

The background of the top half of the slide is a warm, orange-toned photograph of a woman with dark hair, smiling and wearing a headset. The image is slightly faded and serves as a backdrop for the title and subtitle.

Maintaining the human touch in customer service

What your customers want

In a world full of contact channels

Research by Echo Managed Services - published December 2015

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.

A handwritten signature in black ink, reading "Monica Mackintosh".

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



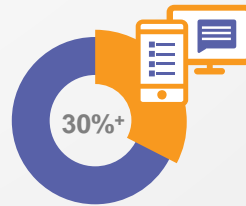
The preference for direct human contact (face to face or telephone) is greater in **more complicated situations** (e.g. when making a complaint or resolving a difficult/embarrassing matter).

- 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**.

Customers
Over 65



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

The three most valued attributes of good customer service advisors are:

- a **prompt response**
- an **ability to answer questions (and make sure the answers are understood)**
- **being polite and respectful**



The highest rated service providers are **holiday/leisure companies and financial service organisations**.

Those with the lowest rating are telephone companies and local government services.



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.

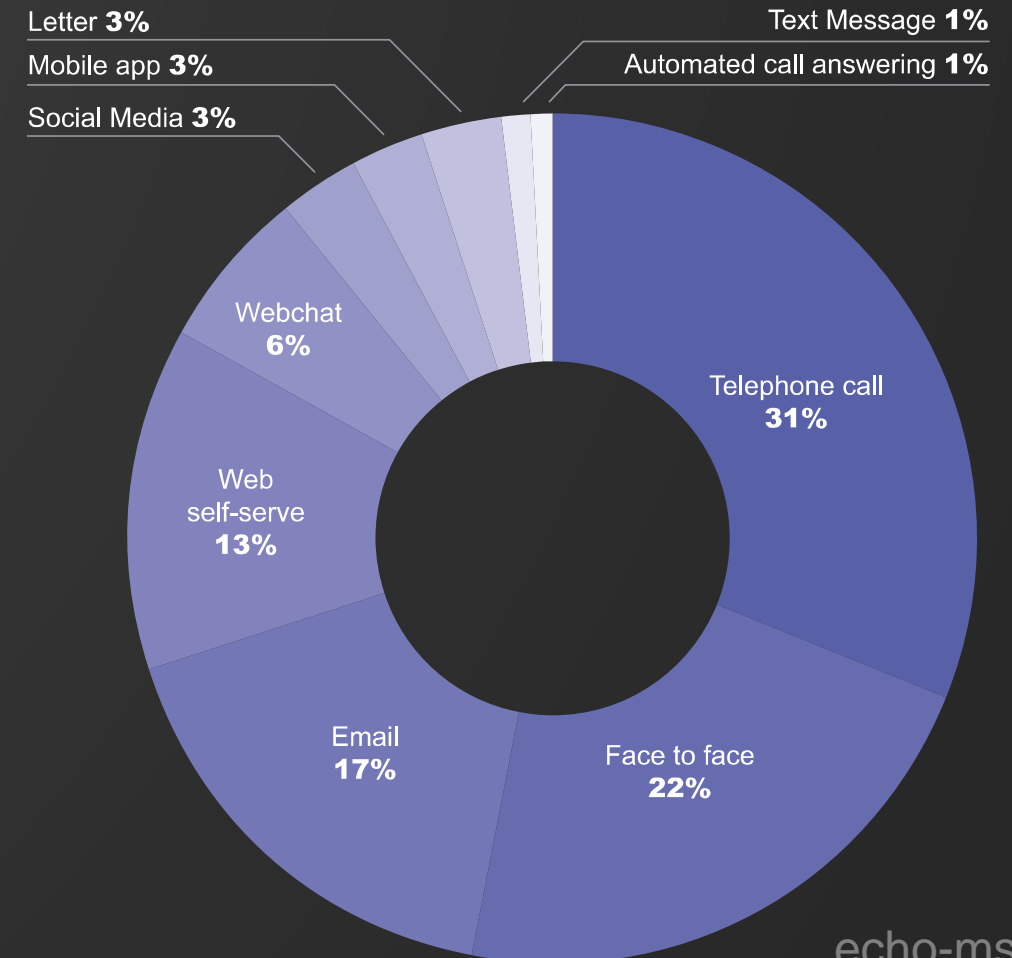
However, the growth of digital communication channels has clearly had an enormous impact. Email and communication through a company website are the preferred options for 36% of customers.

Social media and mobile apps are a less popular choice, but it's still worthy to note 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.










What is your preferred means of communicating with a frequently used service or organisation? - all situations



Channel choice depends on contact type

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

	1ST CHOICE	2ND CHOICE	3RD CHOICE
SIMPLE ↑			
 Requesting information	Email 27%	Telephone 25%	Face to face 19%
 Make a booking	Telephone 30%	Web self-service 28%	Email 17%
 Paying a bill	Web self-service 35%	Face to face 14%	Telephone / Email 13%
 A complicated problem	Face to face 36%	Telephone 35%	Email 11%
 An embarrassing issue	Face to face 29%	Telephone 25%	Email 23%
 Making a complaint	Telephone 26.5%	Email 26%	Face to face 21%
COMPLICATED ↓			
 In an emergency	Telephone 61%	Face to face 22%	Webchat 4%

A clear relationship between contact complexity and channel

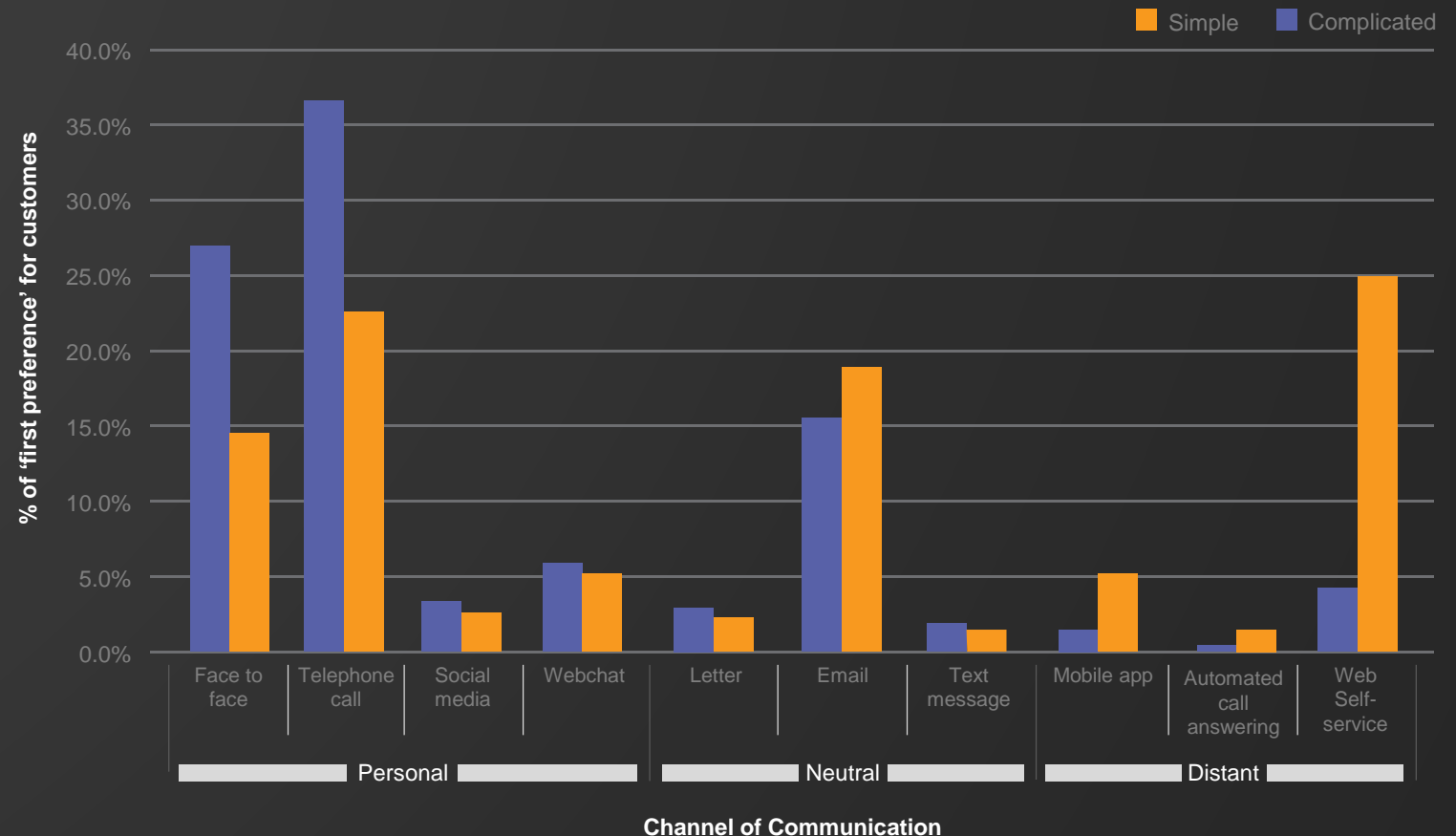
If we then examine the preference for each contact channel dependent on whether a customer has a simple or a complex enquiry, the findings reveal that:

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.

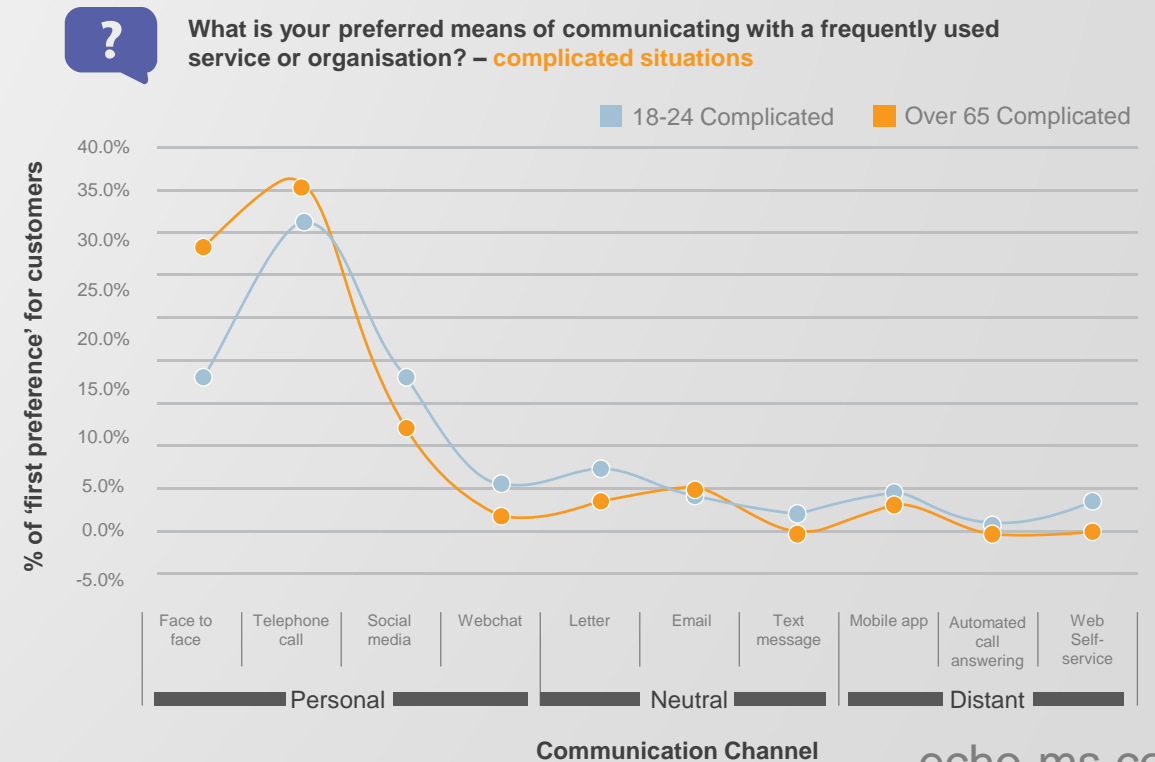
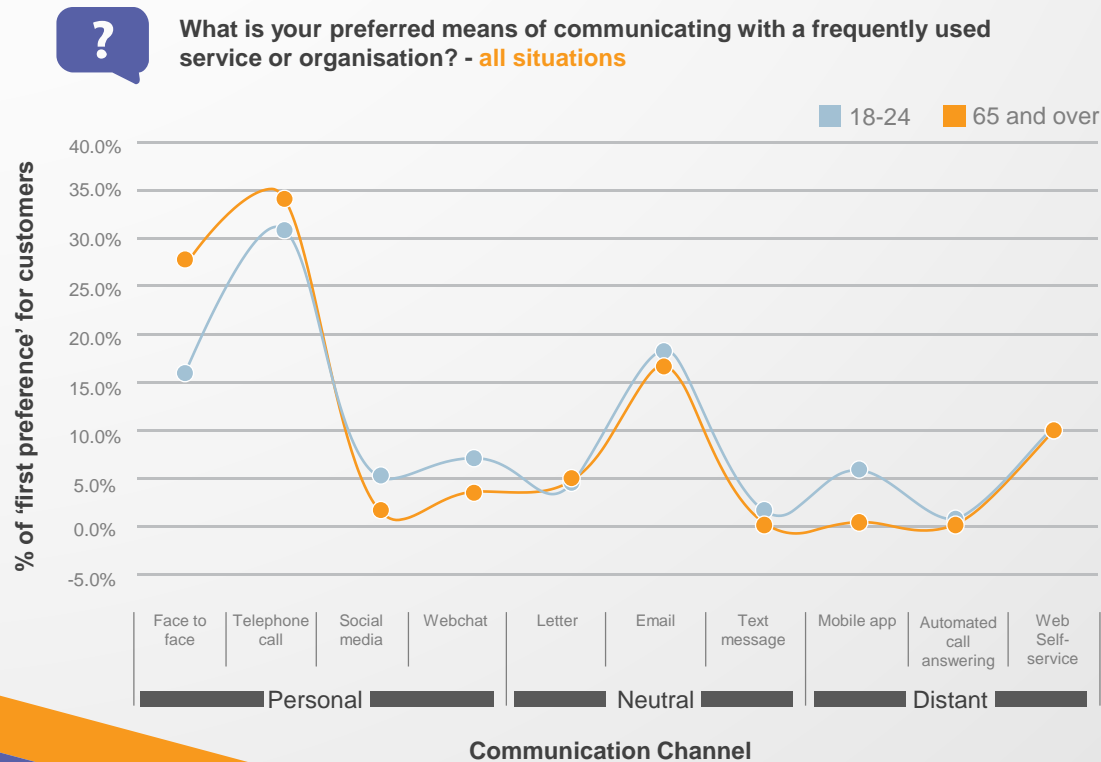
And as the role is up-skilled, it's clear that market rates for resource must begin to reflect this change...



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.



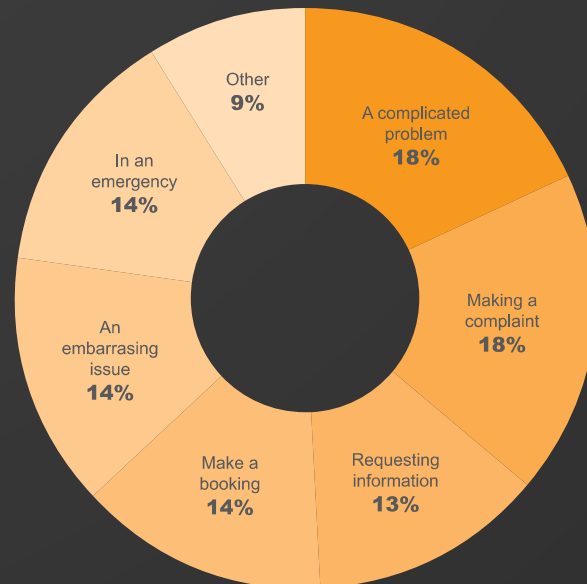
Emerging channels are used for a wide variety of purposes

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.

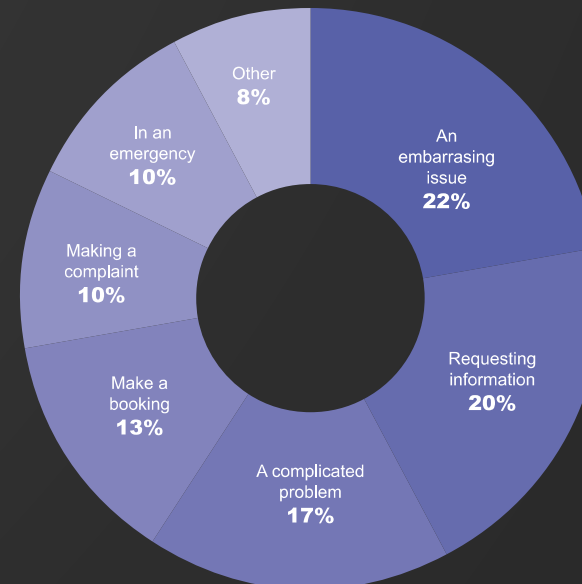
Therefore, although overall preference for social media as a contact channel remains relatively small, it perhaps has the most potential to impact on an organisation's reputation – for better or worse. Despite the digital nature of these channels, **the human touch remains as critical as ever.** Advisors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



Situations where social media named as first preference by customers



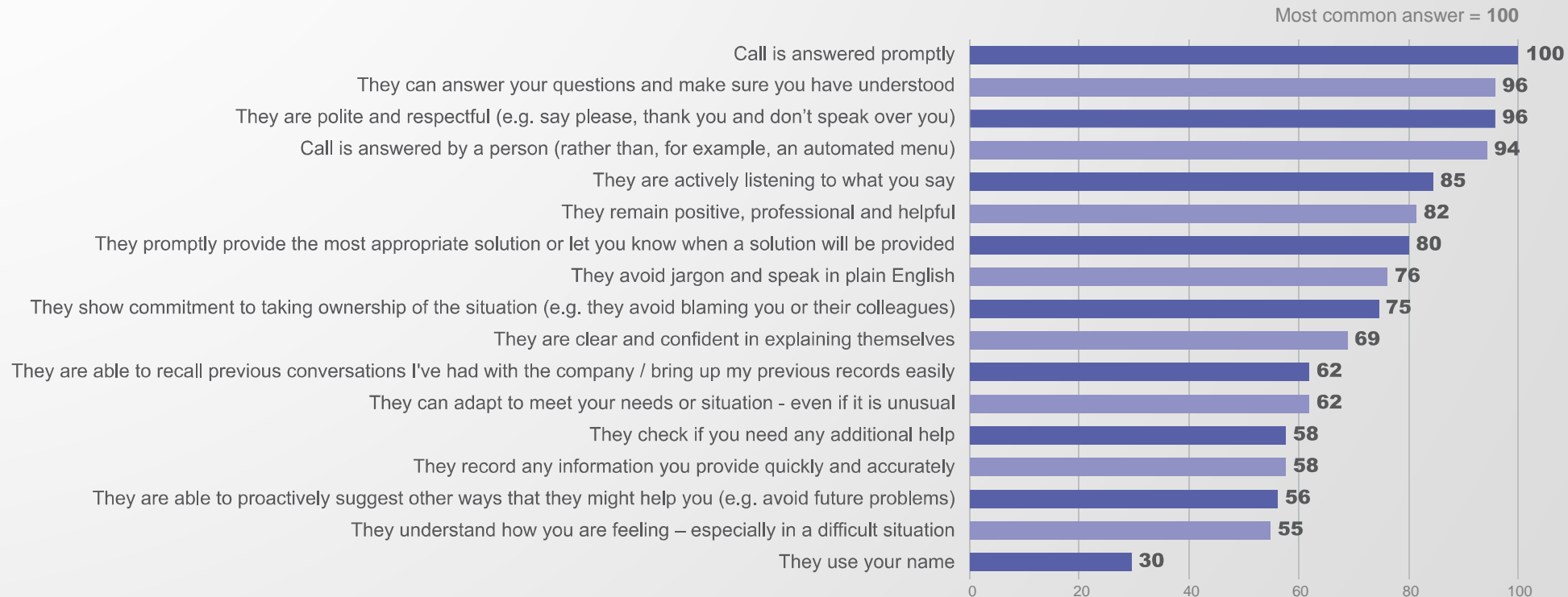
Situations where webchat named as first preference by customers



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



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.

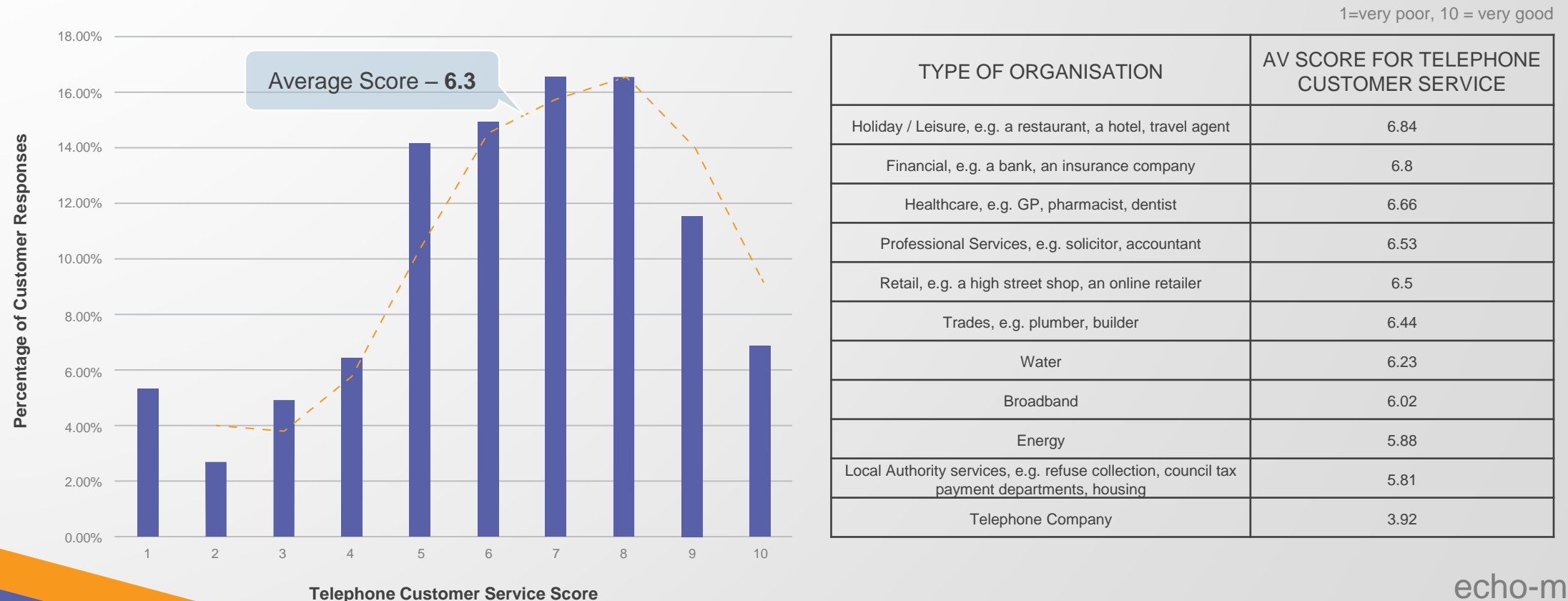
Index of greatest frustrations in complicated situations



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.





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:

56%

Said being kept waiting on hold

17%

Said automated call answering

7.5%

Said overseas call centres

3%

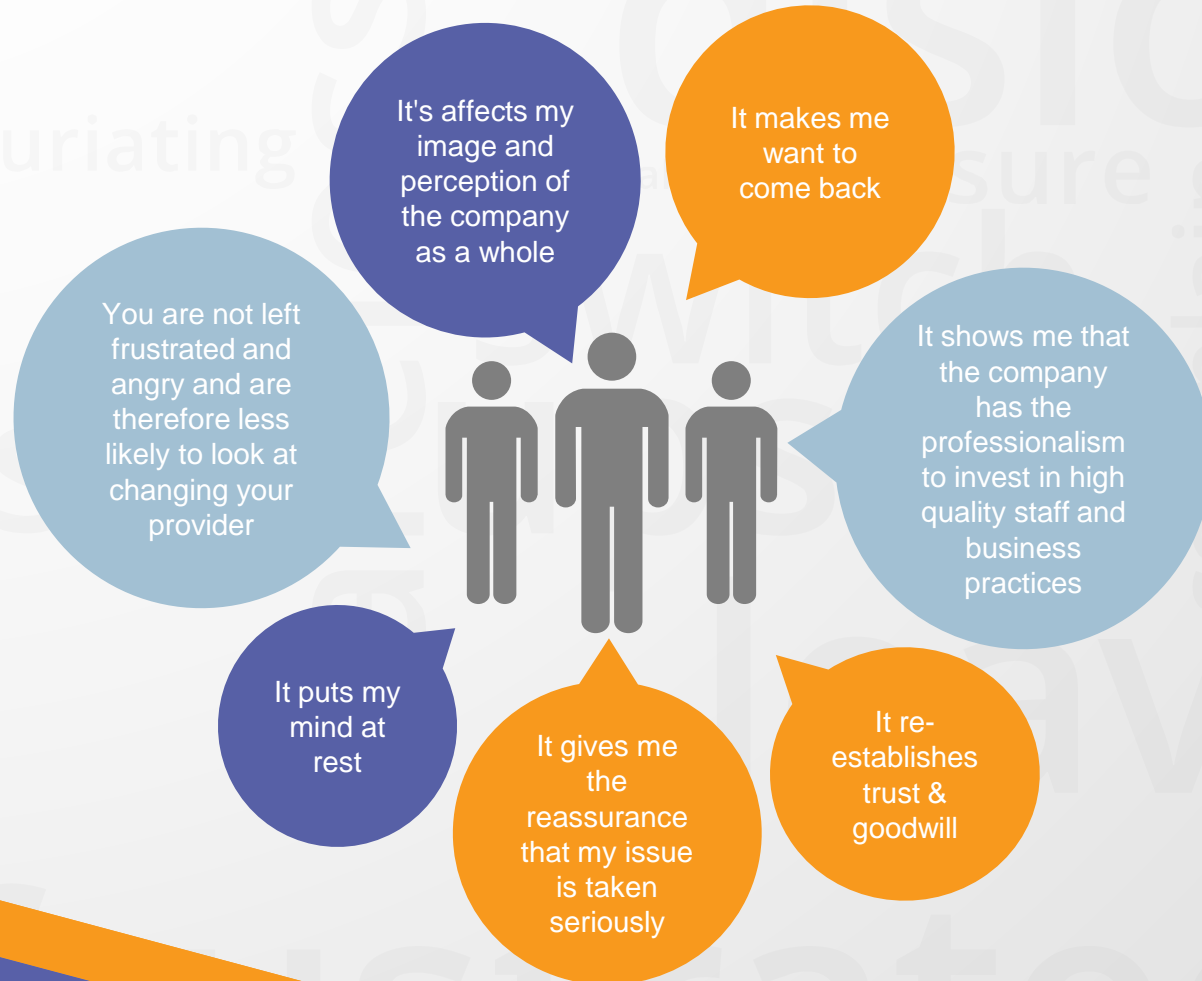
Said inarticulate or poor quality staff

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...



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.



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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