Maintaining the human touch in customer service

What your customers want
In a world full of contact channels

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Customer satisfaction in a multi-channel world

In the last 10 years customers and businesses have adapted to a multi-channel world, with interactions expanding across digital channels, and new forms of communication blending with the more traditional.

Social media, web self-service and mobile apps, together with an increasing array of automated call answering tools, are now everyday channels of communication – used for a wide variety of purposes, from making a booking to registering a complaint. As customer service technology continues to rapidly evolve, what role is left for the human touch?

This report looks at the landscape from a customer perspective and whether organisations should seek to balance technological advances with the traditional human touch. Just how do digital channels change customer expectations and what is needed to satisfy today’s ‘on demand’ customer?

As an expert in managing customer relationships, Echo MS believes in finding the right balance between the convenience of technology and the empathy of talented and well-trained customer service advisors. As technology continues to open up what’s possible, it’s important to change things because we should, not simply because we can.

Monica Mackintosh – Customer Services Director
Our research

We surveyed a representative sample of 1,000 UK adults, asking for their experiences in communicating with everyday service providers (banks, utility companies, local government, leisure and retail businesses, etc.).

Our research looked at preferred channels of communication – ranging from the personal (e.g. face-to-face, telephone) to the most impersonal (e.g. web self-service, automated call answering). We also included channels that fall in between – we’ve labeled these as ‘neutral’ (e.g. letter, email, text).

We examined how preferences change in different circumstances – from simple interactions (e.g. making a booking), to more complicated situations (e.g. making a complaint or in an emergency). We also looked at how satisfied customers are with companies in different industry sectors and whether contact channel choice is affected by age.

Finally, we examined what importance customers place on the human touch in their dealings with organisations and the extent to which a positive human touch increases customer satisfaction, as well as the reputation of service providers.
### Key findings

**53% of people...**

...prefer to deal with service providers either **face to face or over the phone.**

**Direct Human Contact**

The preference for direct human contact (face to face or telephone) is greater in **more complicated situations** (e.g. when making a complaint or resolving a difficult/embarrassing matter).

**Customers Over 65**

Almost a third (32.5%) of over 65s prefer to communicate with service providers **using digital channels.**

**EMAIL**

**WEB SELF-SERVICE**

However, in **simpler situations** (e.g. making a booking or requesting information) many people do prefer the convenience of email and web self-service.

**Seem straight forward? It’s not quite as clear cut as you may think...**
Which contact channels do customers prefer?

Our survey findings highlight that despite the wide variety of channels open to customers, **direct human contact is still the most preferred.**

53% of people prefer to deal with service providers either face to face or over the phone.

However, the growth of digital communication channels has clearly had an enormous impact. Email and communication through a company website are the preferred options for 36% of customers.

Social media and mobile apps are a less popular choice, but it's still worth noting that 6% of customers choose to deal with service providers through these channels as their first preference. **This surely raises questions as to where social media sits in your organisation – are the days of marketing controlling this channel clearly over?**

Today’s customer service advisor is increasingly required to be multi-channel skilled, communicating not just face to face or via phone, but also through the variety of digital channels now offered by organisations and desired by customers.
Channel choice depends on contact type

This table indicates how contact channel preferences change depending on the type and complexity of the contact.

<table>
<thead>
<tr>
<th>Contact Type</th>
<th>1ST CHOICE</th>
<th>2ND CHOICE</th>
<th>3RD CHOICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requesting information</td>
<td>Email 27%</td>
<td>Telephone 25%</td>
<td>Face to face 19%</td>
</tr>
<tr>
<td>Make a booking</td>
<td>Telephone 30%</td>
<td>Web self-service 28%</td>
<td>Email 17%</td>
</tr>
<tr>
<td>Paying a bill</td>
<td>Web self-service 35%</td>
<td>Face to face 14%</td>
<td>Telephone / Email 13%</td>
</tr>
<tr>
<td>A complicated problem</td>
<td>Face to face 36%</td>
<td>Telephone 35%</td>
<td>Email 11%</td>
</tr>
<tr>
<td>An embarrassing issue</td>
<td>Face to face 29%</td>
<td>Telephone 25%</td>
<td>Email 23%</td>
</tr>
<tr>
<td>Making a complaint</td>
<td>Telephone 26.5%</td>
<td>Email 26%</td>
<td>Face to face 21%</td>
</tr>
<tr>
<td>In an emergency</td>
<td>Telephone 61%</td>
<td>Face to face 22%</td>
<td>Webchat 4%</td>
</tr>
</tbody>
</table>
A clear relationship between contact complexity and channel

If we then examine the preference for each contact channel dependent on whether a customer has a simple or a complex enquiry, the findings reveal that:

The preference for direct human contact (face to face or telephone) is clearly greater in more complicated situations (e.g. when making a complaint or resolving a difficult/embarrassing matter).

However, in simpler situations (e.g. making a booking/requesting information) many people do prefer the convenience of web self-serve and email.

The implications for the contact centre are clear. Customer service advisors will increasingly be required to handle more complex, longer calls, as simple enquiries are picked up by technology. Empathy, deep understanding and problem solving will become key desirable skills.

And as the role is up-skilled, it’s clear that market rates for resource must begin to reflect this change…
Should we make assumptions based on age?

While it might be assumed that preferred communication channels would vary greatly between the youngest and oldest in our sample, in fact the pattern of preference was remarkably consistent, both in everyday and more complicated situations. There is however, clear evidence of a greater level of preference for channels such as social media and mobile apps amongst customers aged 18 to 24. Equally, people over 65 do favour face to face contact significantly more than younger customers.

However, what’s clear is that pigeon-holing customers by age is dangerous. To avoid dissatisfaction, it’s better to offer a wide contact channel choice and allow each customer to choose how they wish to engage with you.
Emerging channels are used for a wide variety of purposes

For those comfortable with emerging digital channels – they are happy to use them, even in complicated situations. Therefore, it seems important that these channels should be developed to be as broad as possible, able to meet a variety of needs and enquiries rather than simply responding to a single type. What is notable is the preference for using social media to make a complaint or unpick a complicated problem. Not only does this raise challenges in terms of who responds on this channel, but also that issues will be played out in front of a potentially enormous public audience.

Therefore, although overall preference for social media as a contact channel remains relatively small, it perhaps has the most potential to impact on an organisation’s reputation – for better or worse. Despite the digital nature of these channels, the human touch remains as critical as ever. Advisors need the empathy and communication skills to read and manage potentially difficult and high risk situations.
In complex situations, a positive human touch is highly valued

Examining the attributes most valued by customers in complicated situations, the significance of highly skilled and empowered customer service advisors is clear. It’s also important to note the importance of response time. Organisations must ensure they have both the right quality and the right quantity of advisors in place to cope with potentially fluctuating levels of customer contact demand. Investment in people must move forward in parallel with investment in technology.

Index of most valued attributes in complicated situations

- Call is answered promptly
- They can answer your questions and make sure you have understood
- They are polite and respectful (e.g. say please, thank you and don’t speak over you)
- Call is answered by a person (rather than, for example, an automated menu)
- They are actively listening to what you say
- They remain positive, professional and helpful
- They promptly provide the most appropriate solution or let you know when a solution will be provided
- They avoid jargon and speak in plain English
- They show commitment to taking ownership of the situation (e.g. they avoid blaming you or their colleagues)
- They are clear and confident in explaining themselves
- They are able to recall previous conversations I’ve had with the company / bring up my previous records easily
- They can adapt to meet your needs or situation - even if it is unusual
- They check if you need any additional help
- They record any information you provide quickly and accurately
- They are able to proactively suggest other ways that they might help you (e.g. avoid future problems)
- They understand how you are feeling – especially in a difficult situation
- They use your name

Most common answer = 100
Equally, poor communication skills are a major frustration

What's also clear is that a poorly handled contact has the potential to frustrate the customer, proving harmful to customer experience and ultimately potentially damaging to company reputation. **The human touch clearly has a direct impact on how highly a customer regards their experience with a service provider.** Continued investment in employee engagement, empowerment and development cannot be underestimated.

### Index of greatest frustrations in complicated situations

<table>
<thead>
<tr>
<th>Issue</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>They are unhelpful and have a poor attitude</td>
<td>91</td>
</tr>
<tr>
<td>They can't answer your questions</td>
<td>88</td>
</tr>
<tr>
<td>They are impolite and disrespectful (e.g. they don't say please or thank you and speak over you)</td>
<td>88</td>
</tr>
<tr>
<td>They don't seem to be listening to what you are saying</td>
<td>86</td>
</tr>
<tr>
<td>They don't provide an appropriate solution or let you know when a solution will be provided</td>
<td>84</td>
</tr>
<tr>
<td>Call is answered by an automated menu</td>
<td>81</td>
</tr>
<tr>
<td>Call is not answered promptly</td>
<td>78</td>
</tr>
<tr>
<td>They are inflexible and seem unwilling to meet your specific needs</td>
<td>77</td>
</tr>
<tr>
<td>They don't take ownership of the situation (e.g. they blame you or their colleagues)</td>
<td>72</td>
</tr>
<tr>
<td>They use jargon and confusing language</td>
<td>71</td>
</tr>
<tr>
<td>They don't seem sure of themselves aren't able to explain the situation clearly</td>
<td>65</td>
</tr>
<tr>
<td>The person can't find your details quickly</td>
<td>65</td>
</tr>
<tr>
<td>They aren't responsive to your feelings</td>
<td>55</td>
</tr>
<tr>
<td>They aren't able to proactively suggest other ways that they might help you (e.g. potentially leading to ...)</td>
<td>51</td>
</tr>
<tr>
<td>They don't record your information quickly and accurately</td>
<td>49</td>
</tr>
<tr>
<td>They don't check if you need any additional help</td>
<td>49</td>
</tr>
<tr>
<td>They don't use your name</td>
<td>35</td>
</tr>
<tr>
<td>They aren't able to proactively suggest other ways that they might help you (e.g. potentially leading to ...)</td>
<td>17</td>
</tr>
</tbody>
</table>
How well are service providers meeting customer expectations?

While overall experiences are largely positive, there are still just under a fifth of customers (19.4%) who rate service providers at four out of ten or lower. Also, there are some sectors where service is perceived to be better than others. Organisations in the leisure, holiday and financial sectors score most highly for customer experience. Ironically, experiences with telephone companies are by far the worst, according to our sample, with an average score of 3.9 out of ten.

What’s notable is that there is a clear correlation between lower satisfaction rates associated with ‘needs based’ service providers, and higher levels of satisfaction for those providers offering more highly desired, or significantly more important products or services.

<table>
<thead>
<tr>
<th>TYPE OF ORGANISATION</th>
<th>AV SCORE FOR TELEPHONE CUSTOMER SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday / Leisure, e.g. a restaurant, a hotel, travel agent</td>
<td>6.84</td>
</tr>
<tr>
<td>Financial, e.g. a bank, an insurance company</td>
<td>6.8</td>
</tr>
<tr>
<td>Healthcare, e.g. GP, pharmacist, dentist</td>
<td>6.66</td>
</tr>
<tr>
<td>Professional Services, e.g. solicitor, accountant</td>
<td>6.53</td>
</tr>
<tr>
<td>Retail, e.g. a high street shop, an online retailer</td>
<td>6.5</td>
</tr>
<tr>
<td>Trades, e.g. plumber, builder</td>
<td>6.44</td>
</tr>
<tr>
<td>Water</td>
<td>6.23</td>
</tr>
<tr>
<td>Broadband</td>
<td>6.02</td>
</tr>
<tr>
<td>Energy</td>
<td>5.88</td>
</tr>
<tr>
<td>Local Authority services, e.g. refuse collection, council tax payment departments, housing</td>
<td>5.81</td>
</tr>
<tr>
<td>Telephone Company</td>
<td>3.92</td>
</tr>
</tbody>
</table>
We asked customers to tell us in their own words what frustrates them most when communicating with a service that they use regularly...

The top four frustrations:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>56%</td>
<td>Said being kept waiting on hold</td>
</tr>
<tr>
<td>17%</td>
<td>Said automated call answering</td>
</tr>
<tr>
<td>7.5%</td>
<td>Said overseas call centres</td>
</tr>
<tr>
<td>3%</td>
<td>Said inarticulate or poor quality staff</td>
</tr>
</tbody>
</table>

These responses indicate that when barriers are placed in the way of effective human contact, frustration levels rise.
We asked customers to tell us in their own words in what way they believe that good telephone service improves their experience as a customer...

- It makes me want to come back
- It puts my mind at rest
- It’s affects my image and perception of the company as a whole
- It gives me the reassurance that my issue is taken seriously
- It shows me that the company has the professionalism to invest in high quality staff and business practices
- It re-establishes trust & goodwill
- You are not left frustrated and angry and are therefore less likely to look at changing your provider

The top themes were:

- 22% Said it increased trust and reassurance
- 16% Said it gave them a sense of loyalty
- 10% Felt valued and cared for
- 7% Felt less stressed

It’s clear from responses that a positive experience creates a wide range of strong positive emotional responses from customers.
We asked customers to tell us in their own words how poor telephone customer service makes them feel about the company responsible?

The top themes were:

- **29%** Said they would move their custom elsewhere
- **12%** Said they would be upset or angry
- **8%** Wouldn't recommend the company to others
- **4%** Would actively discourage others in using the company

This clearly indicates the financial cost of getting it wrong as well as the wider impact on future reputation and success.

- **I'm unlikely to use them again or promote their services**
- **I assume that every department in that company will offer poor service**
- **It makes me think they don't care and I am just a number, as opposed to a customer they value**
- **It makes me feel that they are not trustworthy**
- **They don't care!**
- **Annoyed, upset and left wanting to switch companies**
- **I let people know about my bad experience**

This clearly indicates the financial cost of getting it wrong as well as the wider impact on future reputation and success.
Channel choice is important...

What’s clear from the findings is that customers are embracing the choice made possible by new forms of communication.

While traditional channels – face to face and phone – still dominate overall, a large percentage of customers have a clear preference for digital communication channels.

In less complicated interactions especially, customers are happy to sacrifice direct human contact for convenience and ease.

However, some emerging channels (most notably social media) present significant challenges for service providers. The numbers preferring these channels are still relatively small, but their reasons for communicating can be varied and complex.
...But people are your key asset

It's also hard to make assumptions based on age. While uptake of emerging channels is greater amongst younger customers, older customers are starting to make use of these channels when it comes to voicing their frustrations.

In a multi-channel world, effective customer communication requires organisations to offer as many options for engagement as possible, allowing people to select the channel that they feel is right for them and their situation.

One thing that remains is the importance of presenting a human touch wherever possible. People remain the key customer service asset, even when communicating through digital channels.

Success starts with people. It might seem obvious, but they are key to keeping your customers satisfied as the customer service landscape continues to evolve.
Key takeaways

Allow customers a **range of channels** and let them decide how to approach you.

Each customer is unique.

Employ **quick and convenient channels** for simple tasks.

Do it to improve service, not reduce cost and ensure cross-channel experience consistency.

Ensure **advisors are well trained, empowered and confident** to apply their skills across a variety of channels and deal with more complex calls.

The importance of good service cannot be underestimated.

It fosters good relationships and brand loyalty.

Ensure investment in technology and people progress in parallel.

Don’t ignore the hidden costs of a damaged reputation.
Whilst channel choice is important, and is being embraced by companies and customers alike, it’s the customer experience that really matters.

Despite technological advancements, it’s people who continue to make the real difference when it comes to customer experience.
To discuss this report further or to find out more about our customer contact services, get in touch:

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