CX MARKS THE SPOT: What Consumers Expect from Brand Communication
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INTRODUCTION

Not long ago, the relationship between brand and consumer was simple. Grocery shopping happened in-store, at a traditional point-of-sale. We did our banking with the help of a human teller. Vacation flights, hotel rooms and rental cars were booked over the phone.

Then, over a remarkably short period of time, the internet, mobile technology and social media changed everything.

Today, brands are no longer just transactional entities we tap when we need something – be it a doctor’s appointment, a loan or help navigating our energy bill. They’re a constant presence in our daily lives. We (sometimes) read their email notifications, follow them on Twitter and peruse their websites for answers to our questions.

The modern customer experience (CX) is defined by much more than what happens in-person or with a call center representative. Consequently, the quality of every interaction with a brand counts that much more. Eighty-nine percent of customers have switched brand loyalties over poor CX, according to recent research.¹ Further, 69 percent will pay more for products or services from brands with a good customer service reputation.²

In the realm of customer experience, communication is everything. But in the digital age, the volume of available communication channels is growing exponentially – leaving brands to navigate consumers’ rapidly changing preferences.

West, a leading provider of innovative customer experience and communication technology solutions, surveyed more than 500 U.S. consumers to understand how they define high quality CX, gauge how communication preferences shift across self-service and proactive interactions, and identify which industries are leading and lagging in CX delivery.

KEY FINDINGS:

- In certain industries, a personalized CX may come at the expense of convenience or reliability. For instance, consumers rank healthcare as a top sector for personalization, but one of the worst for level of effort – indicating that some of the technology that enables customization may not always be convenient to use.

- Excellent service is the most important ingredient of a delightful CX and more than three-quarters of consumers rank speed to resolution as the most likely indicator of such service, for both inbound and outbound communication.

- Most consumers say they prefer dealing with a person over the phone when they reach out to a brand, but want brands to communicate via email when reaching out to them.

- Despite the ubiquity of social media in consumers’ work and personal lives, many don’t view social platforms as helpful customer service channels.

METHODOLOGY

West Interactive's CX Marks the Spot study surveyed 503 U.S. adults about their preferred communication channels for interacting with brands, how they define a positive CX, and which industries are perceived to offer the best CX. The survey was fielded online in October 2016.
DEFINING GOOD SERVICE
Consumers agree that delightful customer experiences are built on good service; what constitutes “good” is far from objective.

That said, most consumers agree speed to resolution is the best indicator of good service — whether they’re reaching out to a brand for information or the organization proactively contacts them. Everyone’s busy. The faster brands answer questions, resolve payment discrepancies and update personal information, the happier customers will be.

Convenience often counts toward the customer experience, but it matters more when brands reach out to customers directly. Handled inappropriately, proactive communications can cross the line between helpful and disruptive — highlighting the need for brands to know which channels each customer prefers and how frequently they want to be contacted.

WHAT GOES IN TO GOOD SERVICE

<table>
<thead>
<tr>
<th></th>
<th>Reaching out to a Brand to Self-Serve</th>
<th>Proactive Communication from a Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed to Resolution</td>
<td>77%</td>
<td>76%</td>
</tr>
<tr>
<td>Convenience</td>
<td>55%</td>
<td>61%</td>
</tr>
<tr>
<td>Transparency</td>
<td>47%</td>
<td>40%</td>
</tr>
</tbody>
</table>
SELF-SERVICE VS. PROACTIVE COMMUNICATION: CHANNEL WINNERS & LOSERS

With the number of available communication channels constantly increasing, brands can’t fall back on a one-medium-fits-all approach to customer engagement. How customers prefer to engage with an organization, however, depends largely on who initiates interaction in the first place.

Despite the ubiquity of available web and mobile channels, the majority of customers still covet phone calls with a live person when they have a specific question or issue – perhaps due to the emphasis they place on speed and convenience. Around half of consumers, however, do rank email and online chat as their platforms of choice for this type of customer service.

On the opposite end of the spectrum, consumers rank text messaging, social media and traditional mail as their least preferred channels for self-service, highlighting that the platforms we use to interact with friends and family don’t always translate to B2C communication.

### SELF-SERVICE CHANNEL PREFERENCES

<table>
<thead>
<tr>
<th>Channel</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone w/ Live Rep</td>
<td>65%</td>
</tr>
<tr>
<td>Email</td>
<td>55%</td>
</tr>
<tr>
<td>Online Chat</td>
<td>48%</td>
</tr>
</tbody>
</table>

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Still, when the tables turn and brands proactively reach out to customers, preferences shift.

Consumers lean toward asynchronous channels that let them respond on their own terms when brands share important account alerts, notifications or reminders, and even relay questions or problems. More than three-quarters say they want to be contacted by email, followed by text messages. Customers are least likely to want alerts and reminders shared via websites, social media and in-person.

When brands have a specific question or need to communicate negative news, consumers are almost twice as likely to prefer the human touch of a live representative (45 percent vs. 25 percent). For these scenarios, customers are least likely to prefer what they perceive to be more impersonal channels such as websites and automated voice messages.
WHY WE OPT-OUT

Flooded with promotional emails, texts and direct mail, consumers’ patience wears thin. Seventy-seven percent have opted out from a brand’s communications in the last six months.

Why? In most cases, frequency is to blame:

- Communication was too frequent (45%)
- Communication was irrelevant (30%)
- Communication was redundant (13%)
- Communication contained too much info (5%)
- Couldn’t recall opting-in (5%)
- Communication lacked the human touch (6%)
CUSTOMERS’ INCLINATION TO SELF-SERVE

Who initiates the conversation isn’t the only variable that shapes consumers’ brand communication preferences. They also depend on what we’re trying to accomplish, or what information we’re seeking.

<table>
<thead>
<tr>
<th>Making, Changing, Confirming Appointments</th>
<th>Making a Purchase or Payment</th>
<th>Understanding a Data Breach That Involves Your Info</th>
<th>Learning How to Use a New Product/Service; Troubleshooting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email – 53%</td>
<td>Website – 77%</td>
<td>Email – 64%</td>
<td>Website – 51%</td>
</tr>
<tr>
<td>Phone w/ live rep – 50%</td>
<td>Mobile app – 36%</td>
<td>Phone w/ live rep – 51%</td>
<td>Web tutorial – 44%</td>
</tr>
<tr>
<td>Website – 34%</td>
<td>In person – 30%</td>
<td>Website – 29%</td>
<td>Phone w/ live rep – 38%</td>
</tr>
</tbody>
</table>

When making a purchase or learning about and troubleshooting a product, customers look for channels through which they can help themselves – such as the brand’s website, mobile app or online tutorials. Brands that automatically point customers to help lines, rather than providing self-service information, may turn off a large portion of their audience who crave the convenience of finding solutions themselves.

But again, one-click simplicity isn’t all consumers look for in B2C communication. In certain situations – like learning about, say, a data breach that impacts their personally identifiable information – around half of customers want the reassurance of hearing from a live representative over the phone.

Regardless of the situation, most customers don’t consider social media to be an effective arena for brand interaction when there’s a task to accomplish or urgent information to convey. Recognizing this finding, it might behoove companies to consider their social profiles as avenues for providing entertaining content, getting anecdotal voice-of-the-customer feedback or running special promotions rather than systematically addressing specific customer service issues.
CX CHAMPIONS BY INDUSTRY

There are various ways to gauge customer experience quality. Convenience, as previously discussed, is only one measure of how a brand treats and communicates with its audience. Details such as how a brand personalizes its approach to customer engagement, how reliable the experience is over time or location, and to what extent it goes “above and beyond” for customers are equally important to consider.

Customers perceive that these industries offer the most...

<table>
<thead>
<tr>
<th>PERSONALIZED CX</th>
<th>CONVENIENT/EFFORTLESS CX</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Travel &amp; Hospitality</td>
<td>1. Retail</td>
</tr>
<tr>
<td>2. Healthcare</td>
<td>2. Utilities</td>
</tr>
<tr>
<td>3. Financial Services &amp; Insurance</td>
<td>3. Consumer Services</td>
</tr>
</tbody>
</table>

Most room to improve: Cable & Telecom, Transportation & Logistics, Utilities

<table>
<thead>
<tr>
<th>RELIABLE CX</th>
<th>ABOVE AND BEYOND CX</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Financial Services &amp; Insurance</td>
<td>1. Travel &amp; Hospitality</td>
</tr>
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<td>2. Utilities</td>
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</tr>
<tr>
<td>3. Consumer Services</td>
<td>3. Financial Services &amp; Insurance</td>
</tr>
</tbody>
</table>

Most room to improve: Education, Transportation & Logistics, Cable & Telecom

Most room to improve: Cable & Telecom, Healthcare, Education
Just because an industry presumably excels in one area does not mean the CX is ideal. Healthcare, for instance, ranks as one of the top industries for a personalized CX, but one of the lowest for convenience. This indicates that some of the innovations that have enabled customization, such as online patient portals and health tracking apps, may not yet be the most user-friendly. Conversely, utilities – an industry that has often lagged in regards to digital adoption – scores high for reliability and effortlessness, but low for personalization.

Consumers largely tout retail and travel/hospitality brands’ CX quality, which might be because these industries are most likely to solicit their feedback. When customers have a say over how their experience with a brand develops over time, they’re more likely to feel valued – a sentiment that is proven to transform occasional buyers into long-term brand advocates.

### Industries Most & Least Likely to Solicit CX Feedback

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>48%</td>
</tr>
<tr>
<td>Travel &amp; Hospitality</td>
<td>45%</td>
</tr>
<tr>
<td>Cable &amp; Telecom</td>
<td>39%</td>
</tr>
<tr>
<td>Transportation &amp; Logistics</td>
<td>14%</td>
</tr>
<tr>
<td>Education</td>
<td>12%</td>
</tr>
<tr>
<td>Utilities</td>
<td>11%</td>
</tr>
</tbody>
</table>
HOW GENDER AND AGE INFLUENCE CX PREFERENCES

Personal traits including gender and age appear to factor into one’s perception of CX just as much as a brand’s industry or the reason for contacting a brand.

Although male and female consumers largely share the same communication preferences, their ideas of what constitutes good service and motivations for opting-out of proactive communication diverge:

• For self-service communication, **men place a higher priority on convenience** (60 percent vs. 49 percent women) while **women feel more strongly about personalization** (45 percent vs. 34 percent men).

• For proactive communication, **women are more likely to feel that empathy is a sign of good service** (41 percent vs. 34 percent men).

• **55 percent of women have opted-out** of brand communications because they’re too frequent vs. 37 percent of men.

A consumer’s age also correlates with specific CX expectations and interaction habits. What Millennials (18-35 years old) consider as high quality self-service is not always in line with Gen X (36-51 years old) and Baby Boomers (52-70 years old):

For instance, younger cohorts – many of whom grew up with the Internet and mobile devices, and are accustomed to the instant gratification of e-commerce and sharing economy apps – are more concerned with receiving a convenient self-service experience. On the other hand, older consumers place a larger emphasis on security.

Younger consumers are also more likely to prefer digital channels including mobile apps and online chat for self-service and proactive brand communication (in some cases, more than twice as likely as Baby Boomers), while older consumers still skew toward phone conversations – preferably with a live representative.
**Preferred Channel for Receiving Notifications and Alerts**

- **Mobile App**
  - Millennials: 23%
  - Gen X: 17%
  - Baby Boomers: 16%

- **Online Chat**
  - Millennials: 7%
  - Gen X: 10%
  - Baby Boomers: 5%

**Preferred Channel for Contacting Brands with Questions or Issues**

- **Phone w/ Live Person**
  - Millennials: 59%
  - Gen X: 69%
  - Baby Boomers: 61%

- **Online Chat**
  - Millennials: 46%
  - Gen X: 54%
  - Baby Boomers: 61%

**Preferred Channel for Learning About a Data Breach**

- **Phone w/ Live Person**
  - Millennials: 46%
  - Gen X: 54%
  - Baby Boomers: 61%

- **Online Chat**
  - Millennials: 18%
  - Gen X: 10%
  - Baby Boomers: 7%

**Convenience as a Driver of Good Self-Service**

- **Millennials**
  - Online Chat: 50%
  - Phone w/ Live Person: 37%

- **Gen X**
  - Online Chat: 50%
  - Phone w/ Live Person: 18%

- **Baby Boomers**
  - Online Chat: 62%
  - Phone w/ Live Person: 20%

**Security as a Driver of Good Self-Service**

- **Millennials**
  - Online Chat: 40%
  - Phone w/ Live Person: 17%

- **Gen X**
  - Online Chat: 36%
  - Phone w/ Live Person: 20%

- **Baby Boomers**
  - Online Chat: 26%
  - Phone w/ Live Person: 16%

**Preference for Mobile Apps When Making Purchases**

- **Millennials**
  - Mobile App: 60%

- **Gen X**
  - Mobile App: 47%

- **Baby Boomers**
  - Mobile App: 16%
CONCLUSION

Creating memorable customer experiences is no longer a matter of maintaining an inviting store environment or training helpful contact center representatives. Customers engage with brands wherever they are, be it in person, over the phone, online or through apps, and business leaders need to make sure they’re delivering consistent, superior service across each.

To master these CX challenges, brands need to recognize a few critical realities about the people they serve (or want to serve):

• **Maintaining one or two customer communication channels isn’t enough.** Few consumers would voluntarily lock themselves into using one communication channel to interact with brands; instead, they want the power to choose a platform that best fits their individual preferences, sense of urgency and the specific matter at hand. For brands, this means having to maintain a connected ecosystem of communication channels and data in order to accommodate different customers’ needs at different times.

• **A human touch matters.** Despite the perception that we’re all tethered to our smartphones, tablets and laptops 24/7, high touch brand communication still has its place in our digital, high-tech world. Speaking to a live person over the phone, regardless of how traditional it may seem, still represents a fast, convenient option for resolving certain issues. Ironically, due to innovation around analytics and machine learning, brands have an opportunity to make their contact centers even more efficient and personalized.

• **Err on the side of caution when planning proactive communication.** Managed appropriately, proactive communication shows customers that your brand is always a few steps ahead of their needs. But brands need to do a lot more than broadcast a stream of emails, calls and texts just to see what sticks. Getting proactive communication right starts with knowing your customers on an individual level – including which channels they’re most responsive through and how often they want to hear from you.

• **Involve customers in your CX evolution.** Creating a fulfilling customer experience doesn’t have to be a guessing game, nor does it have to be a process that’s siloed from your actual customers. By tapping existing customers for feedback about what they like, what they don’t, and ideas for improvement, brands can develop a CX that grows with their audiences, rather than always playing catch-up. This may be where social channels are most valuable.

A strong CX doesn’t stand alone; it’s a means to powerful ends, from enhanced loyalty to higher revenues. With a strategy that emphasizes individuals and their nuanced preferences, brands can provide experiences that simplify, satisfy and delight – regardless of the medium or message.
ABOUT WEST
West delivers communication solutions that help brands create connected customer experiences. We have 30 years of experience strategically improving customer interaction, enhancing productivity and increasing profitability, with clients in healthcare, education, utilities and diverse commercial industries. West Interactive Services solutions include IVR & Self-Service, Proactive Notifications & Mobility, Cloud Contact Center and Professional Services. Learn more at west.com/interactive.

ABOUT THE STUDY
Interactive Services' CX Marks the Spot: What Consumers Expect from Brand Communication study surveyed more than 500 U.S. adults about their preferred communication channels for interacting with brands, how they define a positive customer experience (CX), and which industries are perceived to offer the best CX. This survey was fielded online in October 2016.