

THE CX ACT 2013 TOUCHPOINT STUDY

Personal Presence Trumps Digital Decorum for Optimal Customer Experience

The *CX Act TouchPoint Study* is a comprehensive national survey of:

- consumer contact behavior
- contactor satisfaction by industry and contact method (i.e., touchpoint)
- word of mouth

Conducted through interviews with 3,000 consumers in a nationally representative online panel, the study provides details on touchpoint satisfaction and the impact of contact handling on loyalty in 16 industries.

Why Read

With the proliferation of customer contact channels and customer contact centers morphing to become omnichannel customer experience centers, questions arise on effective use and impact of these various touchpoints. This report sheds light on what touchpoints are most important to customers now and in the future, and the current state of contact handling effectiveness by touchpoint and industry. And most importantly, the study quantifies the impact of contact handling on loyalty and word of mouth – both online and offline.

Who Should Read

Customer Experience Professionals, Chief Customer Officers, customer relations and customer service professionals, contact center management, and brand marketing executives who want to better and more comprehensively understand how their organization's customer contact handling effectiveness compares to the industry and the impact on loyalty and word of mouth.

1100 Wilson Boulevard
Suite 950
Arlington, VA 22209

Tel: 703.524.1456
info@cxact.com
www.cxact.com

Key Takeaways

- **Effective Contact Handling Impacts the Bottom Line** – customers satisfied with how their contact was handled are MORE likely to continue to remain a customer than those who were dissatisfied with contact handling.
- **Despite Digital Growth, Customers Still Prefer the Personal Touch** – contacting via phone is considered the most effective channel for resolving issues, with little difference by industry.
- **Asking Questions Dominates the Customer Reach-Out** – 2:1 Ratio of Complaints to Compliments
- **Customers Contacting about Bills and Financial Issues** – five of the top six most contacted industries are either in the financial industry or have a large percentage of their contacts related to billing.
- **Only Half are Satisfied, Personal Touch Prevails** – only half of surveyed customers are very satisfied with how their complaint/question was handled in first interaction; satisfaction is highest for those who contact in-person; lowest if done via social media.
- **Harsh Penalties for Brands Who Fail “First-Contact” Test** – customer satisfaction scores drop by over 50 percentage points among those who have to contact multiple times.
- **One in Five Shares via Social Media** – among those who share their experience via social media, Facebook dominates over Twitter by a 4:1 ratio, BUT Twitter followers are more engaged.
- **Banks Rise to the Top on Contact Handling** – Banks are one of the most frequently contacted industries, and also boast the highest industry first-contact resolution and satisfaction rate.

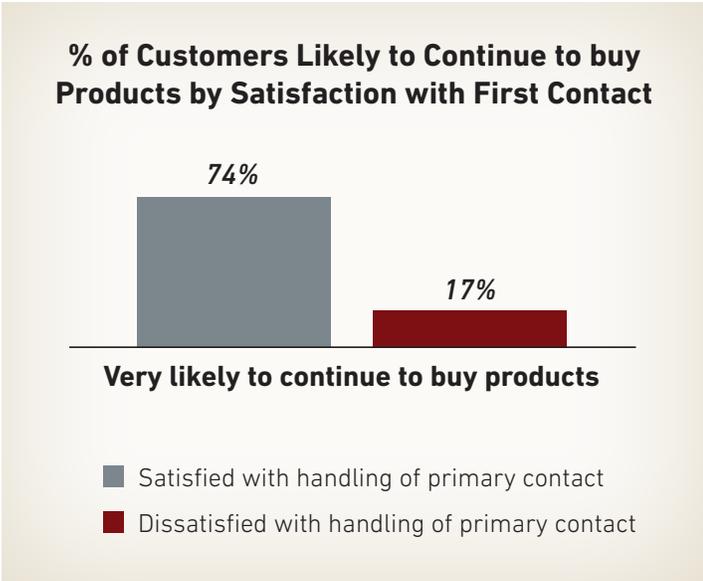
Overall Findings

EFFECTIVE CONTACT HANDLING IMPACTS THE BOTTOM LINE

Customers who are very satisfied with how their initial contact was handled are more than four times more likely to continue to buy the product/service than those who were dissatisfied with contact handling.

Effective contact handling also impacts word of mouth, with more dissatisfied contactors sharing their experience with others vs. satisfied contactors (69% vs. 53%).

Effective contact handling results in more loyal customers, less negative word of mouth and more positive word of mouth.



DESPITE DIGITAL GROWTH, CUSTOMERS STILL PREFER THE PERSONAL TOUCH

Phone is the most common way customers choose to initially contact companies, with 52% dialing digits. Email or Web form is used by 23%, less than one-fifth (17%) contact in-person, and only 1% contacts a company via social media or mobile app. As would be expected, this varies by industry, with some industries with a strong local presence (e.g., supermarkets or banks) having a higher proportion of in-person contacts; and industries with a strong digital presence (e.g., airlines, on-line retailers) have a higher proportion of email contacts.

Contact methods vary based on the reason for contact—but surprisingly in this increasingly digital world, customers still strongly prefer to contact via offline methods—especially by phone—to file complaints/solve issues or to ask a question. Email is the most frequent method for providing positive feedback.

Contact Method vs. Contact Reason

	TOTAL	Ask a question	To file complaint/ solve issues	Provide positive feedback
Offline (NET)	71%	75%	73%	51%
Verbally, by phone	52%	57%	56%	22%
In-person	17%	16%	15%	25%
Letter/Fax	2%	1%	2%	4%
Online (NET)	29%	25%	27%	47%
By email/Web form	23%	20%	22%	38%
Web chat	3%	3%	3%	3%
Post on company social media site	1%	1%	1%	3%
Mobile App	1%	1%	1%	1%

One-third (32%) of those with a question or complaint that had to contact more than once used different contact methods. Of those customers:

- Again, phone is the most likely default channel. Most of those who initially contact via phone (86%) will continue to use the phone if subsequent contacts are needed.
- For those who initially contact via another channel four out of ten (43%) switch to phone contact if subsequent contacts are needed.
- Among those who contact multiple times, top box satisfaction is higher among those who use different contact methods (19% very satisfied) versus those that stayed with the same contact method (11% very satisfied) – largely due to contactors switching to phone.

CUSTOMERS CONTACTING ABOUT BILLS AND FINANCIAL ISSUES

TV, Cable and Internet Providers and Banks are the two most contacted industries, contacted by four out of ten contactors. The ten most frequently contacted industries (all service industries) in order from *most* contacted to *least* contacted:

- | | |
|-------------------------------------|--|
| 1. TV, Cable and Internet Providers | 6. Auto, Home or Life Insurance Provider |
| 2. Banks | 7. Retailer |
| 3. Credit Card | 8. Hotel |
| 4. Restaurant | 9. Medical Insurance |
| 5. Wireless Provider | 10. Automotive Services |

Five of the top six most contacted industries are either in financial service industry or have a large percentage of their contacts related to billing.

Banks stand out as both one of the most frequently contacted industries, with the highest industry first-contact resolution and satisfaction rates.

QUESTIONS ABOUND, AND 2:1 RATIO OF COMPLAINTS TO COMPLIMENTS

Two-thirds of the US Population (62%) have contacted a company in the past three months to file a complaint, ask a question or provide positive feedback. Of those...

- 53% contact to ask a question
- 33% to file a complaint
- 14% to provide positive feedback

TV, Cable and Internet Providers receive the highest proportion of complaints (54%).

ONLY HALF ARE SATISFIED, PERSONAL TOUCH PREVAILS

Overall, only about half (50%) are very satisfied with how their complaint/question was handled in the first interaction. Satisfaction is highest for those who contact in-person and lowest for those who post their complaint/question on social media. Satisfaction by contact method from highest to lowest:

- | | |
|---------------|-----------------|
| 1. In-person | 4. Chat |
| 2. Phone | 5. Email |
| 3. Letter/fax | 6. Social Media |

Satisfaction varies by reason for contact (highest for questions and lowest for complaints) and industry contacted (highest for Banks and lowest for TV, Cable and Internet Providers).

HARSH PENALTIES FOR BRANDS THAT FAIL “FIRST-CONTACT” TEST

About three-quarters (74%) of customers who have a question or complaint report that their complaint is resolved or question answered on their FIRST contact.

However, satisfaction with how the customer’s contact is handled drops *considerably* if first contact resolution is not achieved.

Of the 26% who do NOT receive a resolution on the first contact, about half (45%) do eventually receive final resolution with multiple contacts, with an average of 2.5 contacts to get resolution.



ONE IN FIVE SHARES VIA SOCIAL MEDIA

More than half (57%) of customers tell someone about their contact experience, with 70% sharing “generally positive” comments. Even those who contact with a complaint/issue are more likely to share positive comments than negative comments about their experience.

Again, the personal touch prevails, with...

- 85% of those who talk about their contact experience telling others in-person
- 50% via phone
- Another 28% talk about their experience via email/text messaging/IM
- 22% turn to social media to share the details of their contact experience.

Of those that share their experiences via social media, most were via Facebook (86%), followed by Twitter (21%). Twitter followers are more engaged and are more likely to comment on posts than Facebook followers.

RECOMMENDATIONS: HOW TO DRIVE THE OPTIMAL CONTACT EXPERIENCE

While companies can't ignore the need to offer a multi-channel strategy and digital channels are likely to grow in importance (especially since younger consumers are more likely to use digital touchpoints), what matters NOW for creating an optimal customer contact experience is providing a phone or in-person customer interaction that delivers on the brand promise.

Customers provide the greatest guidance on how to do that. Overall, they identified the phone as the most effective channel for resolving issues, with little difference by industry. When asked the reasons they prefer to contact a company via phone vs. digital contact methods, the most frequent reasons are:

1. Prefer a live person (42%)
2. Able to explain the situation with more detail (28%)
3. Able to ask questions (26%)
4. Faster response (26%).

In other words, customers are looking for a personalized two-way dialogue to solve their questions and problems in an efficient and effective manner and strengthen their emotional attachment to the brand.