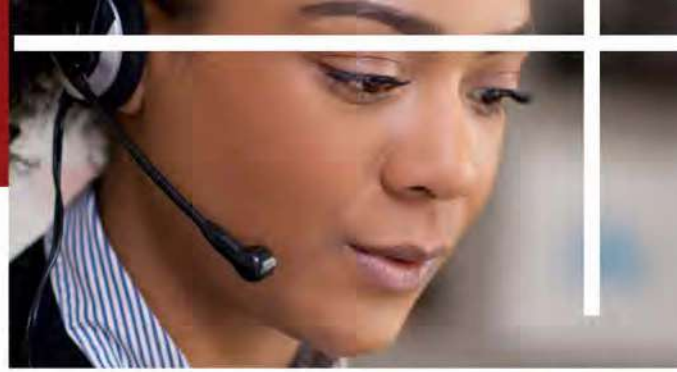# The 2022 ACA Study:

Achieving Customer Amazement

The State of Customer Service and CX

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 Sponsored by Amazon Web Services, Inc.

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How well do you think you know your customers?

Welcome to the 2022 Achieving Customer Amazement Study. This year we surveyed over 1,000 consumers to find out what their thoughts are about customer service and customer experience (CX). One thing is certain. Customer service and CX are more important than ever.

Customer Service Is More Important This Year than Last Year
Our benchmark questions asked respondents to rate the importance of various experiences that include employees who are kind and helpful, a convenient and hassle-free experience, personalization, company employees who empathize with customers' frustrations, fast customer support responses, and more. In every one of these topics (and more), the importance of the experiences increased from 2021 to 2022.

The Proof Is In the Numbers
As the saying goes, "The writing is on the wall!" As you read through this report, you'll realize the findings will confirm that an investment in your customer experience is not optional. 84% of the customers we surveyed think companies should focus extra efforts on customer service now more than they have in the past. Customers will leave you because of just one bad experience. They will switch brands when they know they can get a better experience from a competitor. Your investment into service and CX needs to focus on people, process, and technology.

B2C Versus B2B
I'm often asked if our findings are relevant to the B2B world, or if this just applies to the B2C brands and companies. While our study is focused on consumers that represent the general population in the U.S., don't think for a moment these stats don't apply to B2B. Know this: Your B2B customers are basing their expectations on experiences they've had with their favorite companies to do business with, and most likely those companies are in the retail or hospitality world.

So, roll up your sleeves, take out a pencil or pen, and takes notes as you read through these findings. The stats, facts, and commentary make the case for investing in an experience that gets customers to say, "I'll be back!"

Always Be Amazing!

Shep Hyken
Chief Amazement Officer
Shepard Presentations

About Shep Hyken and Shepard Presentations

Shep Hyken is a customer service and experience expert, an 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*, *The Convenience Revolution*, and *I'll Be Back*.

In 1983, Shep founded Shepard Presentations and since then has worked with hundreds of clients ranging from Fortune 100 size organizations to companies with fewer than 50 employees. Shep Hyken's most requested programs focus on customer service, customer experience, and customer loyalty. He is known for his high-energy presentations, which combine important information with an entertaining presentation style that creates exciting programs for his audiences. Learn more at www.Hyken.com.

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BORING, BUT IMPORTANT!

Disclaimer:
This report is intended for general information purposes only. It is the author's interpretation of the data. The reader of this report assumes responsibility for the use of this information.

NATIONAL STUDY GOALS

✓ Explore and uncover the current concept, approach, and perception of customer service and customer experience so we can then look ahead at the expectations for customer service and customer experience in the next 2 to 3 years.

✓ Understand and evaluate consumer needs, demands, and behavioral preferences that drive customer service and customer experience.

✓ Test selected customer service and customer strategies and tactics.

✓ Benchmarking: 13 of the 26 questions will be repeated verbatim from the 2021 study to the 2022 study with the goal of uncovering any year-over-year changes.

KEY STORY ELEMENTS WE UNCOVERED

✓ The importance of all customer service experiences has *increased* for customers from 2021 to 2022.

✓ *Significant* generational, gender, and income differences exist when it comes to customers' approach, loyalty, and expectations for customer service and customer experiences.

✓ Customers are *significantly* more likely to react positively in 2022 compared to 2021 in every way after receiving good customer service.

REPORT METHODOLOGY

The sample was weighted to the 2020 U.S. Census for age, region, gender, and ethnicity. Figures are statistically significant at the 95% confidence level. Margin of error is +/-3.1 percentage points. In an instance that a chart total for a single select question does not add to 100%, please note that this is due to the minimal effect of rounding. Survey was conducted online from January 6, 2022, to January 19, 2022.

CUSTOM 26-QUESTION SURVEY COMPLETED BY

Over 1,000

U.S. PARTICIPANTS (AGES 18-65)
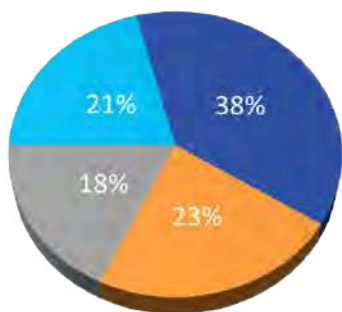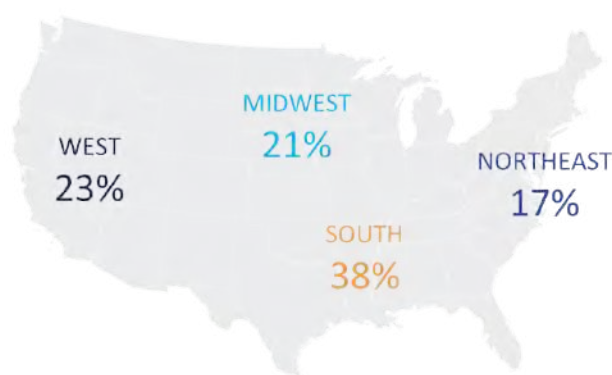
21% GEN Z (AGES 18-25)

38% MILLENNIALS (AGES 26-44)

23% GEN X (AGES 45-56)

18% BOOMERS (AGES 57-65)

WEST 23%
MIDWEST 21%
NORTHEAST 17%
SOUTH 38%

49% MALE
51% FEMALE

NOTE: For the purpose of this study, the terms customer service and customer experience refer to the interactions customers have with people, companies, or organizations they do business with. It can happen before they make a purchase, during a sales process, following up for support, help, and more.

Interesting and Intriguing

If This Interests You, You Will Love This Report:

A Competitive Advantage:
78% of customers would be willing to go out of their way to go to a company that has better customer service.

Bad Service Costs You Business:
74% of customers would switch to a competing brand or company if they found out they provided a better customer experience.

Make Price Less Relevant:
58% of customers believe great customer service is more important than price.

Create Trust:
83% of customers trust a company or brand more if they provide an excellent customer service experience, up 4% from 2021 (79%).

Worse than Before the Pandemic:
59% of customers think customer service is worse now than before the pandemic.

Self-Service Is More Important:
71% of customers in 2022 report using self-service tools to answer questions or handle issues before contacting a live customer service agent, up 4% from 2021 (67%).

Convenience Wins Business:
75% of customers would switch to a competing brand or company if they found out they were more convenient to do business with.

Be Proactive:
81% of customers expect companies to reach out to them as soon as possible if there is a problem with their order or service.

We Can Do Better:
49% of customers reported having more bad customer service experiences in the past year compared to previous years.

Your Customers Care that You Care:
45% of customers believe it's important that a company has a social cause that's important to them.

INTERESTING? INTRIGUING? READ ON!

The Importance of All Customer Service Experiences Has Increased from 2021 to 2022

Every year I make the same statement: *Customer expectations are higher than ever.* The reason is that our customers no longer compare us only to our direct competition, but instead to the best service they receive from their favorite company or brand. Rockstar companies are changing our customers' expectations, and we must step up to meet and exceed them.

This is a benchmark question, and we can see that from last year to this year, all expectations have increased, even if just a bit. This is important, so let me repeat this another way:

The Importance of All Customer Service Experiences Has Increased from 2021 to 2022

The proof is in the numbers, customer service and experience are more important than ever.

We asked: *How important are each of the following customer service experiences to you in today's world?*

Experience	2022	2021
Employees are kind and helpful	89%	85%
Able to easily reach the right customer support person	88%	85%
Employees are knowledgeable about the products/services	88%	85%
Convenience	87%	84%
Fast customer support responses from an email, message, or text	86%	83%
Delivery	82%	79%
Little or no hold times when calling for customer help or support	81%	81%
Employees empathize with your frustrations or issues	75%	75%
A personalized experience from the agent or company employee	74%	73%

Amazing Stat:

In 2022, 83% of customers trust a company or brand more if they provide an excellent customer service experience, up 4% from 2021 (79%).

Age Matters

As we look at the generational breakdowns, *all* customer service experiences are more important to older generations compared to younger generations.

The biggest differences between the oldest and youngest generations (Boomers and Gen Z) have to do with tolerance. Boomers have 15% higher expectations when it comes to reaching the right customer support person. There's a 12% difference when it comes to fast responses from email, message, or text. And there's a 13% difference when it comes expecting little or no hold times when calling for help or support.

	Gen Z (18-25)	Millennials (26-44)	Gen X (45-56)	Boomers (57-65)
Employees are kind and helpful	87%	88%	88%	92%
Able to easily reach the right customer person	82%	86%	91%	96%
Employees are knowlegeable about the products/services	82%	86%	90%	93%
Convenience	81%	85%	90%	91%
Fast customer support responses from an email, message, or text	79%	85%	90%	91%
Delivery	77%	83%	85%	83%
Little or no hold times when calling for customer help or support	76%	79%	83%	89%
Employees empathize with your frustrations or issues	67%	76%	79%	78%
A personalized experience from the agent or company employee	70%	74%	75%	77%

Amazing Stat:

91% of Boomers compared to 74% of Gen Z think customer service is more important than ever.

Great Customer Service Makes Price Less Relevant

Customers will spend more for better customer service, and here are the numbers to prove it. So, if you ask if an investment into a better CX or training people to give better customer service is worth it, the short answer is, "Yes!"

We asked: *Is great customer service more important than price? 58% said, "Yes."*

Just to confirm, later in the survey we asked a similar question: *Would you pay more if you knew you would receive great customer service?* We got the same answer. 58% said, "Yes."

Let's break it down by generations:

Generation	
Gen Z	60%
Millennials	62%
Gen X	58%
Boomers	46%
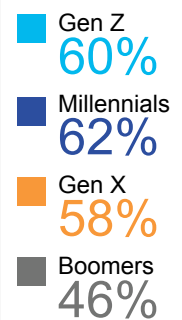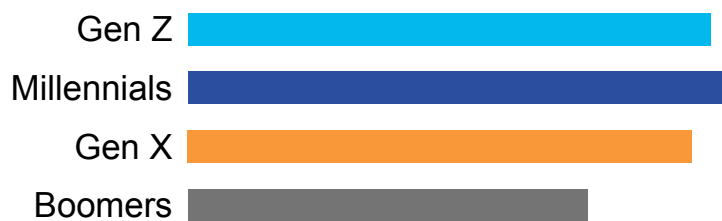
Amazing Stat:

60% of Gen Z are willing to pay more for great customer service versus just 46% of Boomers. The younger generation is less price sensitive.

Looking into the Future, This Is Essential

The findings of what customers deem to be essential in the near future are revealing and even surprising. We asked the same question last year and in every area except for one, the expectations increased. That one area is human interactions. In other words, customers expect all non-human customer service experiences to be more essential in the near future compared to 2021.

We asked: *Which of the following customer service experiences do you expect to be essential to you in the near future, 3-5 years?*

Experience	2022	2021
24/7 availability	57%	47%
Online chat (with a live agent or a real person) is always an option for help with problems or questions	46%	40%
Being able to complete all customer support interactions on a mobile device	43%	30%
A personalized experience from the agent or company employee	38%	36%
Intuitive self-service options that allow for easy and quick access to information and answers	32%	29%
Never being put on hold or transferred	31%	29%
Automatic fill for personal information (shipping address, payment information, etc.)	31%	24%
Human interactions only	29%	32%
Artificial intelligence and machine learning to answer customer questions	22%	21%

Amazing Stat:

- In the next three to five years, non-human customer service will be more essential.

- In the next three to five years, older generations expect 24/7 availability, online chat, human interactions only, and never being put on hold or transferred more than younger generations. Younger generations expect mobile friendly and intuitive self-service options more than older generations.

Convenience Makes a Difference

It's obvious. Customers want convenience, and they are willing to pay for it. They will even switch to a competitor that they know is more convenient. And a stat that surprised even me, is that 63% of customers surveyed felt that convenience was even more important than a friendly experience. So, imagine if you gave your customers both!

- ✅ **70%** would pay more if they knew they would receive a convenient experience.

- ✅ **75%** would switch to a competitor if they found out they were more convenient to do business with.

- ✅ **68%** say a convenient CS experience alone will make them come back to a brand or company.

- ✅ **80%** are likely to recommend a brand or company to friends/family if they provide convenient CS.

The Six Convenience Principles:

1. **No Friction:** Everything is easy, as in convenient. There's a piece of this one in all six principles.
2. **Self-Service:** Giving control to the customer. Consider how Amazon has created the ultimate self-service experience.
3. **Technology:** The right technology reduces friction. I love the convenience of making a bank deposit by taking a picture of a check and sending it to the bank versus having to visit the bank in person.
4. **Subscription:** A subscription model can be applied to most businesses. Customers love the convenience of subscribing to something that shows up on a regular basis, without them having to think about it.
5. **Delivery:** Take it to the customer versus making them come to you.
6. **Access:** Are you easy to get to? Three areas of access are location, availability (hours of operation), and communication (ease of connecting with the company when you need them).

(From the book *The Convenience Revolution* by Shep Hyken)

Amazing Stat:

63% say a convenient customer service experience is more important than a friendly customer service experience.

What Causes Friction

Friction is the opposite of convenience. So, here's a question: What is it that you don't like about some of the companies and organizations you do business with? Most likely it is some type of friction.

There are many ways friction shows up in the customer experience. Here are TEN WAYS companies (and employees) create friction. These are the "convenience infractions" that potentially drive away customers.

1. **Bad policies:** I hate when someone does something that seems like a waste of time, and then blames it on a policy or gives me a negative response to a question and says, "It's company policy."
2. **Making customers wait:** Sometimes a wait is inevitable. However, if you make a customer wait, let them know how long. Then don't be late!
3. **Inconsistent information:** When a customer gets two or more different answers to the same question, what pain do you cause their brain? Confusion is friction.
4. **Duplicate paperwork:** I'm always amazed at the amount of duplicate paperwork that is filled out. I recently talked to an executive of a bank, and he mentioned it was a big problem.
5. **Poorly trained employees:** It can tie into inconsistent information, but it's more than that. Employees who demonstrate a lack of knowledge or competency frustrate customers. Frustration is friction.
6. **Cumbersome technology:** Hard-to-navigate websites drive away customers.
7. **Broken anything:** If something is broken, the moment you find out about it, start fixing it. I'm surprised at what isn't fixed in a reasonable period of time.
8. **Not being able to talk to a person:** This is also frustrating. Some companies make it hard to get to a person. If a customer is on a website and needs help, there should always be a human fallback.
9. **A bad customer experience design:** The concept of CX design is a hot topic. Companies are assigning executive titles to the person in charge of "design." This isn't designing labels and packaging. This is designing the total end-to-end experience the customer has with your company. This is the person in charge of eliminating friction!
10. **Anything that wastes a customer's time:** This is more than putting a customer on a long hold. When it comes to business, the opposite of friction is easy, as in convenient. Much of convenience is not just being easy, but also saving the customer time. Anything that doesn't save the customer time, or wastes their valuable time, is friction.

By no means is this a complete list. At best, it's a start of a much larger list of what causes friction and inconvenience. There are many other ways companies cause friction for their customers – and even their employees.

Here's an assignment:

Sit down with your team and ask: Are we guilty of any of these convenience infractions? And what other ways might we be causing friction for our customers?
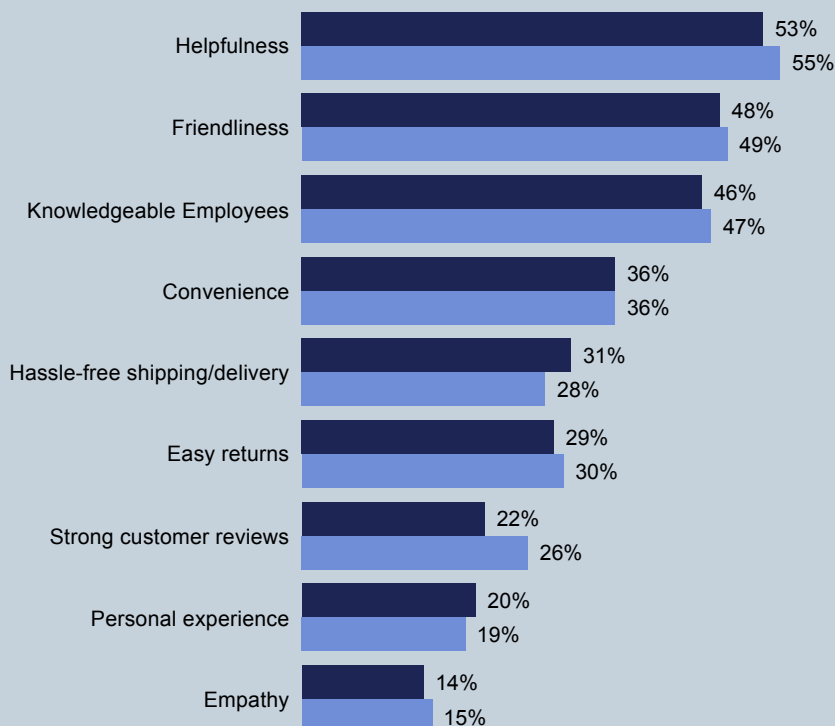
Customer Service Experiences that are Likely to Cause Customers to Come Back

What causes customers to come back are the foundations of customer service. Customers want to deal with people who are *helpful, friendly,* and *knowledgeable*. Note that these are attributes and have nothing to do with the process or experience. Your employees deliver on the top three reasons customers come back.

When you look at the next three reasons customers come back, which are *convenience*, *hassle-free shipping and delivery*, and *easy returns*, it's all about the experience. And shipping, delivery, and returns fall under the umbrella of convenience. An easy experience is what your customers want.

And generations have different perspectives on the experiences that influence them to come back. Older generations are influenced more to return to a business if their customer service is *helpful and knowledgeable*, while younger generations are more influenced more by a *friendly and convenient* experience.

We asked: *Which of the following customer service experiences are the most likely to cause you to come back?*

Experience	2022	2021
Helpfulness	53%	55%
Friendliness	48%	49%
Knowledgeable Employees	46%	47%
Convenience	36%	36%
Hassle-free shipping/delivery	31%	28%
Easy returns	29%	30%
Strong customer reviews	22%	26%
Personal experience	20%	19%
Empathy	14%	15%

Amazing Stat:

78% of customers would be willing to go out of their way to go to a company that has better customer service.

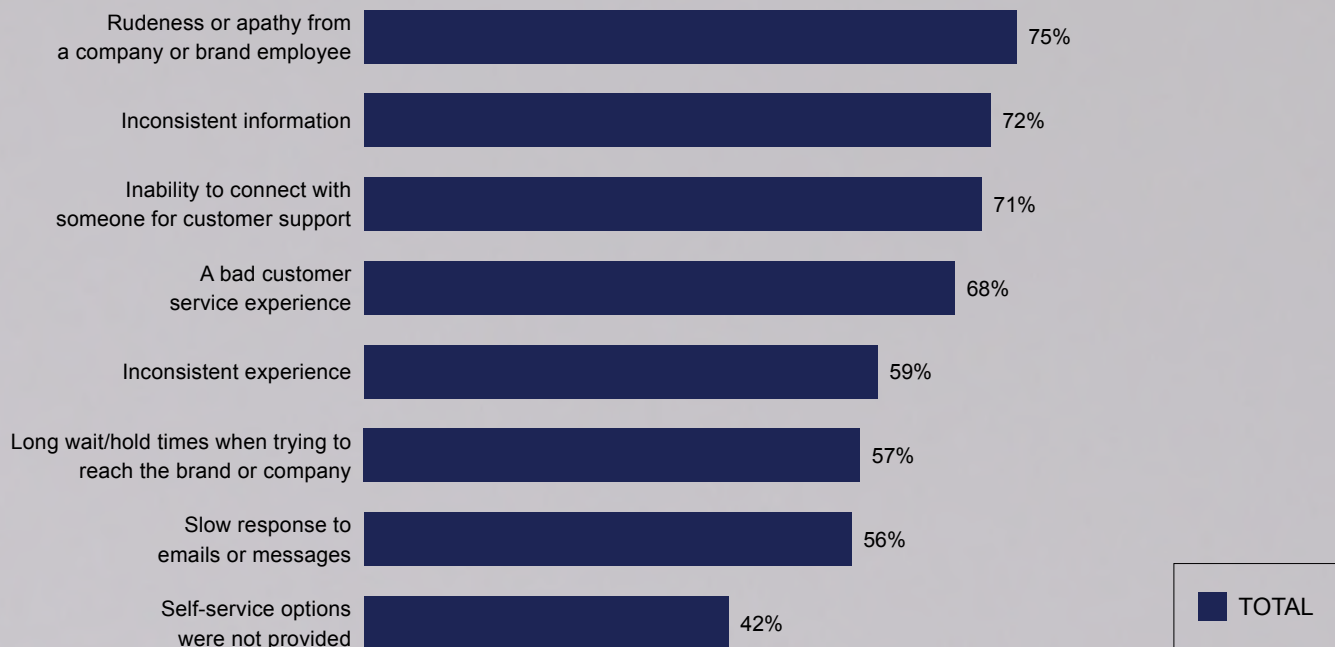# Bad Customer Service Experiences that Are Likely to Cause Customers to Leave

The number one reason customers leave won't surprise you. It's rudeness or apathy, which is almost the exact opposite of helpfulness and friendliness. Once again, this is in the complete control of the employee helping the customer. To eliminate this problem, companies must invest in hiring the right people and properly training them. Good people armed with good knowledge will eliminate the top reasons customers leave.

We also looked at income levels. Customers with higher incomes are significantly more likely than those with lower incomes to switch companies or leave a brand if they receive inconsistent information.

One surprising finding was that it appears that a good number of customers (42%) want self-service solutions. For those that aren't providing your customers alternatives to calling you for support, you might want to consider doing so.

We asked: *How likely would you be to switch companies or leave a brand after experiencing any of the following bad customer service experiences?*

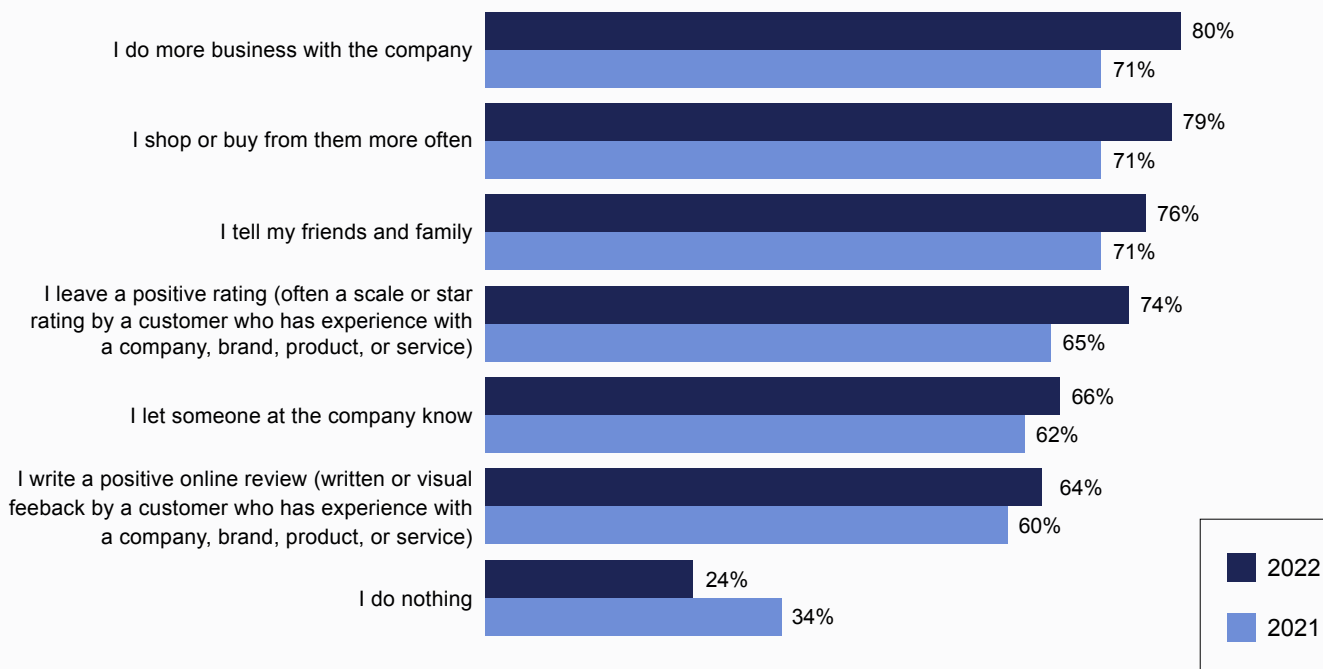| Experience	TOTAL
Rudeness or apathy from a company or brand employee	75%
Inconsistent information	72%
Inability to connect with someone for customer support	71%
A bad customer service experience	68%
Inconsistent experience	59%
Long wait/hold times when trying to reach the brand or company	57%
Slow response to emails or messages	56%
Self-service options were not provided	42%

Amazing Stat:

The younger generations have a higher tolerance for rude employees. 81% of Boomers said they are likely to switch companies or brands because of rudeness or apathy compared to 58% of Gen Z.

Good Behavior Is Rewarded!

Treat your customers right, and they will treat you right. Customers are significantly more likely to react positively in every way after receiving good customer service in 2022 compared to 2021. They will do more business, shop or buy more often, recommend you, leave positive ratings and reviews, and more.

We asked: *If you experience <u>good customer service</u> from a company, how likely are you to do each of the following?*

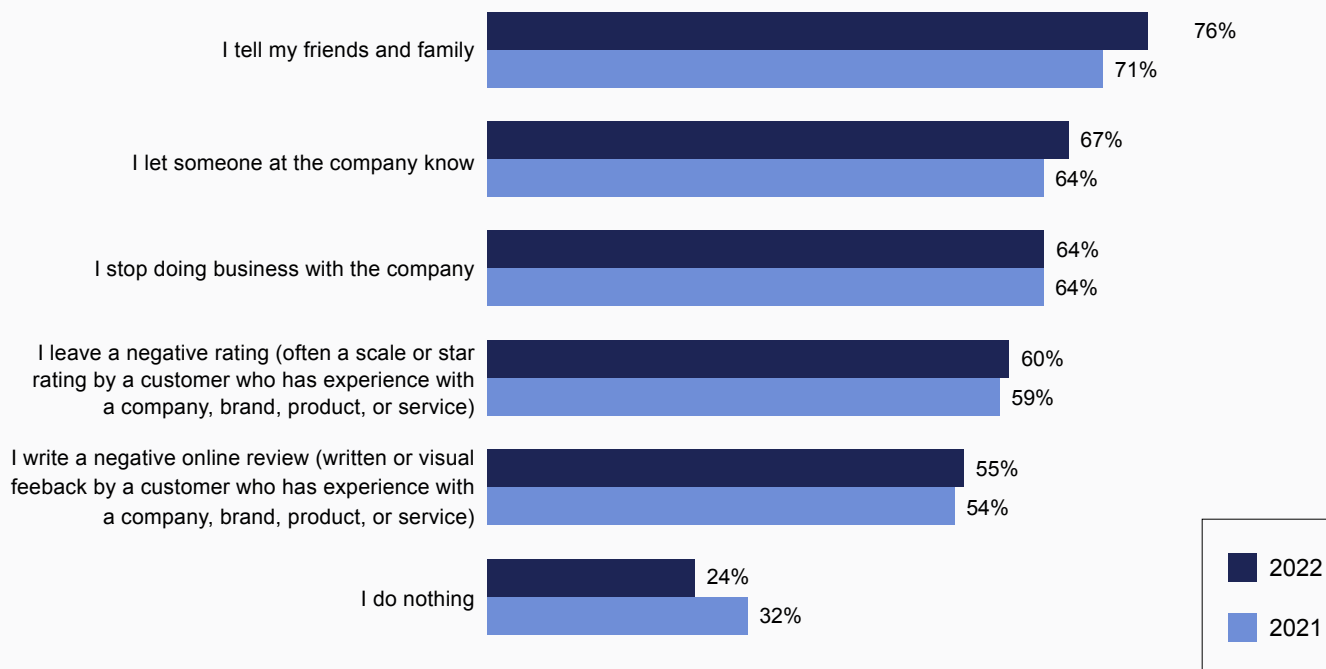| Behavior	2022	2021
I do more business with the company	80%	71%
I shop or buy from them more often	79%	71%
I tell my friends and family	76%	71%
I leave a positive rating (often a scale or star rating by a customer who has experience with a company, brand, product, or service)	74%	65%
I let someone at the company know	66%	62%
I write a positive online review (written or visual feeback by a customer who has experience with a company, brand, product, or service)	64%	60%
I do nothing	24%	34%

Amazing Stat:

- 80% of customers in 2022 are likely to recommend a brand or company to friends/family if they provide a convenient customer experience, up 6% from 2021 (74%).

- Younger generations are significantly more likely than older generations to do nothing after experiencing good customer service (31% of Gen Z versus 14% of Boomers).

Bad Behavior Has Consequences

And just as good customer service has positive outcomes, the opposite is true for a bad experience. Furthermore, customers are slightly more likely to react negatively in every way after receiving bad customer service compared to last year.

We asked: *If you experience <u>bad customer service</u> from a company, how likely are you to do each of the following?*

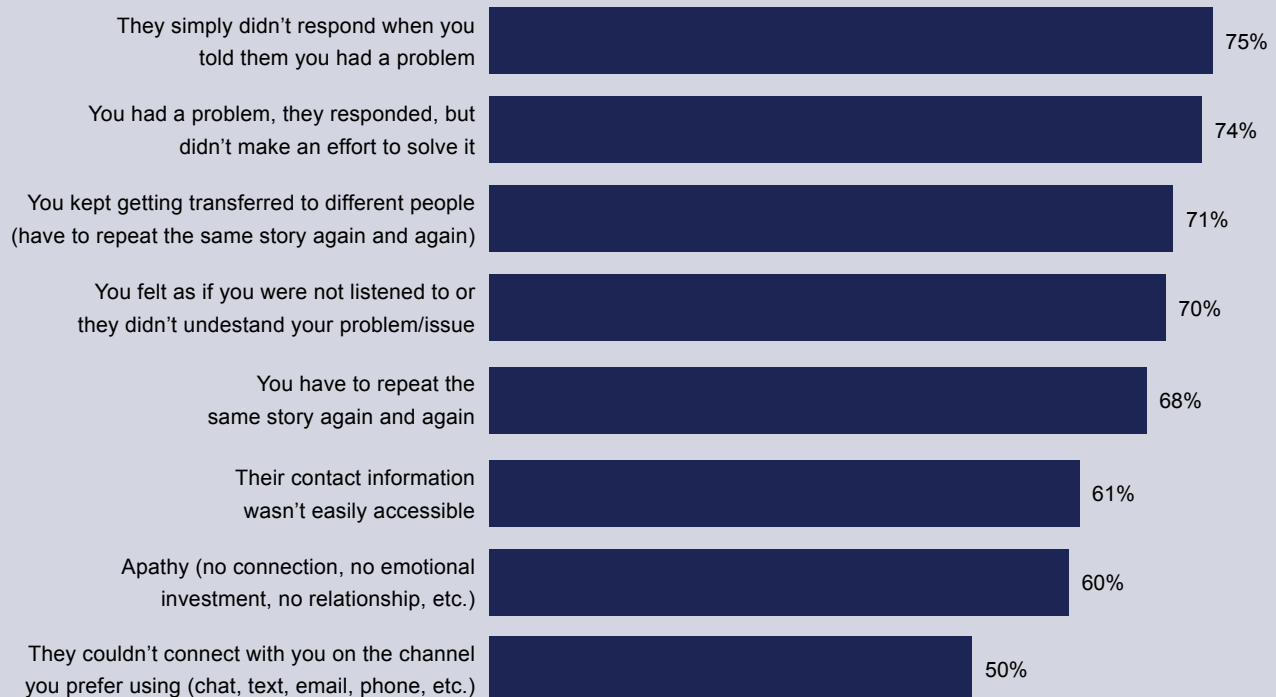| Response	2022	2021
I tell my friends and family	76%	71%
I let someone at the company know	67%	64%
I stop doing business with the company	64%	64%
I leave a negative rating (often a scale or star rating by a customer who has experience with a company, brand, product, or service)	60%	59%
I write a negative online review (written or visual feeback by a customer who has experience with a company, brand, product, or service)	55%	54%
I do nothing	24%	32%

Amazing Stat:

It doesn't always have to be bad customer service that gets a customer to switch. 74% would switch to a competing brand or company if they found out they provided a better customer experience.

More Reasons Why Customers Don't Come Back

Is customer service that hard? It shouldn't be. The foundation of a great customer experience that gets customers to come back is rooted in common sense. Be nice, respond quickly, and act like you care. It's up to the company to properly train their people and create an easy, convenient, friction-free process that makes it easy for the customer to do business.

We asked: *How likely are you to switch companies or leave a brand after experiencing each customer service issue?*

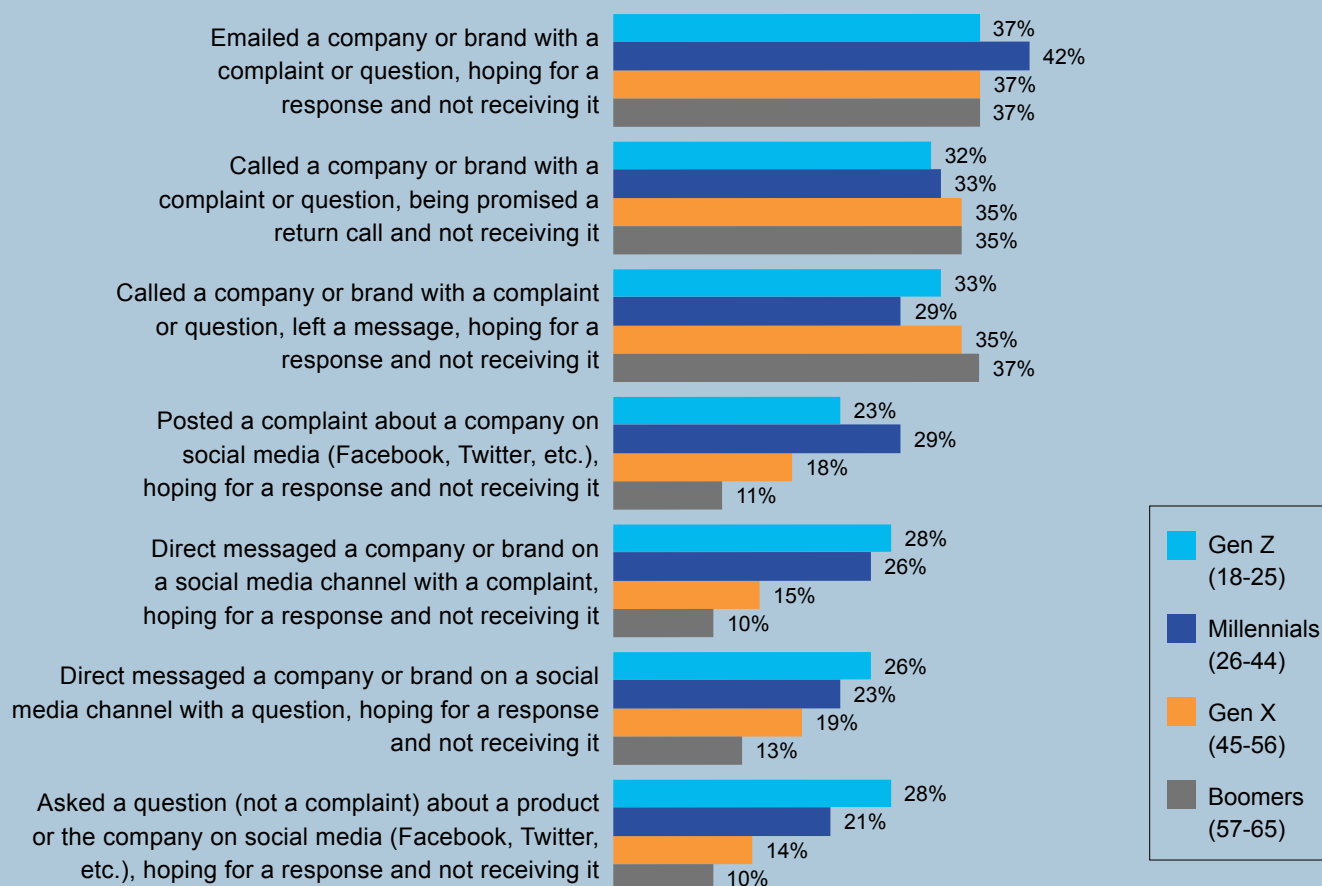| Customer Service Issue	TOTAL
They simply didn't respond when you told them you had a problem	75%
You had a problem, they responded, but didn't make an effort to solve it	74%
You kept getting transferred to different people (have to repeat the same story again and again)	71%
You felt as if you were not listened to or they didn't undestand your problem/issue	70%
You have to repeat the same story again and again	68%
Their contact information wasn't easily accessible	61%
Apathy (no connection, no emotional investment, no relationship, etc.)	60%
They couldn't connect with you on the channel you prefer using (chat, text, email, phone, etc.)	50%

Amazing Stat:

Rudeness continues to be the number one reason customers say, "I'm not coming back!"

Which Have You Ever Done After Receiving a Bad Customer Service Experience?

What do you think would happen if a customer called a company and was promised a return call, but never received it? Or if the customer emailed the company and never received a response? Or reached out with a question on social media and never received an answer? Just look at the findings throughout this report and you'll realize that you may never see them again.

If a customer received a bad customer service experience and reached out, they are giving you the chance to fix it. Not doing so is a risk to your business and a benefit to your competition.

We asked: *Which of the following customer service experiences are the most likely to cause you to not come back?*

Experience	Gen Z (18-25)	Millennials (26-44)	Gen X (45-56)	Boomers (57-65)
Emailed a company or brand with a complaint or question, hoping for a response and not receiving it	37%	42%	37%	37%
Called a company or brand with a complaint or question, being promised a return call and not receiving it	32%	33%	35%	35%
Called a company or brand with a complaint or question, left a message, hoping for a response and not receiving it	33%	29%	35%	37%
Posted a complaint about a company on social media (Facebook, Twitter, etc.), hoping for a response and not receiving it	23%	29%	18%	11%
Direct messaged a company or brand on a social media channel with a complaint, hoping for a response and not receiving it	28%	26%	15%	10%
Direct messaged a company or brand on a social media channel with a question, hoping for a response and not receiving it	26%	23%	19%	13%
Asked a question (not a complaint) about a product or the company on social media (Facebook, Twitter, etc.), hoping for a response and not receiving it	28%	21%	14%	10%

Amazing Stat:

After a bad customer service experience, older generations are more likely to call on the phone to complain, while younger generations are significantly more likely to complain using social media.

Pay Attention to What Customers Are Saying

We have to pay attention to what our customers are telling us. If you give them bad service, what will they do? If they are happy, how often do they share the experience with friends? Will they pay more for a better – or more convenient – experience? When you understand your customers' behaviors, you may change the way you treat them.

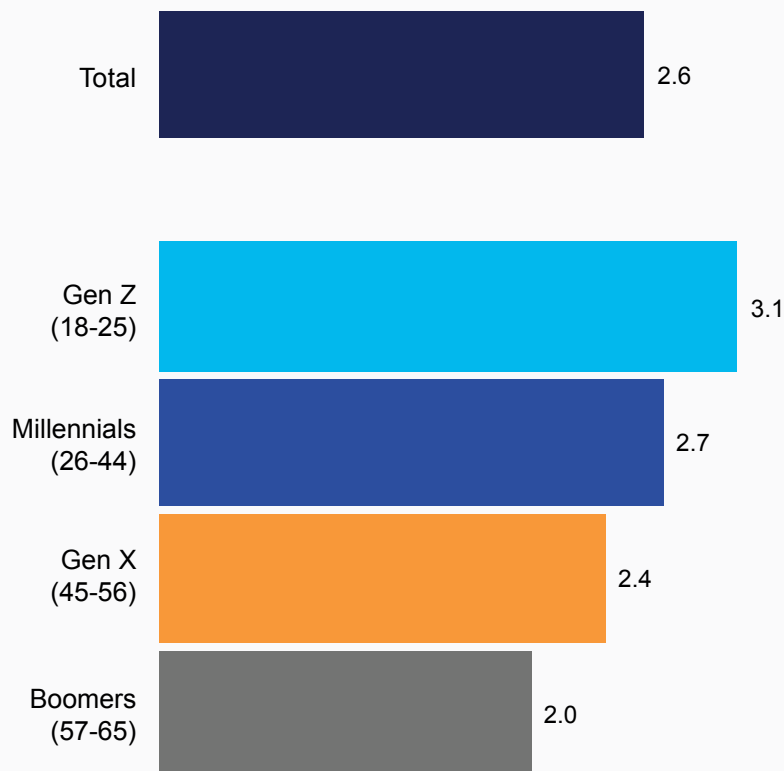**We asked:** *How much does each of the following statements describe you?*

Statement	%
I am willing to switch brands/companies because of a bad customer service experience	86%
I am willing to switch brands/companies because I know another company will give me a better customer service experience	83%
I share good customer experiences with friends/family or social media	75%
I'm willing to pay more if the experience is more convenient	70%
I share bad customer service experiences with friends/family or social media	64%

Amazing Stat:

84% of customers think companies should focus extra efforts on customer service now more than they have in the past.

How Many Chances Do You Deserve?

On average, customers will give a company fewer than three chances after a bad customer service experience before moving to the competition.

We asked: *How many chances would you give a company after a bad customer service experience before switching to a new company?*

Category	Value
Total	2.6
Gen Z (18-25)	3.1
Millennials (26-44)	2.7
Gen X (45-56)	2.4
Boomers (57-65)	2.0

Amazing Stat:

Younger generations will give companies more chances after a bad customer service experience before switching compared to older generations.

Self-Service Versus the Phone

We asked: *Do you use self-service tools?*
(Self-service tools can include a Frequently Asked Questions/FAQs page on a website, video tutorials, interactive voice response systems, chatbots, and other digital technologies to answer questions or handle issues before contacting a live customer service agent.)

71% said, "Yes," to using self-service tools...

Now that we've got the 71% stat and the YES above, this question follows:
But do customers *prefer* self-service tools? The answer is quite different.

We asked: *When you have a problem or issue with a company or brand, which solution do you prefer to help solve your problem?*

■ Use a digital self-service option	■ Call the company and talk to a live customer service agent

TOTAL

	Digital self-service	Live agent
2022	35%	65%
2021	41%	59%

AGE MATTERS

	Digital self-service	Live agent
Gen Z (18-25)	49%	51%
Millennials (26-44)	41%	59%
Gen X (45-56)	27%	73%
Boomers (57-65)	14%	86%
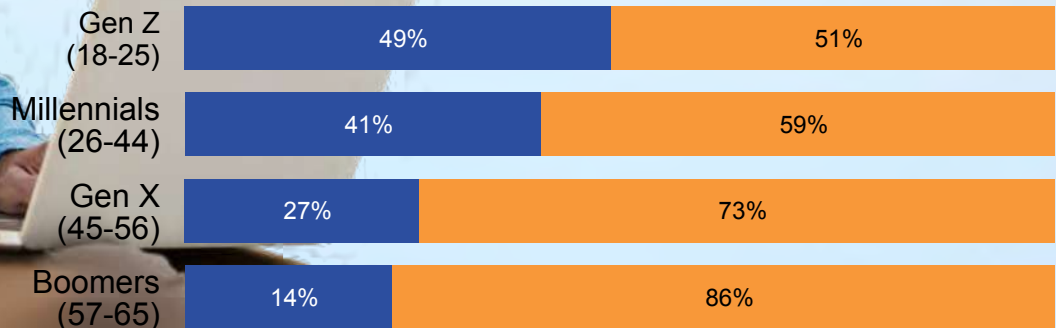
Amazing Stat:

In 2022 customers are more likely to solve an issue by calling the company directly and talking to a live customer service agent versus using self-service options compared to 2021.

46% of customers would rather go to the dentist than call customer support.

OUCH! It seems that going to the dentist to get a filling or a root canal is preferred over having to call customer support.

The following horror story has happened to all of us.

You spend 10 minutes searching a company's website for a customer support phone number that you eventually find in tiny print on an obscure page. You make the call, and you're put on hold for an unreasonable amount of time. The hold music is terrible, and they don't tell you how long it's going to be. You just wait and wonder, and finally someone answers. You have a hard time understanding them. It may not be an accent that's hard to understand. It may be that you can hear hundreds of other customer service agents in the background, making it hard to hear and understand the agent you're talking to.

You take the time to tell the agent your name, address, last four digits of your Social Security number, your mother's maiden name and the answer to a security question. Then another five minutes explaining your story. The agent keeps saying, "I'm sorry," so many times that it loses its impact and seems insincere. You hope this is the person to help you, but your dreams are shattered when the agent says, "I'm sorry, that's not my department." From there they transfer you to someone they think is better equipped to help you.

And, then it starts over! The next agent and the experience is no better than the last. Finally, you ask to speak to a supervisor. Yes, you've done that! Admit it! I can keep going, but you get the idea.

First, nobody wants to call customer support. They don't want to have a problem that forces them to do something they hadn't planned on doing. But it happens, and when it does, you can't give your customers anything that resembles the experience I just described.

So, do you want to know what's important to customers? Here's a summary of some of the findings from this year's ACA study. Customers want:

- employees who are knowledgeable about the products and services a company sells
- employees who are kind and helpful
- the ability to reach the right customer support person
- convenience – an easy and hassle-free experience
- fast responses to their customer support questions from an email, message or text

These are some of the basics! And to most of us, these are common sense. Unfortunately, they aren't always as common as they should be. But the companies that get it right flourish ahead of the customer service laggards. Read more stats and facts in this report. The information our study revealed is your motivation to deliver an amazing customer experience.

Amazing Stat:

42% would rather clean a toilet than call customer support.
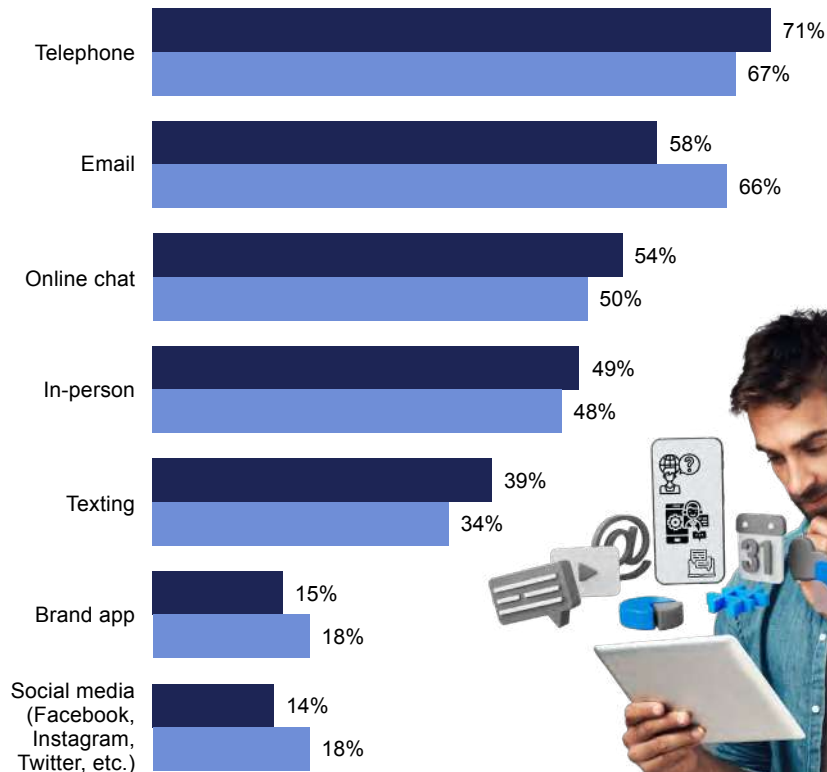
Preferred Methods of Communication

The phone is still the number one way a customer prefers to reach out to a company or brand. Surprisingly, more customers prefer the phone in 2022 versus 2021. As technology improves, the number of customers willing to use channels other than the phone should increase.

Also, it is important to keep the omni-channel experience in mind. Customers will use whatever method of communication is easiest for them at any given time. Today it's email and tomorrow it's the phone. Regardless of the channel, the best experience allows for customers to move from one to the next, in one continuous conversation.

Finally, over the past seven-plus years there has been a push for more social media customer care. Even though it is the least preferred method of communication, there is no doubt that the adoption of using Twitter, Facebook and other social channels has increased. Often social media is a second or third attempt to get to someone from the company to respond, which means the customer is more frustrated than ever.

We asked: *In general, what is your preferred method of communication when contacting a company for customer service? (NOTE: We asked for their first, second and third preferred methods.)*

Preferences for contacting customer service via telephone, online chat, and text have all increased from 2021 to 2022.
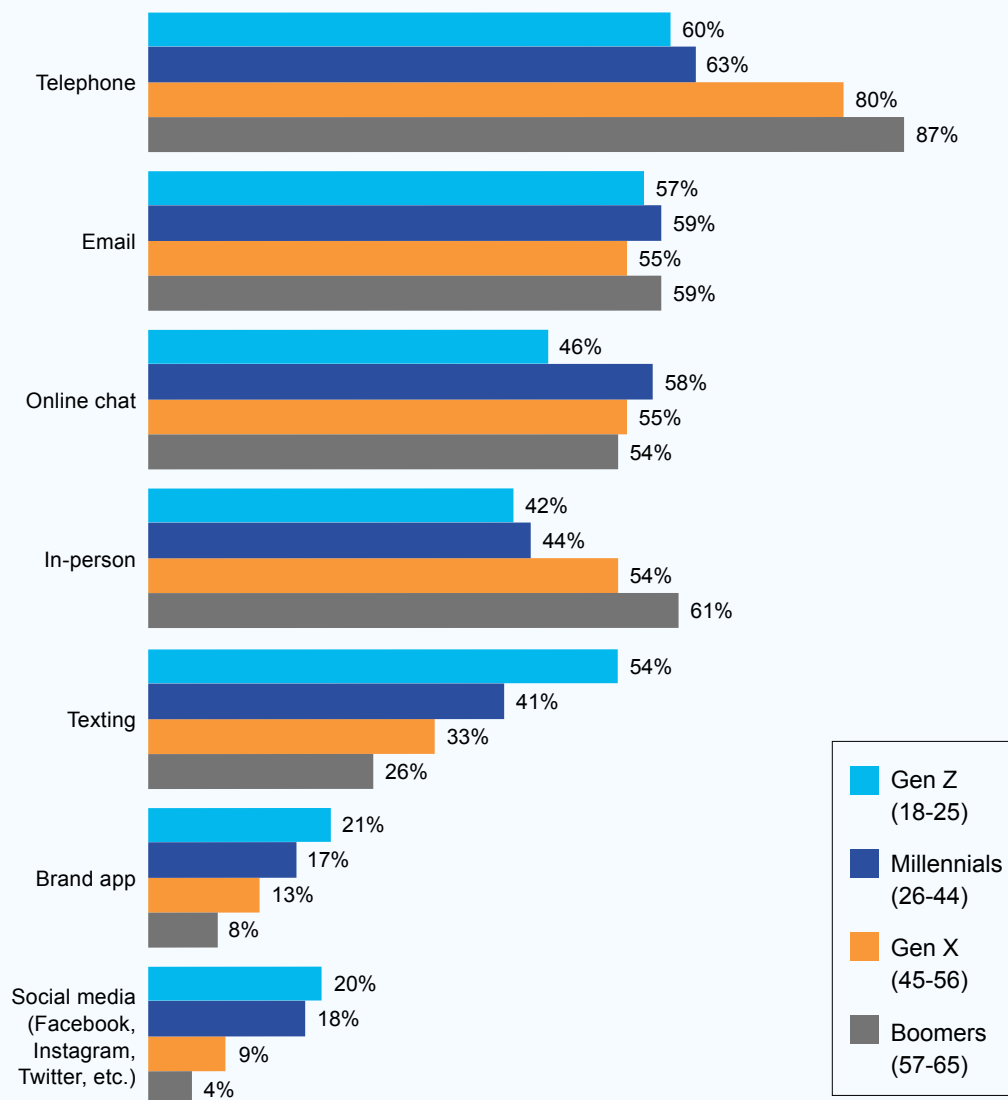
Telephone — 2022: 71% | 2021: 67%
Email — 2022: 58% | 2021: 66%
Online chat — 2022: 54% | 2021: 50%
In-person — 2022: 49% | 2021: 48%
Texting — 2022: 39% | 2021: 34%
Brand app — 2022: 15% | 2021: 18%
Social media (Facebook, Instagram, Twitter, etc.) — 2022: 14% | 2021: 18%

Legend: 2022 / 2021

Amazing Stat:
Social media continues to be the least preferred method to contact a company for customer service – even less than last year.

Age Matters

When it comes to contacting customer support, age truly matters. It's obvious that Boomers and Gen X are into the traditional method of using the phone. And it's probably not a surprise that Gen Z's are significantly more likely than older generations to prefer to communicate with customer service through texting, a brand app, and social media.

Telephone
- 60%
- 63%
- 80%
- 87%

Email
- 57%
- 59%
- 55%
- 59%

Online chat
- 46%
- 58%
- 55%
- 54%

In-person
- 42%
- 44%
- 54%
- 61%

Texting
- 54%
- 41%
- 33%
- 26%

Brand app
- 21%
- 17%
- 13%
- 8%

Social media (Facebook, Instagram, Twitter, etc.)
- 20%
- 18%
- 9%
- 4%

Legend:
- Gen Z (18-25)
- Millennials (26-44)
- Gen X (45-56)
- Boomers (57-65)

Amazing Stat:

87% of Boomers prefer the phone versus 60% of Gen Z.

Waiting on the Phone

When contacting customer service on the phone, 87% of customers are willing to wait up to five minutes for a helpful response before getting frustrated or angry, but only 51% are willing to wait up to 10 minutes.

We asked: *When contacting customer service on the phone, how long are you willing to hold for a helpful response before getting frustrated or angry?*

- ✓ 3% are not willing to hold for any amount of time.
- ✓ 7% become frustrated or angry after waiting for one minute.
- ✓ 36% become frustrated or angry or angry after waiting five minutes.
- ✓ 32% become frustrated or angry after waiting for 10 minutes.
- ✓ 81% become frustrated or angry after waiting for 30 minutes.
- ✓ 95% become frustrated or angry after an hour.

Waiting for a Text Response

When contacting customer service through text, 83% of customers are willing to wait up to five minutes for a helpful response before getting frustrated or angry, but only 31% are willing to wait up to 30 minutes.

We asked: *When contacting customer service through text, how long are you willing to hold for a helpful response before getting frustrated or angry?*

- ✓ 7% get frustrated or angry after waiting for just one minute.
- ✓ 17% become frustrated or angry at the five-minute mark.
- ✓ 44% become frustrated or angry after waiting for 10 minutes.
- ✓ 69% become frustrated or angry after waiting for 30 minutes.
- ✓ 85% become frustrated or angry after an hour.

Amazing Stat:

50% think that when calling customer support for a problem or question, the company does not value their time.

Waiting for an Email Response

When contacting customer service through email, 71% of customers are willing to wait up to one hour for a helpful response before getting frustrated or angry, but only 38% are willing to wait up to three hours.

We asked: *When contacting customer service through email, how long are you willing to wait for a helpful response before getting frustrated or angry?*

- ✓ 6% get frustrated or angry after waiting 10 minutes.
- ✓ 17% become frustrated or angry after 30 minutes.
- ✓ 29% become frustrated or angry after waiting an hour.
- ✓ 41% become frustrated or angry after waiting two hours.
- ✓ 62% become frustrated or angry after waiting three hours.
- ✓ 69% become frustrated or angry if you make them wait 24 hours.

Waiting for a Social Media Response

When contacting customer service through social media, two-thirds of customers are willing to wait up to 10 minutes for a helpful response before getting frustrated or angry, but almost one-third have never contacted support via social media.

We asked: *When contacting customer service through social media (Facebook, Twitter, etc.), how long are you willing to wait for a helpful response before getting frustrated or angry?*

- ✓ 13% get frustrated or angry after waiting 10 minutes.
- ✓ 17% become frustrated or angry after 30 minutes.
- ✓ 29% become frustrated or angry after waiting an hour.
- ✓ 41% become frustrated or angry after waiting two hours.
- ✓ 62% become frustrated or angry after waiting three hours.
- ✓ 69% become frustrated or angry if you make them wait 24 hours.

Amazing Stat:

40% of customers have yelled at a customer service agent and 33% of customers have cussed at a customer service agent.
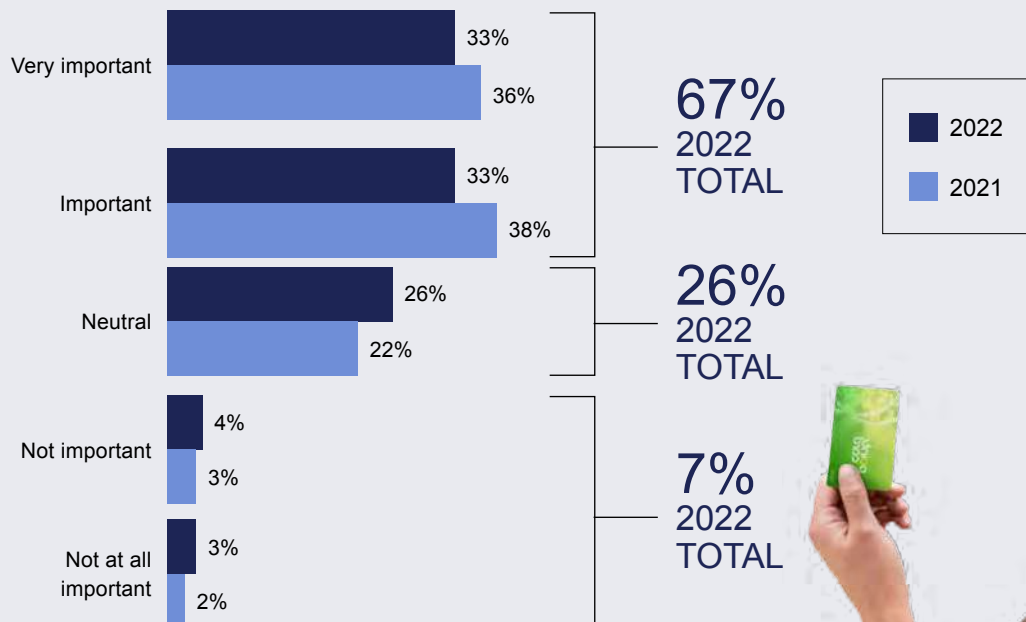
Points and Perks

67% of customers prefer to do business with a company or brand that has a good loyalty or rewards program.

I love the idea of a rewards program. Some call these loyalty programs. So, here's a spoiler: Most rewards and loyalty programs don't create loyalty. But they create repeat business, and there's nothing wrong with that. However, don't mistake repeat business for true customer loyalty.

Most rewards programs are actually marketing and/or discount programs. The more customers buy, the more points they get, which are then redeemed for free or discounted purchases in the future. A sandwich shop may punch a card and the fifth sandwich is free. That's a discount program that drives repeat business. Or the airline gives their passengers points or miles for their flights. These points are redeemed for free trips in the future.

These perks do get customers to come back. They get them to spend more. They also make customers less price sensitive. And with the right program, customers will go out of their way to do business with you. But again, that isn't loyalty. If you took away the points and perks, would the customer come back?

We asked: *How important are customer rewards programs (points, rewards, coupons, etc.) when it comes to giving a company or brand your repeat business?*

Category	2022	2021
Very important	33%	36%
Important	33%	38%
Neutral	26%	22%
Not important	4%	3%
Not at all important	3%	2%

67% 2022 TOTAL

26% 2022 TOTAL

7% 2022 TOTAL

Legend: 2022, 2021

Amazing Stat:

59% are willing to pay more for a company or brand that has a good loyalty or rewards program.

Do Loyalty Programs Really Create Loyalty?

I'm often asked about loyalty programs. Any company can create a loyalty program. But, there is some confusion around what exactly a loyalty program is. A Wikipedia definition of a loyalty program summed it up nicely: Loyalty programs are structured marketing strategies designed by merchants to encourage customers to continue to shop at or use the services of businesses associated with each program.

"Structured marketing strategies." Now, that's an interesting way of putting it. Anything you do to get a customer to start to do business with you – and gets them to return – could fall under the concept of a marketing strategy. I'm good with that. But, when it comes to a loyalty program that will drive repeat business, there are three types. One is a discount or perks program. Another is a relationship program. The third is a membership program.

A discount or perks program is exactly what it sounds like. When you buy five sandwiches at a restaurant and get the sixth one free. Or when the airlines give you a free trip or upgrade to first class based on how many miles you've accumulated. These programs may drive repeat business but don't always create loyalty. Would the customer continue to do business with you if you took the benefits away?

The danger here is… Sometimes customers are loyal to your loyalty program and not your business.

But, then there are other loyalty programs that offer you something quite different than what can be deemed a financial incentive to do business with them.

Nike is an excellent example of a relationship program. When you sign up for Nike's program, it's about content and connection, not discounts. If you are buying running shoes and have identified yourself as a marathon runner, Nike may send you news and videos related to precisely that. You won't receive content related to basketball. They personalize your Nike experience. Their content educates you, lets you know what new products are coming out, and more. They know you, they know what you like, and they make you feel connected. Currently, Nike has over 100 million members in their "loyalty program."

The third type of program is a membership program, which can also drive repeat business and loyalty. Amazon's Prime program is the perfect example. You pay for being a member, and in return, you get access to perks and amenities, such as Prime video content, music, and more. However, your perks don't get better based on how much you buy. Everyone gets treated the same. You are simply part of a membership program that doubles as a loyalty program. After all, if you paid good money to be part of the program, you'll probably want to take advantage of all it has to offer.

Is one type of loyalty program better than the other? I like any loyalty program as long as you recognize what you're trying to achieve. To me, one of the best perks you can offer any customer is an amazing customer experience that makes them want to come back. Combine that with your "official" loyalty program, and the discount and perks are "the icing on the cake."

Amazing Stat:

72% of customers think they should be treated better for being a loyal customer.

Ratings and Reviews Make Customers Smarter Buyers

What's the difference between a rating and review? A rating uses a scale, like four or five stars. A review is a customer testimonial. Both are increasingly important in helping customers make buying decisions.

We asked: *Has reading a review stopped you from making a purchase you were ready to make in the past year?* **68% said, "Yes."**

We also asked: *Do you think ratings and reviews are going to be more important to you in the future?* **73% said, "Yes."**

As customers are relying on ratings and reviews more and more, and will continue to do so in the future, companies and brands must embrace the concept of letting customers have a forum to post about their experiences. Ratings and reviews help customers become smarter buyers.
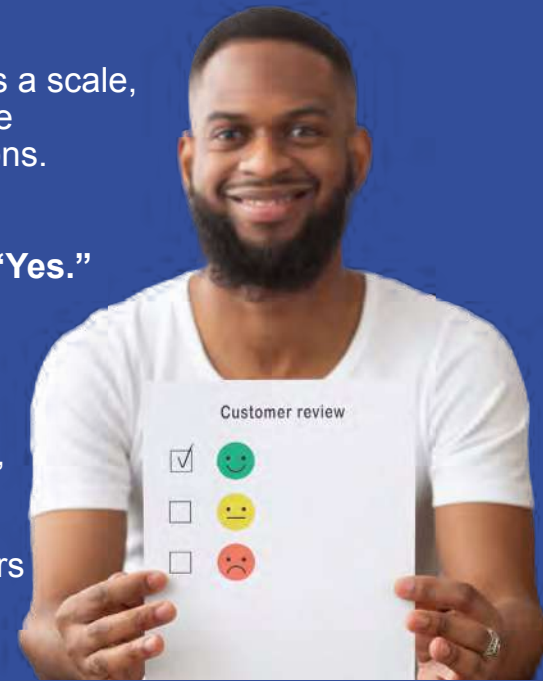
We asked: *How many customer ratings and reviews have you left in the past year for each type of experience?*

CUSTOMER RATINGS

After a good customer experience	5.0
	4.3
After an average customer experience	3.3
	3.1
After a bad customer experience	3.6
	3.0

CUSTOMER REVIEWS

After a good customer experience	4.3
	3.3
After an average customer experience	3.1
	2.4
After a bad customer experience	3.3
	2.4

■ 2022
■ 2021

Amazing Stat:

Whether it is a good, average or bad experience, customers left more ratings and reviews in the past year than the year before.

A Social Cause Can Drive Repeat Business

Doing business with a company that contributes to a cause or takes a stand the customer agrees with helps with the customer experience. Customers feel good about these companies. These causes can be a charity, sustainability, contributing to the community, and more. Over the past several years I've heard that customers, especially the younger generations, felt strongly about this, so we decided to find out.

45% of customers believe it's important that a company has a social cause that's important to them. Only 20% feel that a cause is not important enough to sway their buying decision. And it is significantly more important for younger generations than older generations that companies have a social cause.

We asked: *How important is it to you that a brand or company has a social cause that is important to you?*

	Very important	Important	Neutral	Not important	Not at all important
Gen Z (18-25)	25%	30%	32%	7%	6%
Millennials (26-44)	26%	25%	36%	8%	5%
Gen X (45-56)	16%	24%	38%	13%	9%
Boomers (57-65)	11%	18%	33%	20%	18%

45% TOTAL (Very important + Important)
35% TOTAL (Neutral)
20% TOTAL (Not important + Not at all important)
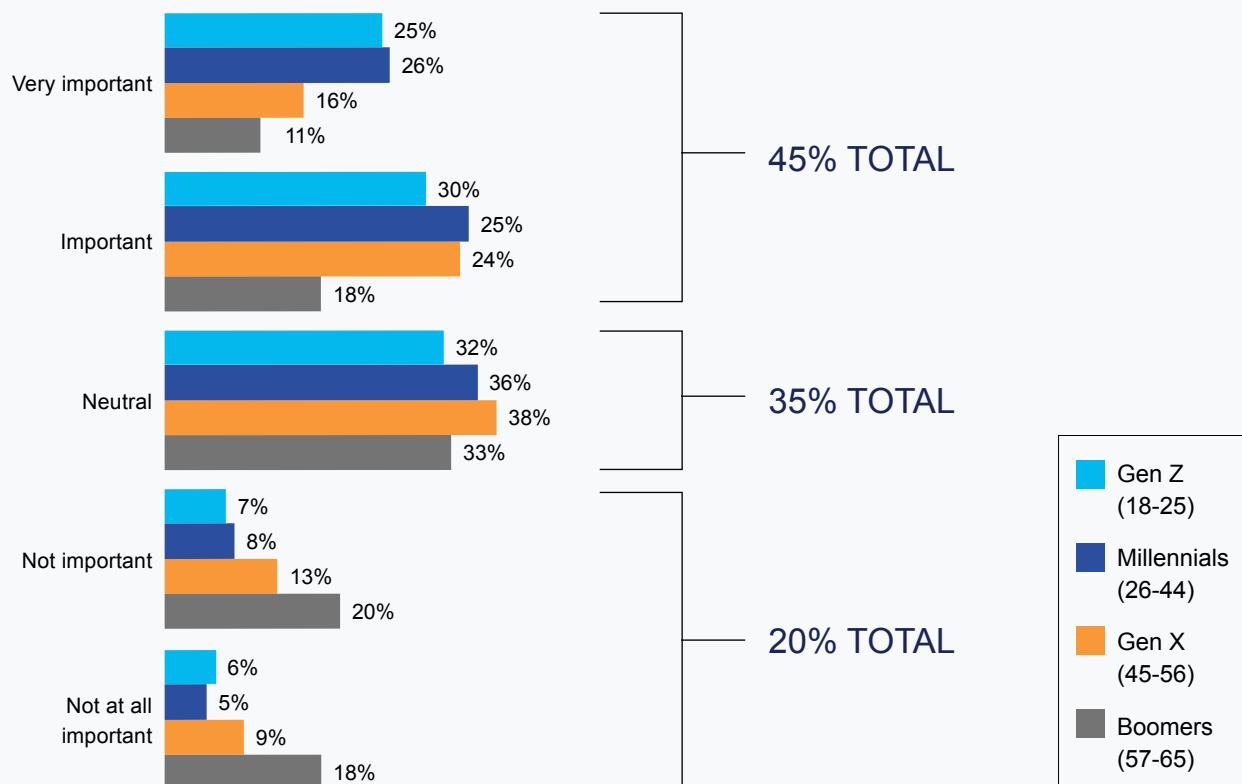
Amazing Stat:

46% of Gen Z compared to 13% of Boomers are willing to tolerate poor customer service if a company or brand supports a social cause that's important to them.

40%

of customers have stopped doing business with a company because their customer satisfaction survey was too long.

The Survey Shouldn't Be the Last Thing the Customer Remembers About You

I'm all for getting customer feedback. There are different ways to go about it. Ask customers on the way out of a store, call them on the phone, or send follow-up surveys via email. I wrote about underline surveys a few years ago. The gist of that article was about getting more customers to fill out those surveys. Two areas were covered: timing (when the survey was sent) and length (how long it takes customers to complete). Without rehashing the entire article, timing is important. Don't wait two weeks to send the survey. And don't make it too long.

Think about what you're asking the customer to do when you send them a survey. Let's say you own a restaurant. On the way in, you want your customers to be greeted warmly before enjoying great food and friendly service. At the end of their meal, you want them to experience genuine appreciation as they leave. That final part of the experience—the genuine appreciation as they leave—makes for a great last impression. The next day, you send the customer a survey.

Now, there is nothing wrong with that survey. After all, this is where you get feedback. But consider this. After that wonderful experience and that fond "farewell until next time," this becomes the new last impression. Let me repeat, so it's crystal clear:

The survey is your new last impression.

That is why it's important that the survey is done the right way. Here are a few dos and don'ts to consider:

- Don't send the survey too soon. I once received a survey before I even left the hotel's property where I was staying.
- Don't wait too long to send the survey. I've received surveys two weeks after my experience with a company. I can barely remember what I did yesterday, let alone two weeks ago. Okay, this is a slight exaggeration, but you get the point.
- Don't make the survey too long, causing "survey fatigue."
- Don't send the same survey over and over again to the customer who visits you over and over again. Please, remember me as a person, not a repeat transaction.
- Do send the survey to the customer at the right time, which varies depending on your type of business.
- Do personalize the introduction to the survey. Make the customer feel like a valued person and not, as mentioned above, a transaction.
- Do thank the customer once they respond, and if they have a specific suggestion, let them know they have been heard.

We spend a lot of effort, and even money, to turn prospects into customers. We do our best to create a good customer experience. Don't let the last impression be tainted with a survey that is improperly delivered. The last impression, good or bad, is a lasting impression.

Amazing Stat:

Gen Z is 29% more likely than a Boomer to stop doing business if the survey was too long.

FINAL WORDS

We asked, "What three words best describe an excellent customer service experience to you in today's world?" They are:

Friendly

Knowledgeable

Helpful

Other words that rounded out a Top Ten list include (in order of popularity): Good, Understanding, Nice, Empathy, Fast, Quick and Kind.

We also asked, "What are the top three companies or brands that come to mind when you think of an excellent customer service experience in today's world?" And the winners are:

Walmart

Chick-fil-A

Nordstrom

Rounding out a Top Ten list (in order of popularity): Amazon, Best Buy, McDonald's, Ritz-Carlton, Fry's, Starbucks, Domino's and AT&T.

Let's give them something to talk about!

Something to Talk About is the hit song that Bonnie Raitt released back in 1991. She went on to win the Grammy Award for Best Female Pop Vocal Performance for this song and the album was nominated for Record of the Year, losing to *Unforgettable* by Nat King Cole and Natalie Cole.

Isn't that what you want… Customers to <u>talk about</u> your <u>unforgettable</u> experience?

Customer service and customer experience are your best marketing strategies. If you're like most companies, you spend a lot of money to get people to buy what you sell. How customers are treated throughout their buying journey, as well as after the sale, is what gets customers to come back. It also gets them to talk about you.

So, don't just read this report. Use this report! Our findings will help you understand why customers return, leave, recommend you, leave negative reviews, and much more. Consider the following questions:

- Look at the touchpoints your customers experience when doing business with you. Are they optimized for the best experience?
- Are your people properly trained and empowered to provide the best experience possible?
- Is there a process that's inconvenient or marred with friction that frustrates your customers?

These questions, and more, are what you should be asking when you are designing the optimal customer experience.

Customers have choices. Most likely, they can go somewhere else to buy what you sell – or at least something close to it. Don't give them a reason to leave you. Manage the experience that gets them to say, "I'll be back!"

Want to take your CS & CX knowledge a step further?

Shep has written seven books, all with a focus on customer service and experience. Pick up any of these great titles today from Amazon or our website, and commit to taking your customer service and customer experience to the next level!

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Shep is a celebrated international keynote speaker who works with companies and organizations that want to build loyal relationships with their customers and employees. Shep is known for his high-energy presentations, which combine important information with entertainment to create exciting programs for his audiences. Shep's most requested programs focus on customer service, customer loyalty, internal service, customer relations and the customer experience. All of Shep's speeches are completely customized. He works with you to understand your audience, your theme and your goals for the presentation. If you are interested in learning more, please reach out to our office at **314-692-2200** or **info@hyken.com**.

In addition to live presentations at your event, Shep also offers a wide range of virtual "interactions" (because the word webinar is so boring):

• Livestream Presentation
Shep is known for his high-energy presentations—a live stream serves as the true virtual replacement.

• Pre-Recorded Presentation
A keynote-style speech recorded in Shep's studio and edited to perfection with graphics and B-Roll.

• Fireside Chat
A more informal offering during which Shep discusses a topic of the client's choosing with leadership. (Can be presented live or pre-recorded.)

• Virtual Interaction
A hybrid event consisting of a 10-15 minute presentation from Shep, followed by an interview, Q&A and discussion. (Can be presented live or pre-recorded.)

• Webinar
You still want to use the word webinar? Okay… This is similar to the Virtual Interaction with more presentation and less conversation. Shep always encourages a balance of "formal presentation" (slides) with interactive discussion, interview, Q&A and discussion. (Can be presented live or pre-recorded.)