

The 2020 ACA Survey:

Achieving Customer Amazement

A special report on customer preferences, habits and wants to help you create an amazing customer experience.



Researched and summarized by Shep Hyken, Customer Service & CX Expert.

How well do you think you know your customers?

Hi! Shep Hyken here, customer service and experience expert. Welcome to the 2020 ACA Survey: Achieving Customer Amazement. This is a special report on customer preferences, habits and wants that will help you make decisions to deliver amazing customer service and a memorable CX.

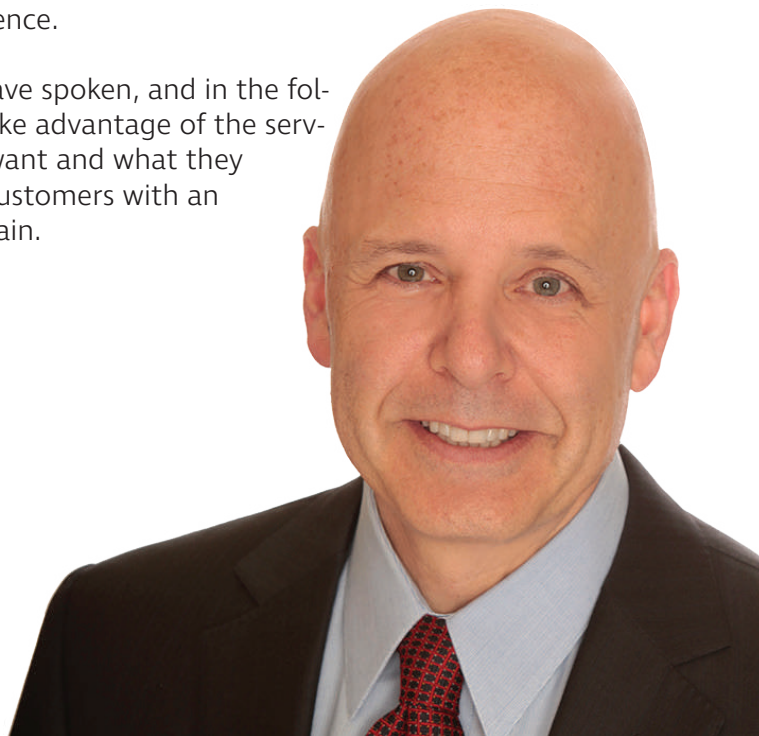
My goal for this report is to give you information that will confirm that you are already doing what is necessary to deliver an amazing experience to your customers—or to light a fire under you to do so. The stats and facts are telling. Customers will pay more for good service. They'll pay even more for convenience. And they are not only telling us, they are showing us that they'll switch brands to get a better service experience.

There is great opportunity here. Your customers have spoken, and in the following pages you will read what they have said. Take advantage of the service and experience gap between what customers want and what they usually get. It is your opportunity to amaze your customers with an experience that will bring them back again and again.

Always Be Amazing!



Chief Amazement Officer
Shepard Presentations



About Shep Hyken and Shepard Presentations


[Shep Hyken](#) is a customer service and experience expert, award-winning keynote speaker, a *New York Times* and *Wall Street Journal* bestselling author and the Chief Amazement Officer of Shepard Presentations. Shep works with companies and organizations that want to create amazing experiences and build loyal relationships with their customers and employees. His articles have been read in hundreds of publications, and he is the author of *Moments of Magic*[®], *The Loyal Customer*, *The Cult of the Customer*, *The Amazement Revolution*, *Amaze Every Customer Every Time*, *Be Amazing or Go Home* and *The Convenience Revolution*.

In 1983 Shep founded Shepard Presentations and since then has worked with hundreds of clients ranging from Fortune-100 size organizations to companies with less than 50 employees. Some of his clients include AAA, Anheuser-Busch, AT&T, AETNA, Abbott Laboratories, American Express - and that's just a few of the A's! Shep Hyken's most requested programs focus on customer service, customer loyalty, internal service, and the customer experience. He is known for combining a high-energy and entertaining presentation style with important content that delivers actionable ideas and a memorable experience. Learn more at www.hyken.com.


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Boring, but important!

Report Methodology:

For this report, we conducted an online survey of over 1,000 consumers between the ages of 18 and 65 in the United States. The results were weighted to reflect the demographics in terms of age, gender, geography and location, according to the U.S. census.

Disclaimer:

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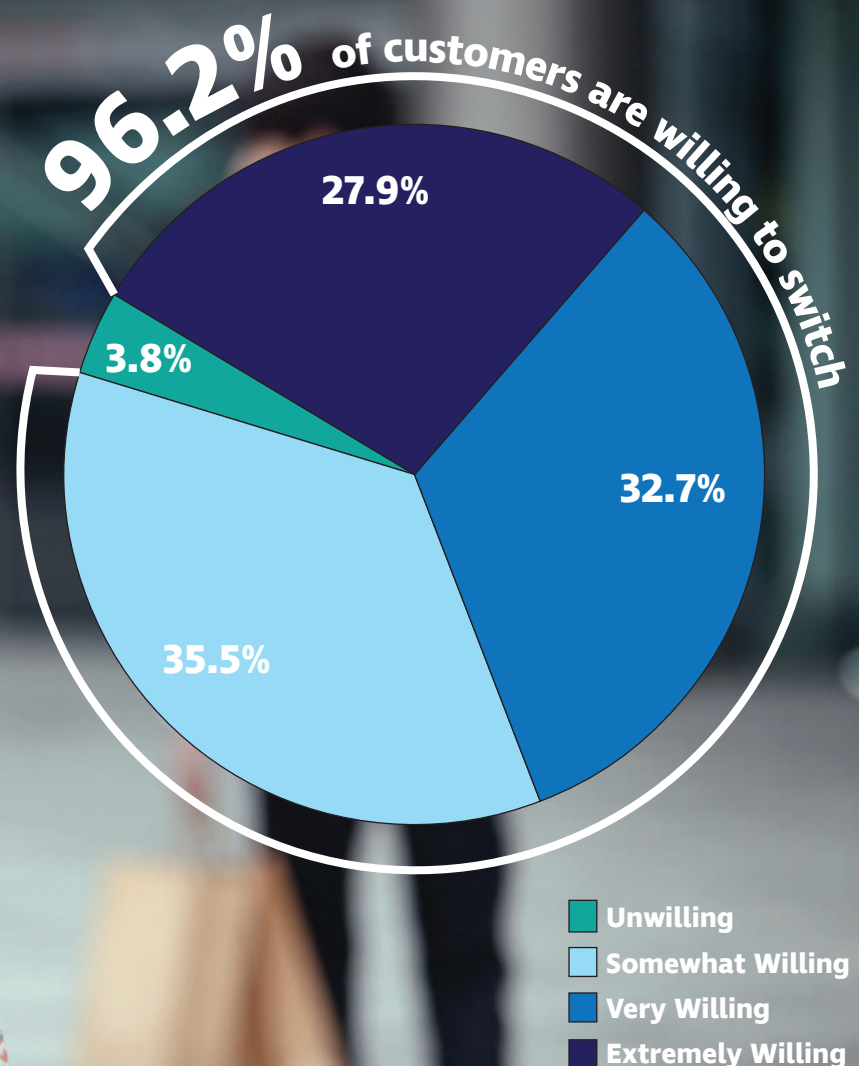
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Ninety-six percent (96%) of customers will leave you for bad customer service! (But you knew this!)

We asked respondents about their willingness to switch brands or companies for better customer service. Only 3.8% said they were unwilling—meaning that 96.2% of customers are willing on some level to switch if they think they'll have a better experience elsewhere. That's almost everyone!

Over half of respondents (60.6%) said that they would be either extremely willing or very willing to switch. Recent research shows that customers will make this switch after just one bad experience. This demonstrates a huge risk for companies—don't improve your customer service, and you're likely to lose most of your customer base. Yikes!

By the way, 25.9% of respondents said they'd be moderately willing to switch, as in, "might as well." Make sure your customer experience is so good that the thought of switching doesn't ever cross the customer's mind.



Are wealthier customers more willing to switch brands?

The data shows that as customers' income goes up, they become more willing to switch brands for better customer service.

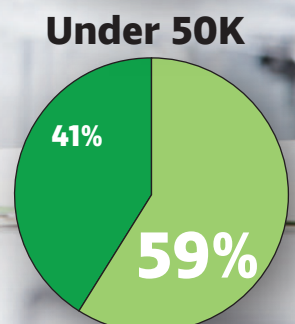
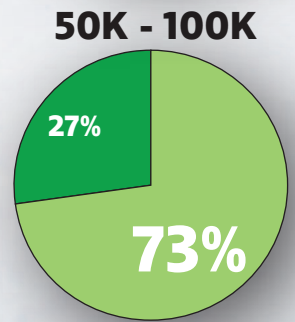
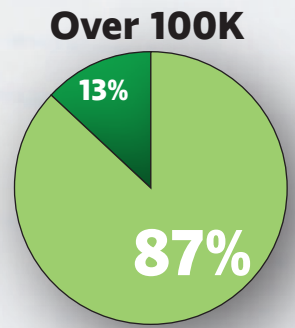
Of those who make less than \$50,000 a year, 59% were willing to switch on some level, leaving 41% who were completely unwilling. That's still over half of respondents who would switch for better service.

Of those who make between \$50,000 and \$100,000 a year, 73% are willing on some level to switch for better service, compared to 27% who are completely unwilling.

Of those who make over \$100,000 a year, a whopping 87% said they'd be willing on some level to switch for better service, meaning only 13% are unwilling. If this group's higher income means they are also willing to spend more, then companies really cannot afford to make mistakes that could reflect poorly on their customer experience and cause their customers to switch. That translates to a major lost opportunity!



■ Unwilling
■ Willing

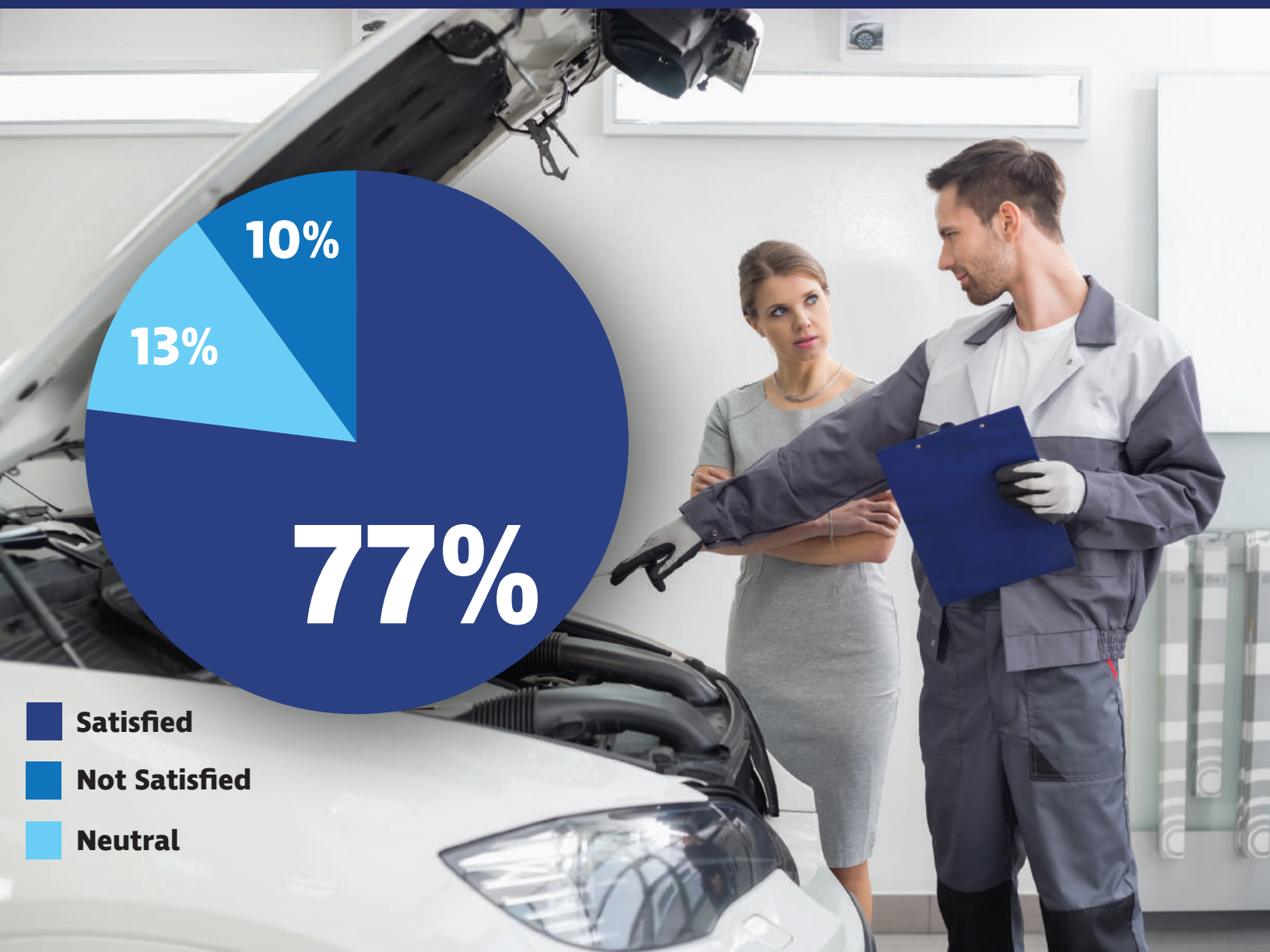


Most customers are satisfied—but is it enough?

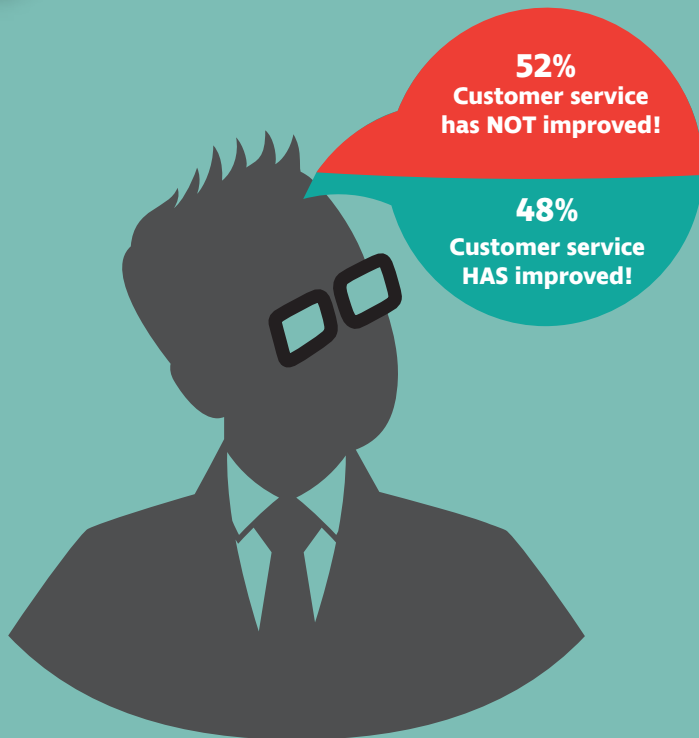
We asked respondents to rate their current satisfaction with customer service based on their personal experiences (regardless of industry, product or service). Surprisingly, 77% reported they are satisfied with the current state of customer service, versus only 10% who were dissatisfied (and 13% who were neutral).

However, this proves that there is still room for improvement, especially among the 23% who are dissatisfied or indifferent. As proven in our earlier data, customers are willing to pay more for exceptional customer service; why not ensure that 100% of customers are experiencing exceptional customer service worth paying for?

This is an opportunity to gain huge profits for any company in any industry.



Has customer service improved over the past year?



With all the focus on customer service and CX over the past several years, one would expect that most companies would have stepped up to deliver a better experience and that customers would feel that improvement.

Apparently, that is not the case, as only 48% of respondents feel there has been an improvement in customer service over the past year. That means that 52% of respondents felt that customer service has either worsened or not changed at all over the past year. That's over half the respondents!

This means that, in spite of all the hype around customer service, most companies still are not focusing enough of their efforts into improving customer service and delivering an amazing customer experience.

Does age make a difference?

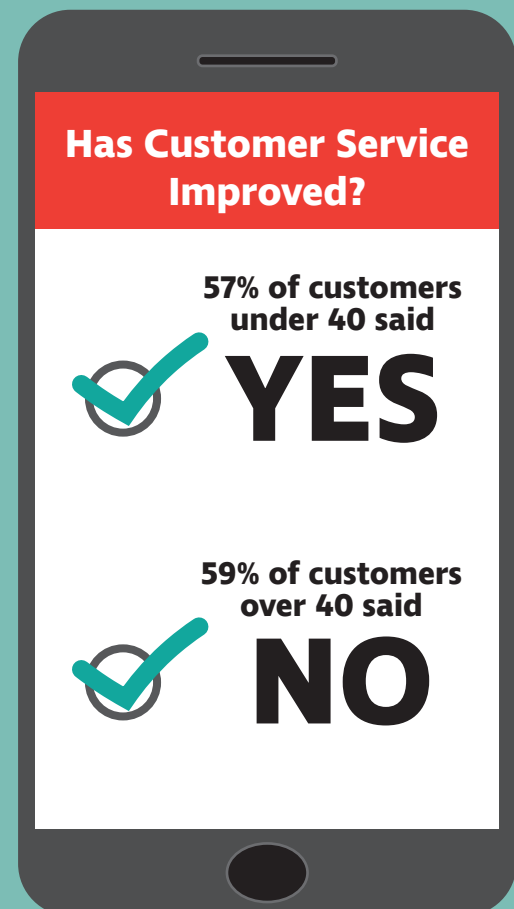
We took a closer look at the respondents and separated them by age—over 40 and under 40. We asked respondents how they felt customer service had changed over the past 12 months regardless of industry, product or service.

Respondents under the age of 40 felt more positively toward customer service, with 57% of those respondents thinking customer service had improved.

Respondents over 40, on the other hand, had a more negative view, with only 41% feeling that customer service had improved.

There are a number of reasons for this. Research shows older consumers like more traditional customer service. As new technologies are invented and adopted by companies, older customers feel alienated and therefore perceive that customer service is worsening.

Regardless, the number of customers who feel customer service has not improved or has declined is still too high.



62%

**of customers are
willing to pay
more for good CS.**



Customers are willing to pay more for customer service.

Almost every survey we've looked at over the years indicates that customers put a premium on customer service. We wanted to be sure, so we asked respondents if they would be willing to pay more for customer service. Sixty-two percent (62%) said they would be willing to pay more versus 12% who said they wouldn't. Twenty-six percent (26%) were indifferent.

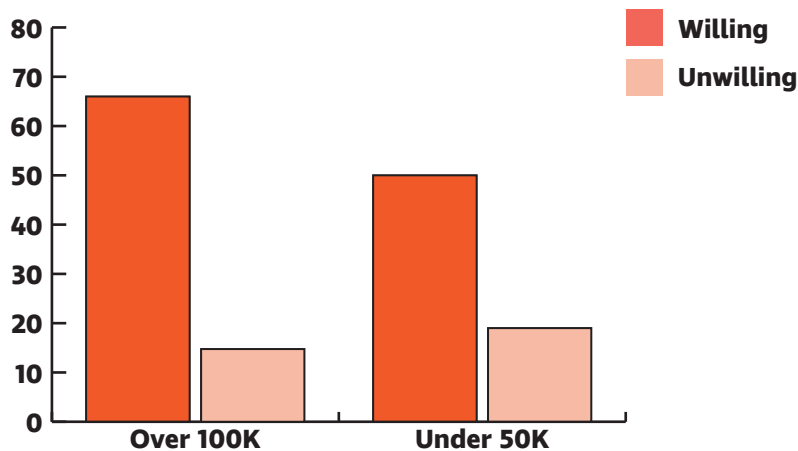
Amazon used to be recognized as a low-price online retailer. It still provides exceptional value, and often its prices are lower—but not always. They are so confident with the service and experience they deliver that they're willing to let customers know when the item they want is available for less from another vendor. They even give a link directly to that vendor.

Consider Ace Hardware, competing against big-box stores like Home Depot and Lowe's that have larger stores, a much larger selection of merchandise and will sometimes outspend in advertising by more than 30 times what a local Ace Hardware retailer will spend. Yet, Ace not only survives, but thrives alongside these larger stores. I asked Jon Venhuizen, CEO of Ace, about their pricing structure. He admitted that they were not the lowest price, but emphasized they were still competitive. Even though their prices may be a little higher, the service and expertise they deliver in the form of their reputation for helpful service separates them from competitors with lower prices and larger selection.

Does price matter? Sure it does, but a better customer service experience will make price less relevant.

Does a person's income affect their willingness to pay more for exceptional customer service?

It seems that regardless of income, people are still willing to pay more for customer service. Even of those who make under \$50,000 a year, 50% are willing to pay more for exceptional customer service, versus only 19% who are unwilling. Those who make over \$100,000 a year are, predictably, the most willing to pay more for customer service, with 66% reporting they're willing to pay more versus only 14.75% who are unwilling. This proves that, regardless of income, exceptional customer service is worthy of a premium that many customers are willing to pay for.



The Big Payoff: Customers will pay more for convenience!

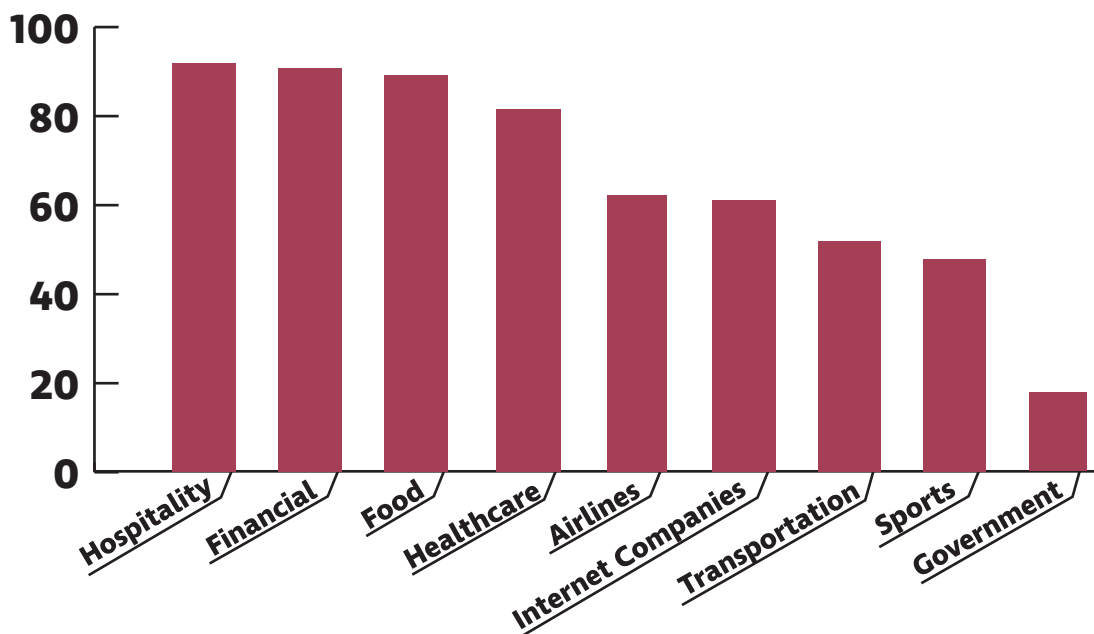
Convenience encompasses many things throughout the customer experience. In my book *The Convenience Revolution* (Sound Wisdom 2018), I identified six areas of convenience: reducing friction, self-service, using technology, a subscription model, delivery and accessibility (hours of operation, location, etc.). We asked customers if they are willing to pay more in exchange for a convenient experience. Almost 70% would pay more for convenience in general. When we specifically mentioned delivery, that number shot up to just over 90%.

We asked those same consumers if they would be willing to pay more for customer service, and the answer was predictable: 62%. What makes this interesting is that convenience beats customer service. Consider the power of a good customer service experience that is also convenient. This is a combination that will set you apart from your competitors.



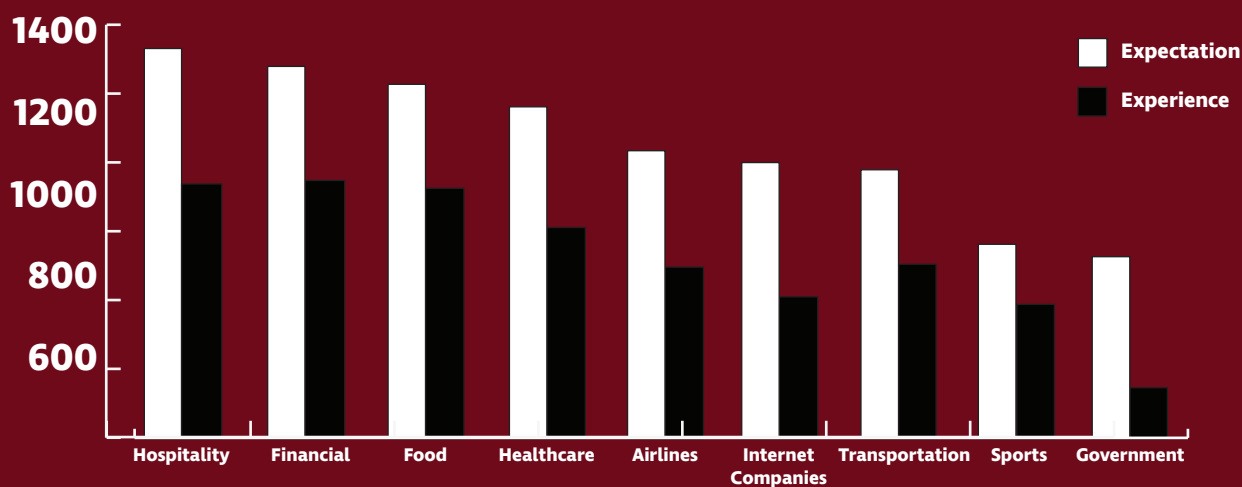
What industries deliver the best service?

We asked customers to rank industries based on what level of customer service they expect to receive from them. Unsurprisingly, their expectations were lowest for the government—we were surprised they even had any expectations at all! (We kid, of course; the government is making great strides to improve customer service. In some cases they're succeeding, and in others they're failing—just like any industry.) This is followed by the sports industry, the transportation industry, internet companies and airlines. Customers had the highest expectations for the hospitality industry, followed by the financial services, food and healthcare industries.




On average,
all industries
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customer
expectations by
38%.

Based on the respondents ranking the industries, we asked them to share if their experiences met their expectations. The results, compared to their expectations of those same industries, were shocking, demonstrating a huge gap between expectation and experience. On average, industries fell short of customer expectations by 38%! This means customers are disappointed. This also means there's room for improvement.



The industry that had the tightest gap between customer expectations and experiences was the food industry at 29.3%. The industry with the widest gap was the government by far, with a whopping 72.6% gap between expectation and experience! This means that the government only meets expectations a quarter of the time! No other industry came close to falling so drastically short of customer expectations.

It's obvious. Customers expect more. It's time for companies across every industry to double down on their customer experience efforts to bring it up to the standards of customers' expectations. As we can see, some industries have farther to go than others. In the end, this spells out opportunity for the company that is willing to put in the effort.



The majority of customers today still prefer using the **telephone** to communicate.

What channels of communication do customers prefer?

We asked customers what channels of communication they prefer to use when contacting a company for support.

Is it a surprise that the telephone came in as the number one channel customers prefer to use? It beat out email with a substantial 16.3% lead. Self-service came in at number three, showing that customers would rather help themselves than be forced to interact with channels such as social media, brand apps and chatbots.

Texting came in at number four, just barely after self-service. Chatbots and brand apps followed and, surprisingly, social media ranked dead last for preferred use.

There was a 14.2% difference between social media and the next lowest ranking channel (brand apps). This is significant. Reports over the past 10 years have indicated that social media has become a strong channel; however, respondents indicated here that it is their least favorite. We still believe that social media is growing in popularity, however, so we cannot discount the importance of companies monitoring their social media presence. Even if it is the least popular channel, it is still the one that is most visible to the rest of the world.

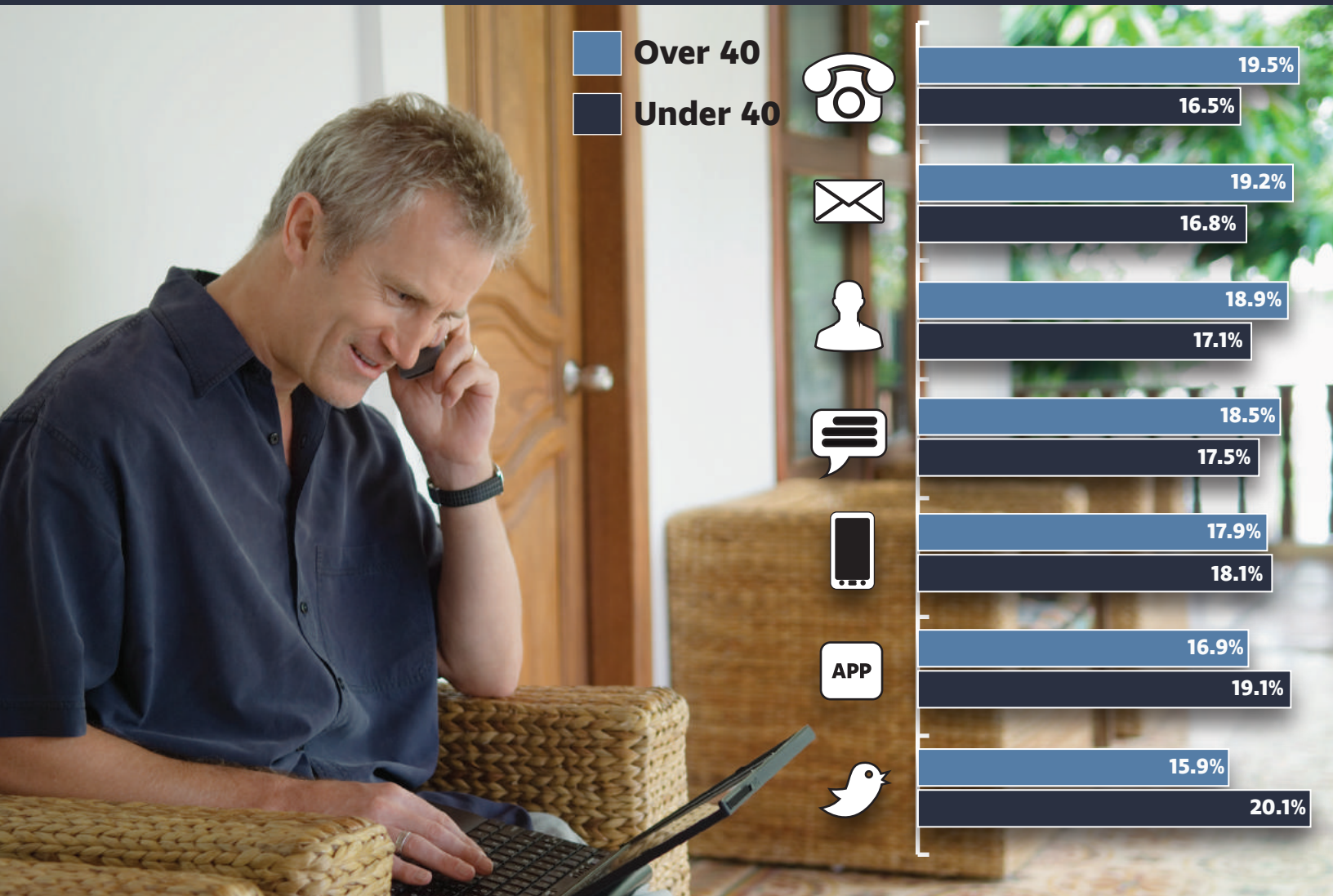
The communication channels preferred by those over 40 were the exact opposite of those under 40!

We asked customers what channels of communication they prefer to use when contacting a company for support, and then examined their preferences by age (under 40 and over 40).

Even though the telephone is the most preferred channel overall, that changes when you examine different age groups more closely. The telephone was the most preferred channel for those over 40, but the least preferred for those under 40. Those under 40 preferred social media most, which was the least preferred by those over 40.

The channels that have the newest technologies, including brand apps, texting and chatbots, were more preferred by those under 40 (and therefore in the bottom rankings for those over 40). Conversely, those over 40 favor more traditional channels such as the aforementioned telephone and email.

It's fascinating that these two age groups are so perfectly divided on their preferences. This proves that companies need to provide options that will please all their customers. Anything less will inevitably lead to customers feeling alienated and unhappy.



How easy are you to communicate with?

We asked respondents how easy or difficult they find various methods of communication when reaching out to a company for customer service. (For the purposes of this question, we will not be examining in-person service, as that is always going to be easiest!)

Even though the phone is the preferred channel of communication, email barely (almost imperceptibly) beat out the phone for ease of communication! It was almost even but, surprisingly, email just barely nudged out the phone: 65.7% to 65.2%. As for email, only 14% found it difficult.

Texting came in at number three with 60.3% finding it easy to use versus 14.9% finding it difficult. Chatbots and brand apps came in the bottom two places, with only 53.8% of respondents finding brand apps easy to use and 51.6% finding chatbots easy to use.

65.7%
said **email** was the
easiest channel to
use, followed by
the phone at 65.2%.



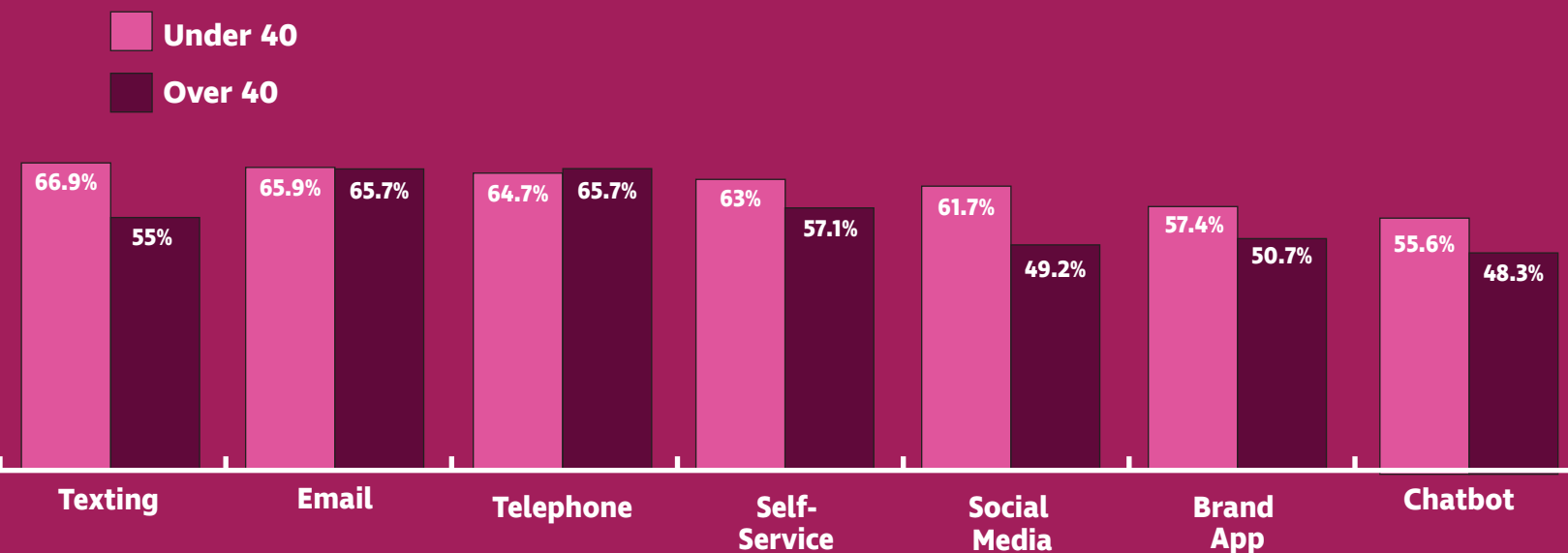
Which channels of communication do customers under age 40 find easiest to use? What about those over age 40?

We asked respondents how easy or difficult they find various methods of communication when reaching out to a company for customer service. We then broke down their responses into two age groups—under age 40 and over age 40—to see how their responses differed.

The high-level summary: For those over 40, telephone and email tied for the easiest channel to use and chatbots came in as most difficult. For those under 40, texting (as in messaging) came in as easiest. Most difficult was chatbots. Let's break it down.

It is interesting to note that the bottom three responses for both respondents over 40 and under 40 were the same (social media, brand apps and chatbots), with only a small variation in order. Across both age groups, chatbots ranked lowest in ease and highest in difficulty.

Although companies are enamored with these new and exciting technologies, they are not yet considered easy to use by consumers. People will use them, especially when given no choice; however, there's an important lesson here. We must improve these channels, making them as accessible and easy to use as others, or at least have an easy backup of a human-to-human connection.



What influences exceptional customer service?

We asked respondents to indicate whether or not they'd experienced exceptional customer service over the past 12 months. If they had, we asked them what influenced that positive experience. More than anything, it comes down to simply being treated like a valued customer—that was the top response with 65.2% of customers in agreement. So what does that mean? It means being treated with kindness and respect—in short, like an individual instead of just another transaction or account number.

Respondents also noted that an agent with strong knowledge or expertise, a fast response time, and personalized care and support influenced their exceptional experience, at 55.3%, 53.5% and 46.8% respectively. Demonstrating knowledge creates confidence which leads to trust and ultimately to customer loyalty.

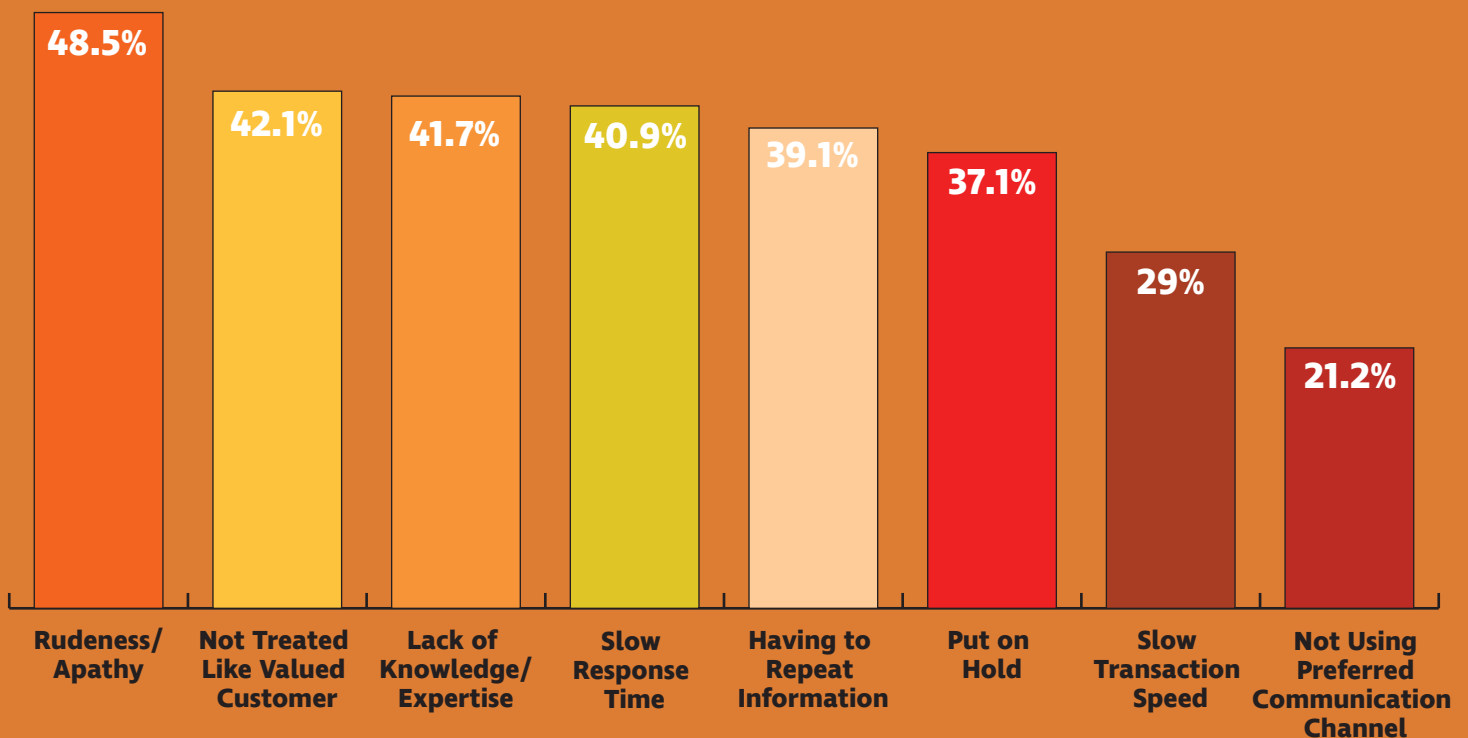
Only 36.4% said that convenience influenced their good experience. Why is this the case if 70% of customers are willing to pay more for convenience? It means that not enough companies are providing the convenience that customers crave. This represents a huge opportunity.

It's interesting to note that these factors ranked well above "communicating through a preferred channel" at 18.5%. This indicates either that companies are not making customers' preferred channels available to them or that customers would rather be treated like a human being than be able to communicate through a preferred channel. Companies need to focus on the human element of their customer experience before investing in technologies that could further alienate the customer.

Simply being treated as a valued customer ranked as the most popular attribute of exceptional customer service.



What influences poor customer service?



We asked respondents whether or not they'd received poor customer service over the past 12 months. If they indicated that they had, we asked them what influenced their poor experience. Nearly half (48.5%) of respondents said that their poor experience was due to rudeness and/or apathy, and 42.1% said it was because they were not treated like a valued customer. This is the perfect inverse of factors that influenced customers' positive experiences, proving that the most important element in exceptional customer service is the human element. What's more, these factors are completely within the control of customer service representatives; it all comes down to personality and attitude. Back in the 1980s, Technical Assistance Research Programs, Inc. (TARP) found that 69% of customers stopped doing business with a company because of a perceived attitude of indifference from representatives. Today, it's still the number one reason for poor service.

A lack of knowledge or expertise came in at number three with 41.7%, followed by slow response time at 40.9%. Having to repeat information (39.1%) was more frustrating than being put on hold (37.1%) and slow transaction speed (29%).

Interestingly, only 21.2% indicated their poor experience was due to not being able to communicate on their preferred channel, further proving that companies need to focus their efforts in other areas first. Rudeness, apathy and not being treated like a valued customer are soft skills. That's a good area in which to invest—basic customer service/soft skill training.

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