



2019

Customer Expectations Report

Trends and insights from 1,500
consumers about customer service



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METHODOLOGY

Gladly worked with a third party to conduct an online survey of 1,500 adults aged 18 and over in the United States. The survey was fielded between 28 February 2019 and 5 March 2019 using Market Cube's proprietary online survey software. Data collected from the survey was weighted by age, gender, and region to ensure the sample accurately reflected the demographic makeup of the U.S. population. The margin of error probability for a sample this size is +/-2.5%, 19 out of 20 times.

DETAILED BREAKDOWN

Female 51%, **Male** 48%,
Prefer not to say 1%

Gen Z (1995 to 2001) 10%
Millennials (1980 to 1994) 30%
Gen X (1965 to 1979) 32%
Boomers (Before 1964) 29%

Northeast 25%
Midwest 24%
South 35%
West 16%

EXECUTIVE SUMMARY

Customer expectations wait for no one

Personalization. Clienteling. A single view of the customer. There are a lot of buzzwords out there when it comes to the customer service experience. But at the end of the day, the best experience boils down to service that's most suited to the needs of your customer.

From which channels to provide, to the level of personalization or proactive outreach to engage in, companies today understand how important it is to have these decisions firmly grounded in data—so they can better gauge what the priorities for their organization should be, and the initiatives needed to not only keep up with, but exceed consumer expectations.

What's become clear in our three years doing this Report is that consumer needs wait for no one. What was a deal-breaker for a customer in 2015, may not be important to them in 2019. And as the demographics of the market continue to shift, making way for the needs and expectations of new generations, companies need to continually assess and readjust their strategies to move with the times.

In this year's Customer Expectations Report, we saw three clear trends around what customers want and expect when it comes to customer service:

TREND 1. CUSTOMER EXPERIENCE

The experience matters more than the channel.

Providing a holistic, omnichannel experience has been top of mind for companies over the years, and for good reason. Year-on-year we've seen an increase in customer expectations for a seamless experience across channels, at a rate that's outpaced the efforts of companies trying to keep up with them. For today's consumers, it doesn't matter as much what channels a company provides—it's about the experience between them.

TREND 2. PERSONALIZED AND PERSONAL

Consumers want companies to get up close and personal.

Consumers want the companies they buy from to know who they are and what they've purchased, so they don't have to spend time explaining their history all over again when they reach out with a question. And while it may seem contradictory, they want the same warmth and seamless experience they expect with human support, in their automated support too. No pressure.

TREND 3. THE COST OF SERVICE

The dollars and cents of service.

Quality of customer service has become an increasingly important factor for consumers, affecting not only if they purchase from a company, but how much they're willing to pay. Consumers are also willing to walk away from companies who don't live up to expectations, often without giving them a chance to make up for their missteps.

EXECUTIVE SUMMARY

The Highlight Reel

A quick snapshot of insights from consumers surveyed

TREND 1. CUSTOMER EXPERIENCE

Experience Matters More Than Channel

30% said having their choice of channel is what made a great experience

54% said they'd rather spend the day in wet socks than repeat themselves

TREND 2. PERSONALIZED AND PERSONAL

Feeling Known Matters

75% are more likely to purchase if a company provides personalized recommendations

69% feel they're treated like a ticket, not a person

TREND 3. THE COST OF SERVICE

The Best Marketing is Service

77% would return for great service vs. a great marketing campaign

63% switched to a competitor with better service; 52% left without any warning

INDUSTRY AND CHANNEL BREAKDOWNS

A View From The Top

INDUSTRY BREAKDOWN

We asked consumers how they felt about customer service across 6 industries. Here's how they stack up.

CUSTOMERS ARE HAPPIEST WITH



ROOM FOR IMPROVEMENT



HITTING IT OUT OF THE PARK

The best customer service, as voted by our respondents



CHANNEL BREAKDOWN

Consumers continue to use an average of 3 channels to communicate.

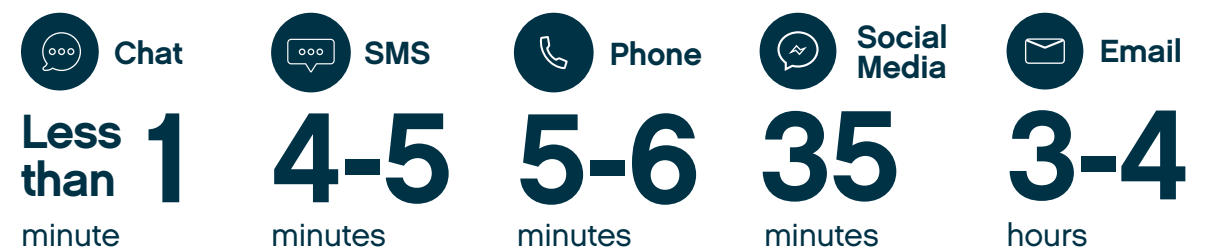
REAL-TIME EXPECTATIONS

Consumers want their answers in real-time. While email has seen a steady decrease in use year over year, live chat and social messaging have continued to gain a larger following.



'AINT NOBODY GOT TIME FOR THAT

How long will consumers wait to hear back?



And the winner is: consumers are happiest with help times on Chat



TREND 1. CUSTOMER EXPERIENCE

**The experience
matters more
than the channel.**

TREND 1. CUSTOMER EXPERIENCE

It's about quality, not quantity

Consumers today aren't thinking about the channel. All they want is to have a good experience on the channel they're using at the time, and a consistent experience as they switch between them.

Today's consumers are less concerned with how many channels a company makes themselves available on; they just care about the one they need to use at that moment.

More than half of our respondents (53%) said it is important that they get their answers where they are, rather than be redirected to a new page, window or channel (15%).

And while it's important that companies keep up with the multitude of channels available to the consumer, it seems today's consumers place a higher value on their experience switching between those channels, rather than the abundance of the options themselves.

On average, consumers typically use about 3 channels to communicate with companies. But for consumers, it was more important to have their issues resolved quickly (62%), without having to repeat themselves (62%), and for agents to take the time to understand their issue (60%) over being able to use their preferred channel (30%).



Customers Indicating 'Very Important' or 'Important'

62%

I don't have to repeat my previous interactions

62%
My issue is resolved quickly

60%
Agent took time to understand

30%
Having my channel of choice

TREND 1. CUSTOMER EXPERIENCE

Consumers want to go with the flow

Expectations around seamless conversations continue to rise year over year, outpacing the efforts of companies trying to meet them. While expectations increased 15% since 2018, just 2% more consumers experienced it this year.

Increasingly, consumers expect that when they follow up on an issue (whether via the same channel, or a different one), the next agent should be aware of their past conversations. While a sizable 71% expected this in 2017, that number jumped to 86% this year.

This expectation extends to the physical store as well, with **2 in 3 consumers expecting agents on the phone or digital channels to know their previous interactions in-store, and vice versa.**

76% of consumers also expect that if they used multiple channels in a single interaction (eg. sending a

text while talking on the phone), agents should be able to view and reference that new communication immediately.

And **while expectations amongst consumers are high, they're satisfied less than 1/4 of the time.** That means there's tremendous opportunity for companies looking to differentiate themselves from the pack.

The brands delivering the best experiences empower their team members (both in the contact center and their physical stores) with the same view of a customer and all their history from every touchpoint.

Agents know about my previous interactions

86%
Expected

Agents can see simultaneous interactions across multiple channels

76%
Expected

Contact center agents know about my in-store interactions and vice versa

66%
Expected

For **3/4** customers, reality is falling short of their expectations

Only 24%
Experienced

Only 19%
Experienced

Only 22%
Experienced

TREND 1. CUSTOMER EXPERIENCE

Gen Z bucks the trend

Unsurprisingly, Gen Zers (consumers aged 18 to 24) are the heaviest users of non-traditional channels (i.e. not phone or email). They're also more likely to use newer technologies like connected devices or AR apps to make or inform their purchases.

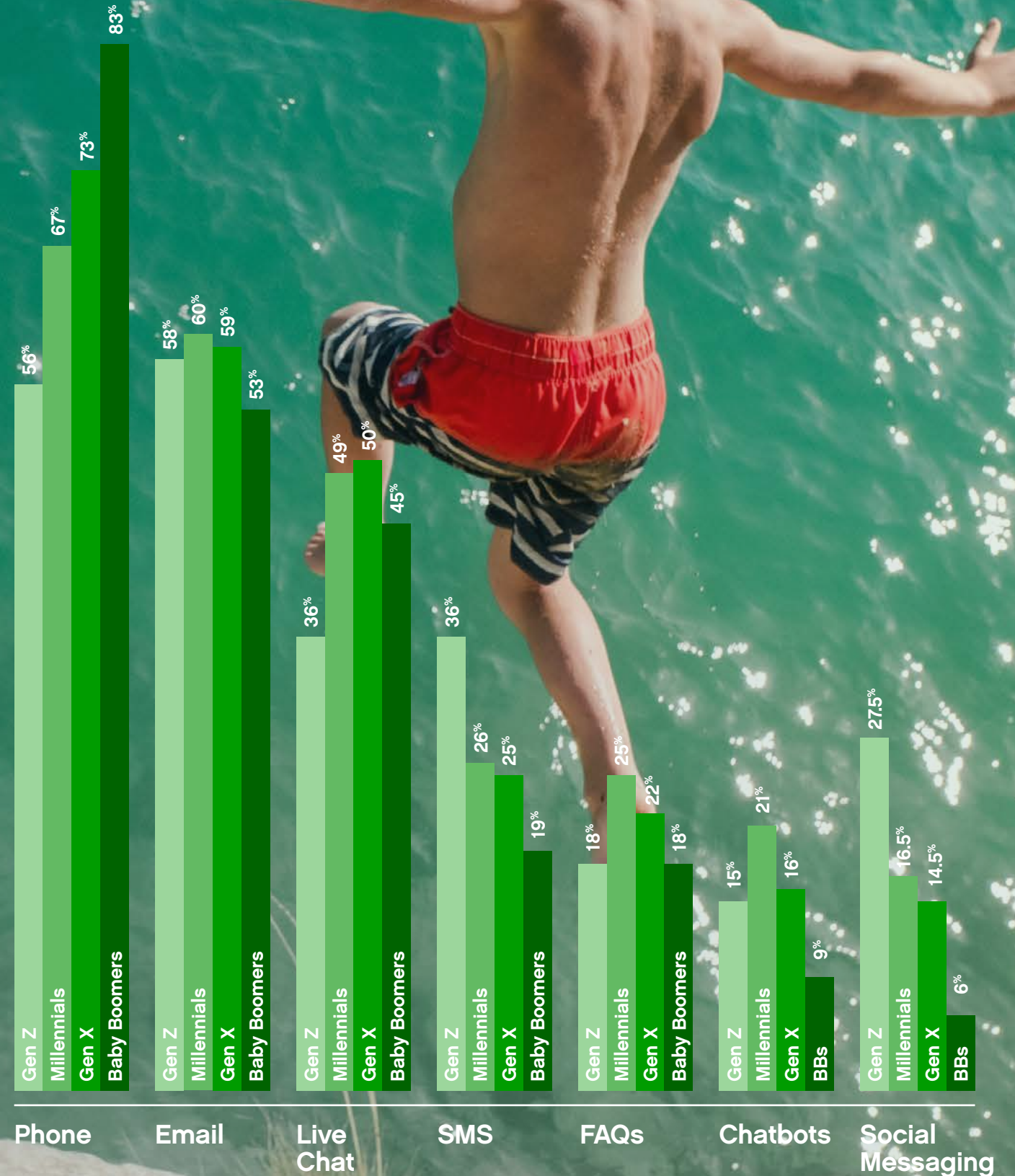
Gen Zers are in a class of their own when it comes to the channels they use to communicate with companies.

First, **they're the only generation that uses email (58%) more than the phone (56%) to interact with companies.** And second, they're also more eclectic when it comes to the channels they use, being **almost as likely to use social media (54%) as they are phone (56%) and email (58%).**

Gen Zers are also the most adventurous when it comes to

using non-traditional methods to shop or interact with companies. They were the top users of connected devices (like IoT water dispensers that can reorder filters when needed) or home devices (like Amazon Echo) to order products.

And they're also more likely to use the not-so-mainstream messaging channel Whatsapp, live video support, as well as AR apps that allow users to virtually 'place' products around their home via their mobile device, such as furniture or paint colors).



TREND 1. CUSTOMER EXPERIENCE

Make a lasting impression in limited time

Consumers reach out to companies between 1 to 5 times a year. The pressure is on to deliver experiences that truly engage the customer in the limited opportunities they have to connect.

The average consumer interacts with customer service about 1-5 times a year, giving companies limited, but valuable, opportunities to make a lasting impression. Yet consumers spend an average of 5-6 minutes per interaction repeating their past interactions to agents.

To help them make the most of these interactions, the most innovative companies are investing in customer service strategies and technology that empowers agents to work more efficiently. So they can get to helping customers

faster, and focus their efforts on creating positive impressions through exceptional experiences.

But there's good news for companies with a predominantly Millennial and Gen Z customer base, as they tend to contact customer service more frequently than their peers. They're 1.5x more likely to contact customer service more than 10 times a year compared to Gen Xers, and 2.5x more likely than Boomers, giving these companies a few more bites at the apple to engage.

Gen Z and Millennials are

2.5x

more likely than Boomers to reach out more than 10 times a year

Baby Boomers

6%	14%	80%
More Than 10 Times	6-10 Times Annually	1-5 Times Annually

Gen Z

15%	24%	61%
More Than 10 Times	6-10 Times Annually	1-5 Times Annually



CUSTOMER EXPERIENCE: BEST PRACTICES

Put the Focus On Experience, Not Channel

Best-selling author and customer service and experience expert, Shep Hyken, shares his thoughts on how companies should think about channels and the customer experience.

In recent years, companies have had a singular focus on providing an 'omnichannel' or 'multichannel' experience, and being able to meet customers where they are. But I'm going to suggest something 'controversial'—that companies focus less on providing every channel a customer could be on, and more on providing great service on those channels (even if they're missing a few).

Ultimately, when a customer thinks back to their last customer experience, they're not thinking "Oh, the best thing about it was that I could reach out over Whatsapp"—instead, they'll remember how they were treated by the agent they spoke to, or whether the experience was quick and painless, or long and ultimately unresolved.

Focus on the channels your customers are already on.

As evident in this year's Report, the majority of customers reach out via phone, email, and live chat. Make sure you're providing customers with the best experience on those key channels, before expanding your breadth to social media or emerging channels such as Whatsapp.

Don't make customers work for it.

When a customer has to reach out with a question or issue, that's already a point of frustration for them, because it takes precious time out of their busy day. Don't make your customer work even harder by expecting them to remember their order number, or what their 'ticket number' is. That's information you already have about a customer, so ensure that it's automatically surfaced to or easily accessible to your agents, rather than expect your customer to search for it each time.

Aim for channel-less.

Your customer may interact with your chatbot one day. Follow up over an email or two. Then call you a few seconds after that. Though these communications take place across different channels, make sure that your agents can see it for what it really is: as one single conversation. That way, your customers don't have to keep repeating their previous interactions with you. As an added result, they also feel known and valued as well.

Have a single source of truth.

In bigger organizations, it's inevitable that your support team be broken up into different teams, whether according to the channel they handle or the type of issue. But your customer doesn't know the inner workings of your company—in fact, they shouldn't have to! Provide customers with a consistent customer experience by having a single, consolidated knowledge base that's easy for agents to tap into. That way, customers don't get a different answer simply because they've reached out on a different channel, or a different agent.

And if an issue needs to be escalated or handled by a different team, do that work behind-the-scenes. Your customer should always have just one source of truth: the customer service agent they first reached out to.

It's in having a consistent and predictable customer experience with a predictable and consistent source of information (regardless of the channel or rep) that your company gains credibility, and your customer the confidence to choose to do business with you.



“Make sure you're providing customers with the best experience on the key channels, before expanding your breadth to social media or emerging channels such as Whatsapp.”

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“For the customer, channels are simply a way to communicate. The priority for companies should be on the overall experience, not the channels.”

—SHEP HYKEN

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TREND 2. PERSONALIZED AND PERSONAL

**Consumers want
companies to
get up close
and personal.**

TREND 2. PERSONALIZED AND PERSONAL

Show them you know them

Consumers want companies to know and understand who they are. Not just because it means less repeating, but because they place value in being treated as unique individuals.

There's a natural human desire to feel known—like the kick you get when the barista knows your name and order by heart. We've found that consumers place a tangible value in not only being recognized by the companies they buy from, but in being catered to as individuals.

75% of consumers said they'd be more likely to make a repeat purchase if a company provided personalized recommendations based on their needs and preferences, with 54% saying that they've purchased based on an agent's recommendation in the past.

69% of consumers also said that they'd champion the brand to friends and family, and on social media and review sites. And in the ultimate test (i.e. the wallet test),

28% said they'd pay more for the product or service.

Yet despite this desire to feel known, **69% of consumers feel they're treated like anonymous case or ticket numbers**, while 56% feel the companies they buy from don't know or understand who they are.

This could be a byproduct of companies using legacy ticketing and case-based systems that are unfortunately centered around cases rather than the customers.

Most companies already have the information they need to personalize the experience for customers—the best brands are able to bring that information together in a way that's actionable, and empower their agents to take service from transactional to personal.

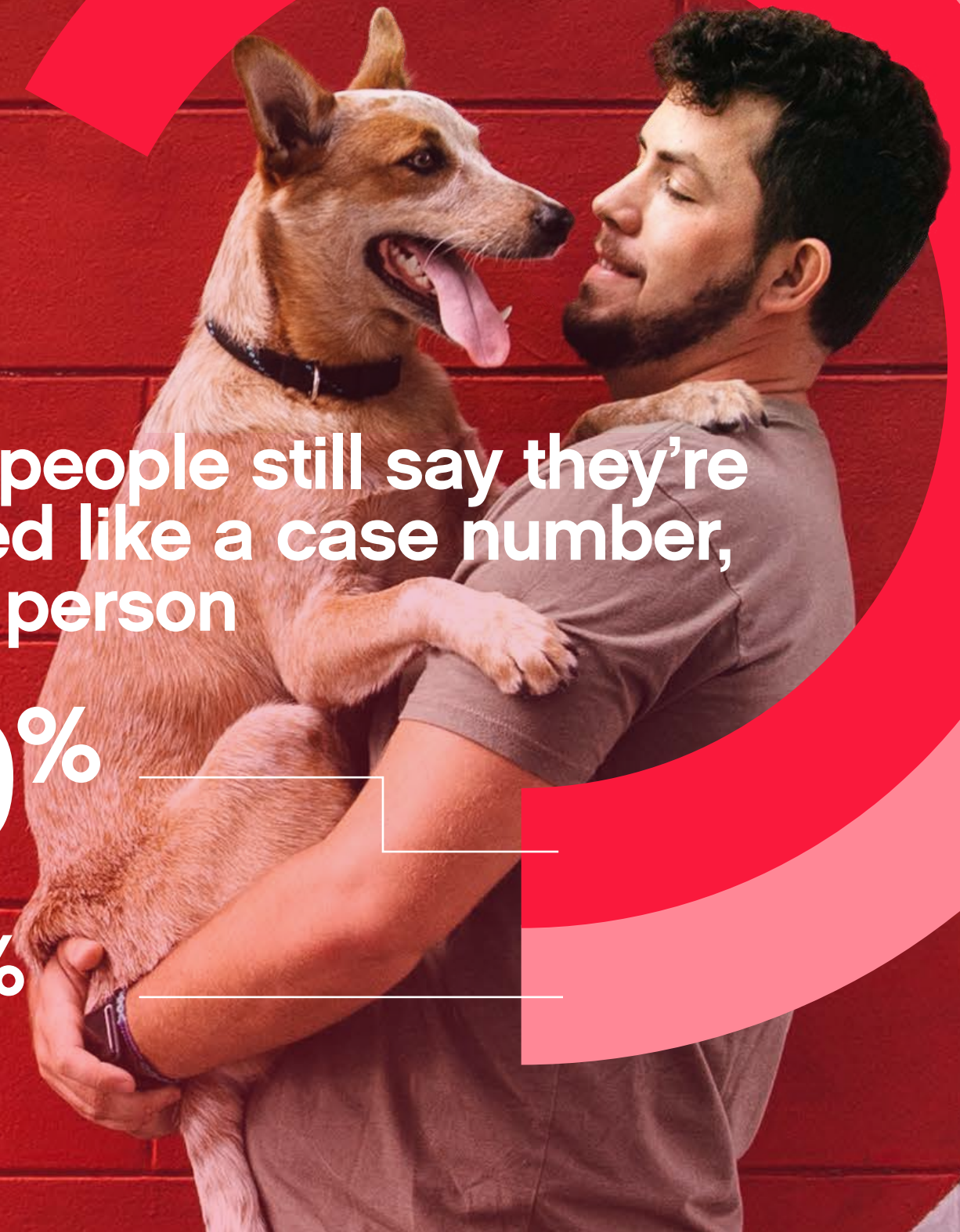
Most people still say they're treated like a case number, not a person

2019

69%

2018

61%



TREND 2. PERSONALIZED AND PERSONAL

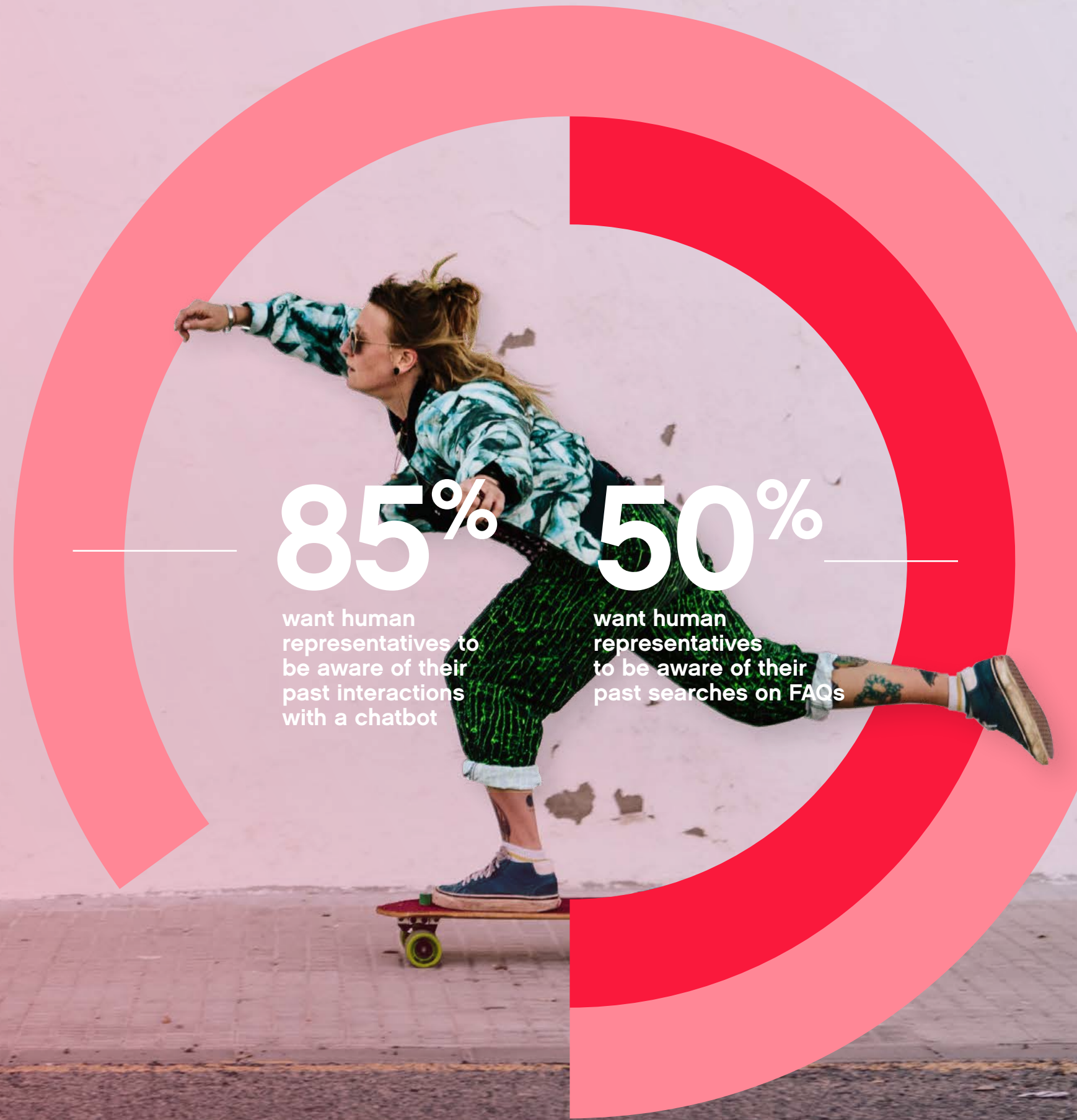
Consumers expect a smooth hand-off from self to human service

Just as they expect agents to know their history when switching from phone to chat, consumers want the same seamless transition when they speak to a human agent after they've searched through an FAQ page or talked to a chatbot.

While it isn't exactly comparing apples to apples, consumers are placing the same expectations they have for human support onto their non-human counterparts as well.

In fact, 85% of consumers said they want the human agents they speak with to know about their past interactions with a chatbot, while 50% of consumers wanted the same when it came to FAQ searches.

Self-service options are a great, resource-efficient way for companies to handle an ever-increasing number of customer queries. But they may want to consider how to best to connect the experience between human and non-human support, so customers gain more satisfaction from it than frustration.





PERSONALIZED AND PERSONAL: BEST PRACTICES

Writing to Customers Like a Real Person, Even If You're a Bot

Customer service and writing expert, Leslie O'Flahavan, shares her thoughts on how companies can make their support feel personal, whether it comes from a human or a bot.

In our omnichannel world, customers have lots of options for getting support, whether it's from humans, non-humans (bots) or FAQs (self-service). Too often though, these support options are written in a robotic or impersonal style, which can take customers out of the friendly, approachable environment you've built for them all the way to the sale. But it doesn't have to be this way! If you want to build rapport with customers, write to them in a style that meets their basic need for human connection. Here's how.

Use "blue jeans" words not "tuxedo trousers" words

Choosing fancy or officious words distances you from your customers. Opting for everyday words, however, helps you sound more natural, approachable, and overall, just more

likable. **Use lots of personal pronouns**—If you want to sound personal, load your writing with I, we, you, etc. **Use contractions**—It's OK to write "don't" instead of "do not." Contractions make your writing sound more like speech, which is often more relaxed and natural.

Use a consistent brand voice to connect human and non-human support

Your Marketing team probably has brand voice guidelines they follow religiously, but odds are your Customer Service team has never seen them. This isn't right! Ensure your customers feel as connected to your brand when they need help as they did when they bought from you by writing in the same voice they got to know while they were still shopping.

Understand your brand's attributes, and incorporate them into your self-service. If you're a national bank and "candid" is one of your brand's attributes, your FAQ on your mobile app might say, "When it comes to mobile banking, you're concerned about security, and so are we. Here's how our mobile app protects your identity and your account..."

Write chatbot content in your brand voice. Your non-human support shouldn't sound kooky, wacky, or robotic. Simply put, it should sound like your company. If you create a chatbot for your bank with the "candid" brand voice, it could introduce itself like this: "I'm Banko, your banking chatbot. I can help you with most banking tasks. And if I can't help, I'll connect you to a human assistant right away."

Show customers you know who they are

Don't treat customers like strangers. Use their names, paraphrase what they've shared, acknowledge their feelings. And bring that through, all the way through to your non-human support too. Even chatbots can refer to customers by their names.

And make it feel seamless. As this Report shows, customers want their self-service to feel as seamless as a conversation with friends. If they've already started a search on your FAQ page or interacted with your chatbot, don't make them repeat themselves afresh. That means giving your agents visibility into every customer interaction, at every touchpoint.



“Ensure your customers feel as connected to your brand when they need help as they did when they bought from you by writing in the same voice they got to know while they were still shopping.”

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—LESLIE O'FLAHAVAN

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TREND 3. THE COSTS OF SERVICE

The dollars and cents of good service.

TREND 3. THE COST OF SERVICE

Customer service is good business

The Amazon effect is bringing customer expectations to new heights. But companies looking for an edge need look no further than their customer service teams. This year, quality of service comes in as the second most important factor influencing purchase decisions, just behind speed of service.

Amazon has raised the bar with same-day deliveries and effortless returns. For today's leading companies, it's become more important than ever to differentiate themselves on the ground they have a considerable foothold in: customer service.

Close to ¾ of respondents (74%) said customer service was an influencing factor on purchase decisions (up 2% from 2017). Consumers today are more discerning, and they expect companies to be accountable both before and after the purchase.

And consumers are backing their call for great service with their pocketbooks. 70% say they'd pay more for great service (up 2% from last year). This year we've seen an impressive 8% uptick of those willing to pay 20% or more.

For companies thinking about their next marketing push, consider a boost to your customer service team—according to 77% of respondents, great service is a bigger draw versus a great marketing campaign or promotion.



TREND 3. THE COST OF SERVICE

Silence isn't golden in service

With so much competition for their dollar, today's consumers are reluctant to settle. The onus is on companies to engage with them through the purchase process and beyond, or they risk losing their customers (without knowing it).

As companies continue to raise the bar for service, there's been an accompanying rise in consumer expectations as well—after all, it's hard to go back to Economy once you've had a taste of First Class.

Today's consumers won't put up with poor service, and they're comparing you not just to your peers, but to the best in class.

A company stands to lose up to 84% of their customers after three poor customer experiences—17% of them after the very first one.

And while losing customers is bad, what's worse is they're often left unaware of that churn.

Of those who switched after a negative experience, almost half didn't tell the company before they left. And of the 63% who left for better service, a whopping 52% left without giving any warning.

On the whole, it's 5x more expensive to attract new customers than to retain them. So it's in a company's interests to proactively reach out to remedy a poor experience—otherwise they may not get a second chance.

84%
of customers switch after three poor customer experiences.

17%
switch after the very first one.



THE COST OF SERVICE: BEST PRACTICES

Customer service is the new marketing

Best-selling author and consultant on customer service and the customer experience, Micah Solomon, explains how great customer service can mean great returns.

Customer service is truly the new marketing. If you consider consumer behavior and thought patterns today, you'll realize that this is incontrovertibly true. People have lost their faith in gimmicky and overstated mass marketing campaigns and now place more stock in what they experience directly with your company, what their friends have experienced, and what the people they listen to online have experienced.

Many organizations, large (Amazon, Apple, Patagonia) and small (your favorite local hair salon, perhaps, or local restaurant) already understand this. They've learned to focus their efforts on great customer service and let that customer service drive future sales. Here's why customer service is so powerful as a marketing force:

Great customer service increases trust.

Customers need to feel comfortable with how they're treated overall by your company—not just by the smiley, shiny salespeople in the flattering light of the sales encounter, but by all of the non-commissioned people who help them whenever help is needed at your company. When they're

happy with everything service-related, from phone manners to email etiquette, to the speed with which their calls, emails, and social media inquiries are replied to—they're well on their way to developing a sense of trust that whatever you're selling them—now and in the future—is well conceived, well made, and fairly priced.

Great customer service can turn purchasing from you into a habit.

The easiest sale is the habitual sale. Great customer service supports habitual purchasing by reducing friction, apprehension, and other awkward components of customerhood.

Great customer service provides personal recognition.

If you think a customer's decision to make a purchase, even an unsexy purchase such as from an insurance agency or retail bank, is entirely based on rational analysis of costs and benefits, you're barking up the wrong psychological model. Yes, purchasing insurance and putting your money in a bank (or taking out a loan) involve financial calculation. But, no, that's not the whole story. A customer's decision to continue banking at a particular institution or to place and maintain their policies with a particular insurance agency depend as well on the personal, non-financial benefits that doing so brings. An important benefit here, which many customers crave (though they'll rarely tell you so) is personal recognition, a feeling that the company's representatives know who they are and valuing them as a person. This is a feeling that the customer service side of business, when executed properly, should be masterful at providing.

Great customer service creates stories.

These can be altogether positive stories of the type called "wow service" or a "wow moments." Alternatively, they can be stories of how a company representative turned around an initially unfortunate situation—providing what I call "customer service recovery." Either way, great customer service can create colorful, emotionally resonant stories that will truly do your selling for you.



“The easiest sale is the habitual sale. Great customer service supports habitual purchasing by reducing friction, apprehension, and other awkward components of customerhood.”

—MICAH SOLOMON

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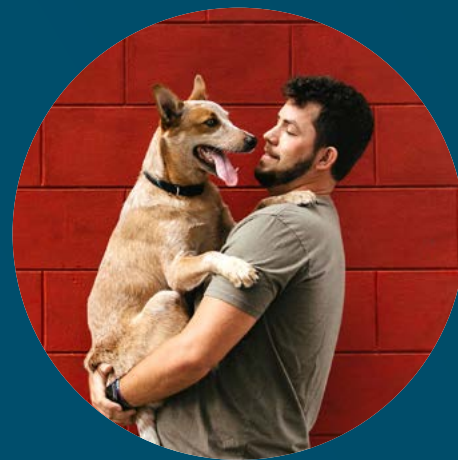
READY TO MEET THE MODERN CUSTOMER'S EXPECTATIONS?

Deliver Exceptional Experiences With Gladly



Center service on people to drive revenue

Gladly empowers teams to build relationships that drive revenue by putting the context of the customer right at their fingertips.



Meet your customers where they are

Gladly enables agents and customers to move seamlessly between channels, with voice, email, text, chat, and messaging, all natively built into a single platform.



Drive effortless efficiency to cut costs

Eliminate duplicate and merging tickets, consolidate tech silos and drive productivity with machine learning.



LIVE DEMO

See Gladly in Action



No smoke and mirrors here. Just live, interactive demos to show how we can help you meet your customers' expectations.

[SEE A DEMO →](#)

TRUSTED BY CUSTOMER EXPERIENCE LEADERS LIKE

