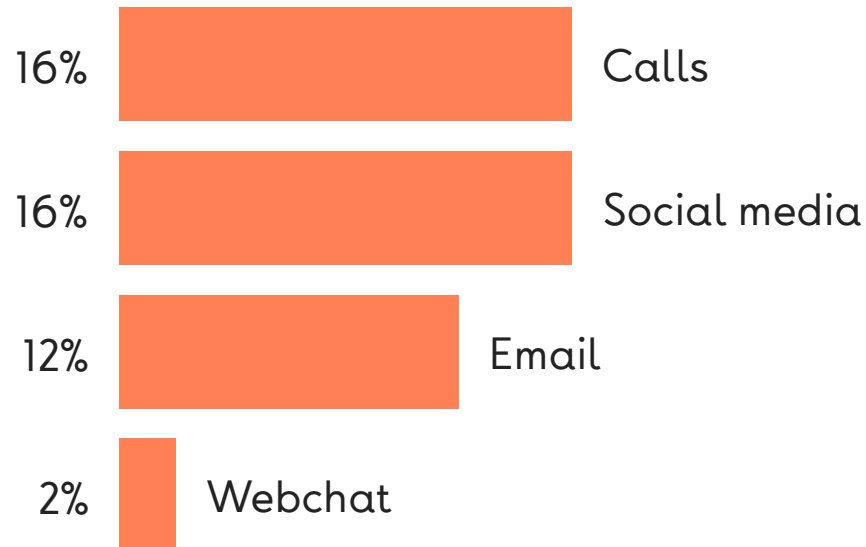
What would you do if you experienced poor customer service?

41 percent of respondents said they would write a complaint letter or email if they experienced poor customer service. 31 percent would never use the company again, 29 percent would change their supplier, 20 percent would post an online review, 20 percent would complain via social media and 8 percent would tell friends/colleagues not to use that particular company. Only 15 percent would take no action.



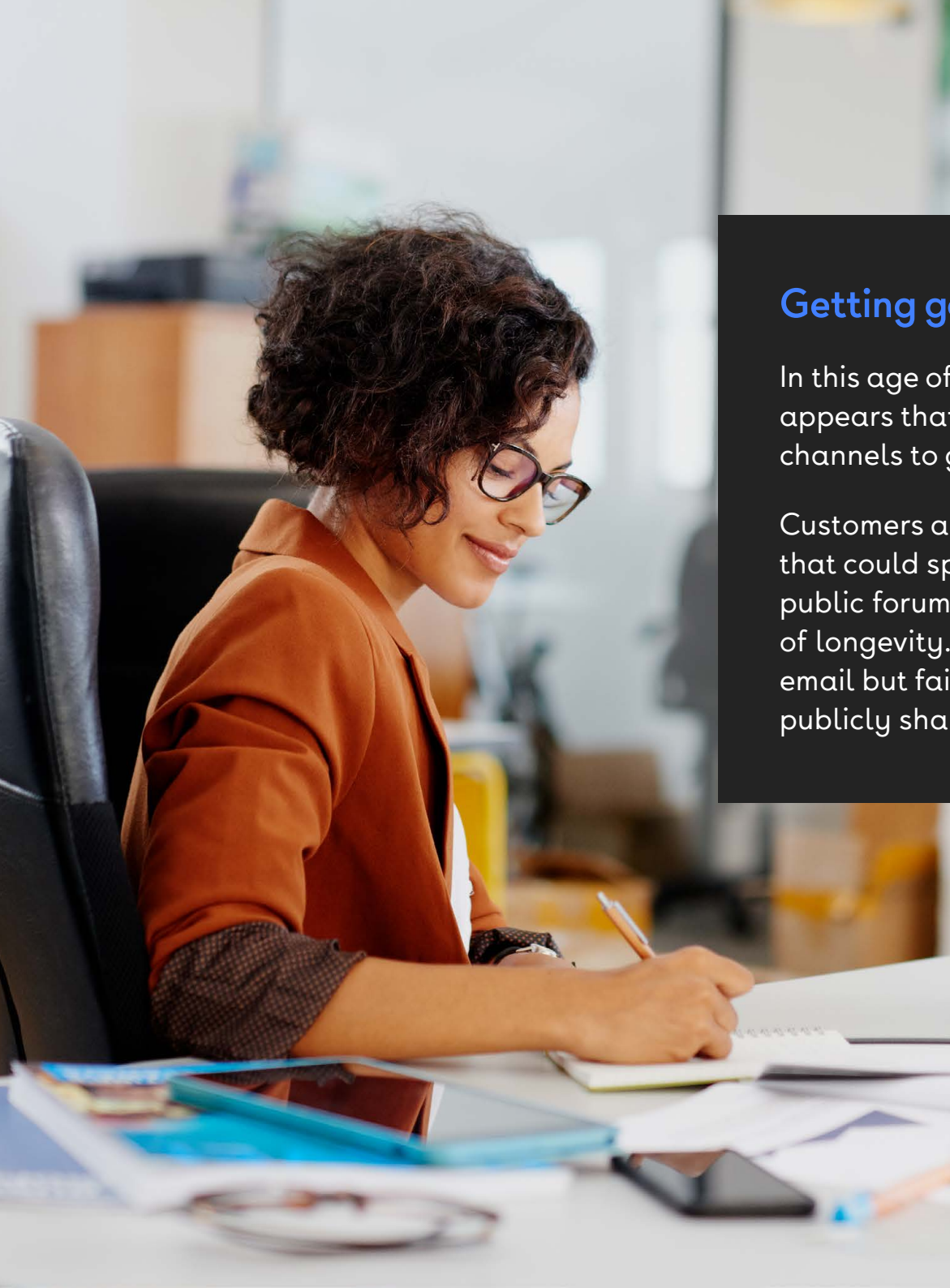
06

What do you think is the most effective way to get your problem resolved?



Incredibly, nearly half (49 percent) of respondents said there is no effective way to get a customer service problem solved.

16 percent believe calls are the most effective way of resolving an issue. 16 percent said social media and 12 percent said email. Many consumers consider social media to be effective due to its public nature, believing companies are more incentivised to take action. Despite the recent proliferation of self-service applications, only 2 percent of customers currently consider webchat to be the most effective way of resolving problems.



Getting gored by the social bullhorn

In this age of apparent slipping customer service standards, it appears that more people are begrudgingly turning to other channels to get their problems resolved.

Customers are turning to social outlets to air their concerns, and that could spell disaster for a brand's reputation. Complaints on public forums, online reviews and social media carry the weight of longevity. When companies can resolve issues by phone or email but fail to, they may lose their footing to more customers publicly shaming or ostracising their products and services.

07

How long are you prepared to wait on hold before hanging up?

On average, respondents are willing to hold for up to 8 minutes before hanging up. As with the 2016 study, women proved to be the more patient gender, willing on average to spend two minutes longer than men on hold.

Average hold times changed with age, showing younger respondents are more patient than those in older brackets. 16-24-year-olds are willing to hold for 11 minutes, 25-34-year-olds would hold for 10 minutes, 35-44-year-olds would hold for 9 minutes and those aged 45+ would hold for 7 minutes.



On average, respondents are willing to hold for up to 8 minutes before hanging up

08

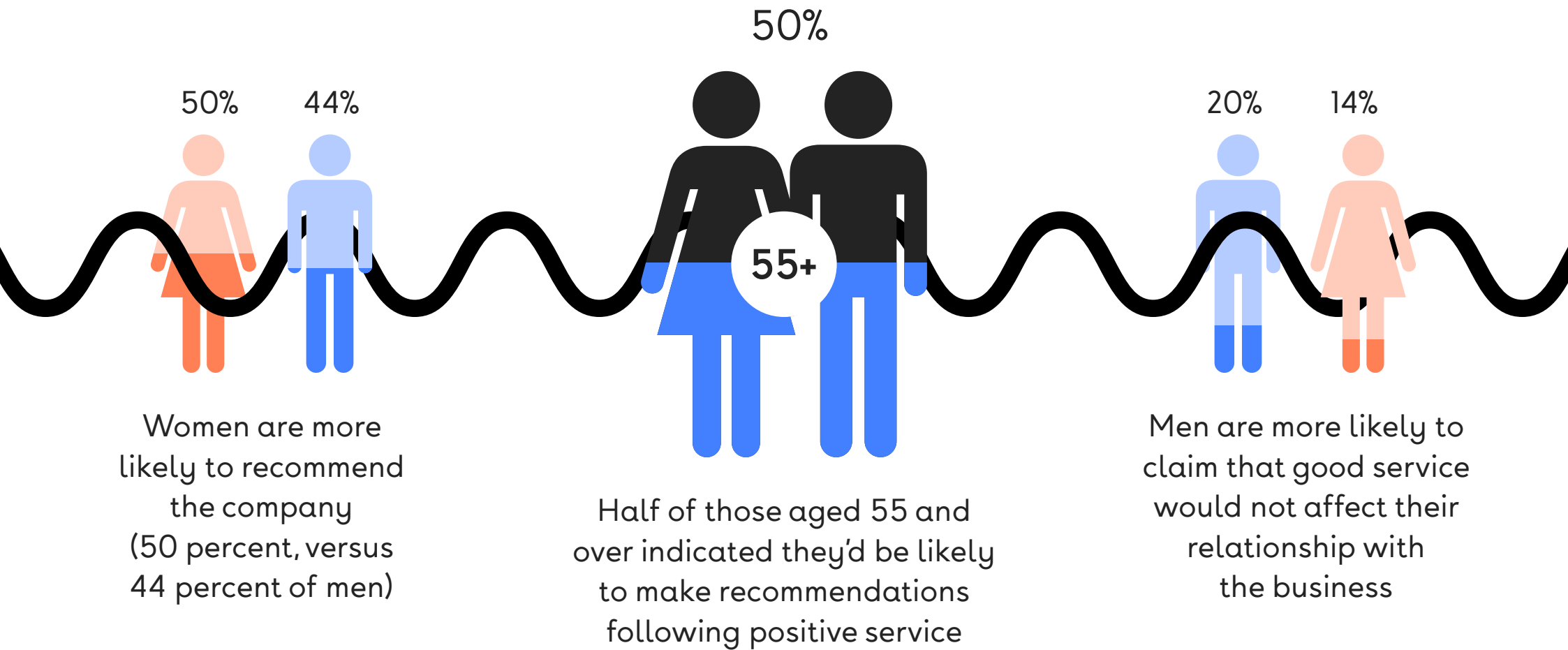
If a company gave you good service, how would this affect your relationship with them?

If provided with good service, 55 percent of respondents indicated they would be more loyal, 47 percent would recommend the company to others, 26 percent would use the company more frequently if they could and 26 percent would spend more money. Only 17 percent claimed good service would not affect their relationship.

As with the 2016 study, our findings reaffirmed that good service is more likely to impact the loyalty of women (59 percent) than men (51 percent). Women are also more

likely to recommend the company if provided with good service (50 percent, versus 44 percent of men). Men are more likely to claim that good service would not affect their relationship with the business (20 percent, versus 14 percent of women).

Also mirroring the previous study, half of those aged 55 and over indicated they'd be likely to make recommendations following positive service – the most likely among the generations surveyed.



09

What is your preferred method of communication with a business?

35 percent of respondents selected email as their preferred method of communication with a business, followed by a phone call at 33 percent.



10

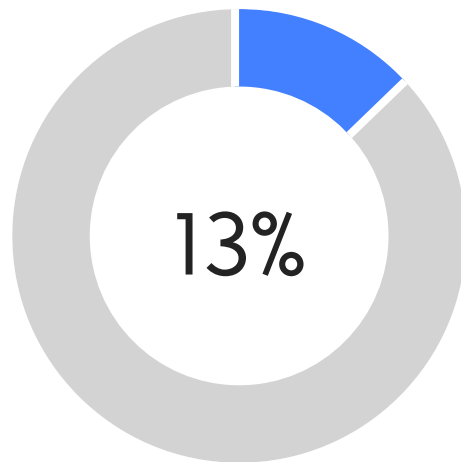
Which method of communication do you think would give the quickest response to get your issue resolved?

48 percent believe calls are the quickest way to resolve an issue, while 13 percent think email. Social media channels were selected by 11 percent of respondents. Webchat was chosen by just 9 percent. Respondents between the ages of 35 and 44 were the most likely to select webchat (12 percent) compared to the other age brackets, with those aged 55+ being the least likely.

11

Thinking about the companies you have done business with over the last 12 months what percentage would you say you felt an emotional connection with?

On average, respondents reported feeling an emotional connection with just 13 percent of the companies they had done business with. Only 8 percent indicated that they'd felt emotional connections with the majority of the businesses they worked with (51 percent or more). 52 percent said they had not felt an emotional connection with any business in the last year.

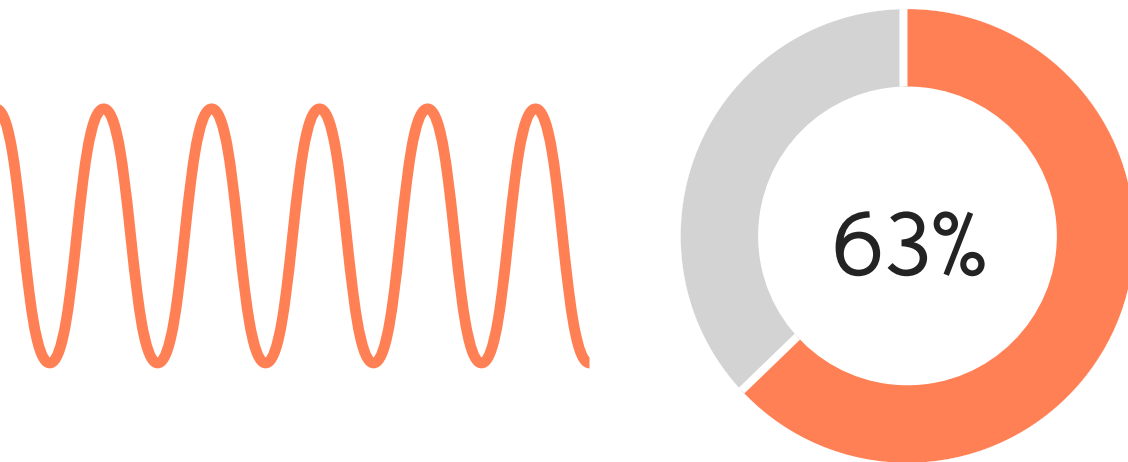


On average, respondents reported feeling an emotional connection with just 13 percent of the companies they had done business with

12

If you felt that you had made a positive emotional connection with a brand and / or customer service agent, would you be more likely to do business with that company again?

25 percent of respondents said they would be extremely more likely to do business with a company again if they felt they had made a positive emotional connection with the brand or a customer service agent, and 38 percent said they'd be slightly more likely to return to the business. Just 14 percent of respondents said making a positive emotional connection would have no impact. Results were consistent between the genders and age ranges.



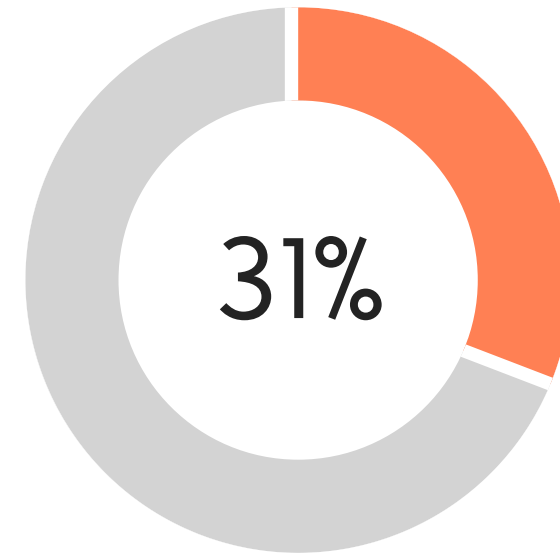
More likely to do business with a company again if they felt they had made a positive emotional connection with the brand or a customer service agent

13

What do you think are the key drivers of feeling emotionally connected to a brand?

Respondents rated being able to contact the company through any channel as the top driver (31 percent), followed by being connected to a highly knowledgeable agent (23 percent), a personalised customer service experience (20 percent), finding the shopping experience exciting/fulfilling (20 percent), being able to find the information they needed through the company website (19 percent), not being kept on hold (14 percent), and having a high quality phone call connection with an agent (11 percent).

The top driver for the younger age brackets (16-54) was being able to contact the business through their channel of choice, while the older bracket (55 and older) chose being connected to a highly knowledgeable rep as their no. 1 driver for feeling emotionally connected to a brand.



Respondents rated being able to contact the company through any channel as the top driver



In an era of empowered and ultra-connected consumers who expect a rich and consistent experience irrespective of interaction channel, businesses that excel in engaging customers across channels can retain nearly three times as much business as those without an omni-channel strategy. According to the Aberdeen Group, organisations with the strongest omni-channel customer engagement retain an average of 89 percent of their customers, compared to 33 percent for companies with weak omni-channel strategies.

NVM is passionate about helping drive great conversations across all customer touch-points and was one of the first to market with a fully integrated omni-channel contact centre solution, which will enable organisations to leverage their Salesforce digital channels without switching to a third-party solution for the seamless digital and voice experience. This means companies using Salesforce can provide a rich, consistent and integrated experience regardless of the channel chosen by the customer.



About NewVoiceMedia

NewVoiceMedia is a leading global provider of cloud contact centre and inside sales solutions that enable businesses to create exceptional, emotive customer experiences to serve better and sell more.

Its award-winning platform joins up all communications channels without expensive, disruptive hardware changes and plugs straight into your CRM for full access to hard-won data. With a true cloud environment and proven 99.999% platform availability, NewVoiceMedia ensures complete flexibility, scalability and reliability.

NewVoiceMedia's 700+ customers include Canadian Cancer Society, Ebury, FCR Media, FlixBus, JustGiving, Kingston University, Lumesse, Paysafe and Vax. For more information, visit www.newvoicemedia.com or follow NewVoiceMedia on Twitter @NewVoiceMedia.