



The 2021 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.

How well do you think you know your customers?

Hello! Shep Hyken here, customer service and experience expert. Welcome to the **2021 ACA Study: Achieving Customer Amazement**. This study was created to help you better understand your customers' preferences, habits, and wants and give you the confidence to make better decisions for your organization's customer service and CX initiatives. We want your customers to say, "They are amazing!"

The information you are about to read will confirm that you are already doing what is necessary – or it will motivate you to do so. The stats and facts make the case for the importance of delivering an experience that gets customers to want to come back. It takes more than a great product. Unless you have something that is unique and can't be replicated, you have competition. The customer can choose to buy from you or your competitors. What differentiates you is the experience you provide. My guess is that if you're reading this report, you're already in alignment with this line of thinking.

Customers are smarter than ever. They no longer only compare you to your competition. Today they compare you to the best service they have received from anyone in any industry. It could be a recognized brand, known for outstanding service, or it could be the local restaurant, just down the street. And if you're in the B2B space, don't think this doesn't apply to you. More B2B customers are admitting they want the same level of service they get from iconic B2C brands.

So, dive into this report. Along with the stats, I'll share some commentary to give more meaning and perspective to the findings. Here's to creating better – even amazing – customer experiences that get your customers to come back again and again!

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. Some of his clients include American Airlines, 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 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:

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For more information on this report, please contact us at info@hyken.com, (314) 692-2200, www.Hyken.com.



NATIONAL STUDY GOALS

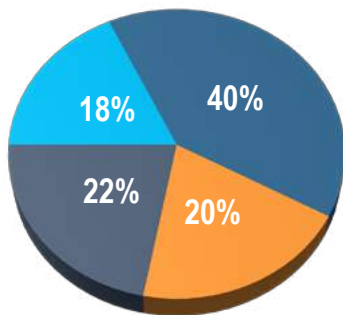
- ✔ To lead the definitive study on customer service and customer experience that uncovers the insights that everybody wants, with a statistical rigor that can help leaders make informed decisions, build strategies, and drive results into the future.
- ✔ Understand and evaluate consumer needs, demands and behavioral preferences that drive customer service and CX.

KEY STORY ELEMENTS WE UNCOVERED

- ✔ **Significant generational differences** exist when it comes to each generation's approach, loyalty and expectations for customer service and customer experience.
- ✔ Americans are willing to **switch companies** that they were loyal to because of **bad customer service**.
- ✔ Americans are willing to **spend more** in almost every industry if they know a company has excellent customer service.

REPORT METHODOLOGY

For this report, we conducted a survey of 1,000 consumers ages 18-65 that was weighted to the 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. Survey was conducted in April 2021.

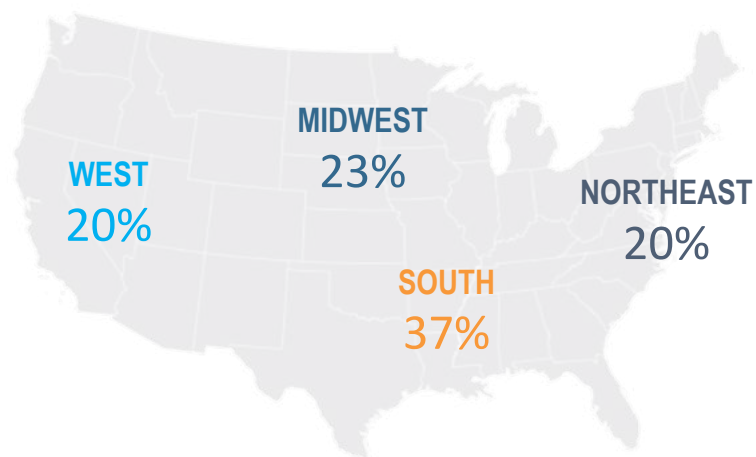


18% GEN Z
(AGES 18-25)

40% MILLENNIALS
(AGES 26-44)

20% GEN X
(AGES 45-56)

22% BOOMERS
(AGES 57-65)



MALE

50%



50%



FEMALE



Interesting and Intriguing

If This Interests You, You Will Love This Report:

79% of Americans *trust a brand more* if they deliver an excellent customer service experience.

87% of *Boomers* compared to **73%** of *Gen Z* believe it is essential for a company or brand to provide an excellent customer service experience.

64% of *Millennials* compared to **44%** of *Boomers* say great customer service is more important than price.

73% of Americans would be willing to *go out of their way* to go to a company *that has better customer service*.

61% of Americans are willing to go through the trouble of *switching brands or companies* because of just *one very bad* customer service experience.

52% of Americans *will pay more* if they know they will receive great customer service.

60% of *Gen Z* compared to **44%** of *Boomers* think companies need to *rely on technology more* to deliver an excellent customer service experience.

74% of Americans are *likely to recommend* a brand or company to friends/family if they provide a *convenient* customer experience.

67% of Americans think *ratings and reviews* are going to be *more important* to them in the future.

75% of Americans are *more likely* to be loyal to a company or brand that delivers a *personalized* customer service experience.

Interesting? Intriguing? Read On!

PART ONE: 83% of Customers Will Switch Because of Bad Customer Service.

This is your motivation for delivering the experience your customers expect. Simply put, customer service and a good CX are table stakes. If you don't deliver, you risk losing customers.

We asked, "How much do each of the following statements describe you?"

83%

said, "I am willing to switch brands/companies because of a bad customer service experience."

We started with the customer's willingness to switch because of bad service. It's not surprising that 83% are willing to do so. I've been saying for years that customers keep getting smarter about customer service and CX. They know what great looks like. They no longer compare you only to your direct competitors, but to the best service they have received from any company or brand. And even B2B customers are making comparisons to B2C experiences. Simply put, don't lose customers to a bad customer experience.

79%

said, "I am willing to switch brands/companies because I know another company will give me a better customer experience."

So even though your organization provides a good experience, if your customers know they can get a better experience from competitors, don't be surprised if they walk.

67%

said, "I share bad customer service experiences with friends/family or social media."

It turns out that just leaving you isn't enough. They will tell others about the experience. More and more, your future customers may be hearing about bad service experiences from their friends, family members and colleagues at work, as well as reading reviews and ratings.

73%

said, "I share good customer experiences with family/friends or social media."

Good news! It's not all gloom and doom! Give your customers something to talk about. I have a client who does no paid advertising. When asked, he says, "Our best advertising and marketing are our customers who talk about us."

The Most Important Customer Expectations: If you want to keep your customers, this is how!

It's almost common sense. Customers want to deal with employees who are knowledgeable, kind, and helpful!

Although all positive customer service experiences are important to consumers in today's world, here is what counts the most. We asked, "How important are each of the following customer service experiences to you in today's world?" The answers aren't surprising. Our customers want employees who are knowledgeable, kind and helpful. And they want to reach them easily. And don't forget to provide a convenient and hassle-free experience.

IMPORTANCE OF EACH CUSTOMER SERVICE EXPERIENCE IN TODAY'S WORLD

(Customers said these are *Very Important* or *Important*):



Employees are knowledgeable about the products/services.



Employees are kind and helpful.



Able to easily reach the right customer support person.



Convenience (an easy and hassle-free experience).



Fast customer support responses (email, message, or text).



Delivery (purchased items delivered to home, office, or location of your choosing).



Employees empathize with your frustrations or issues.

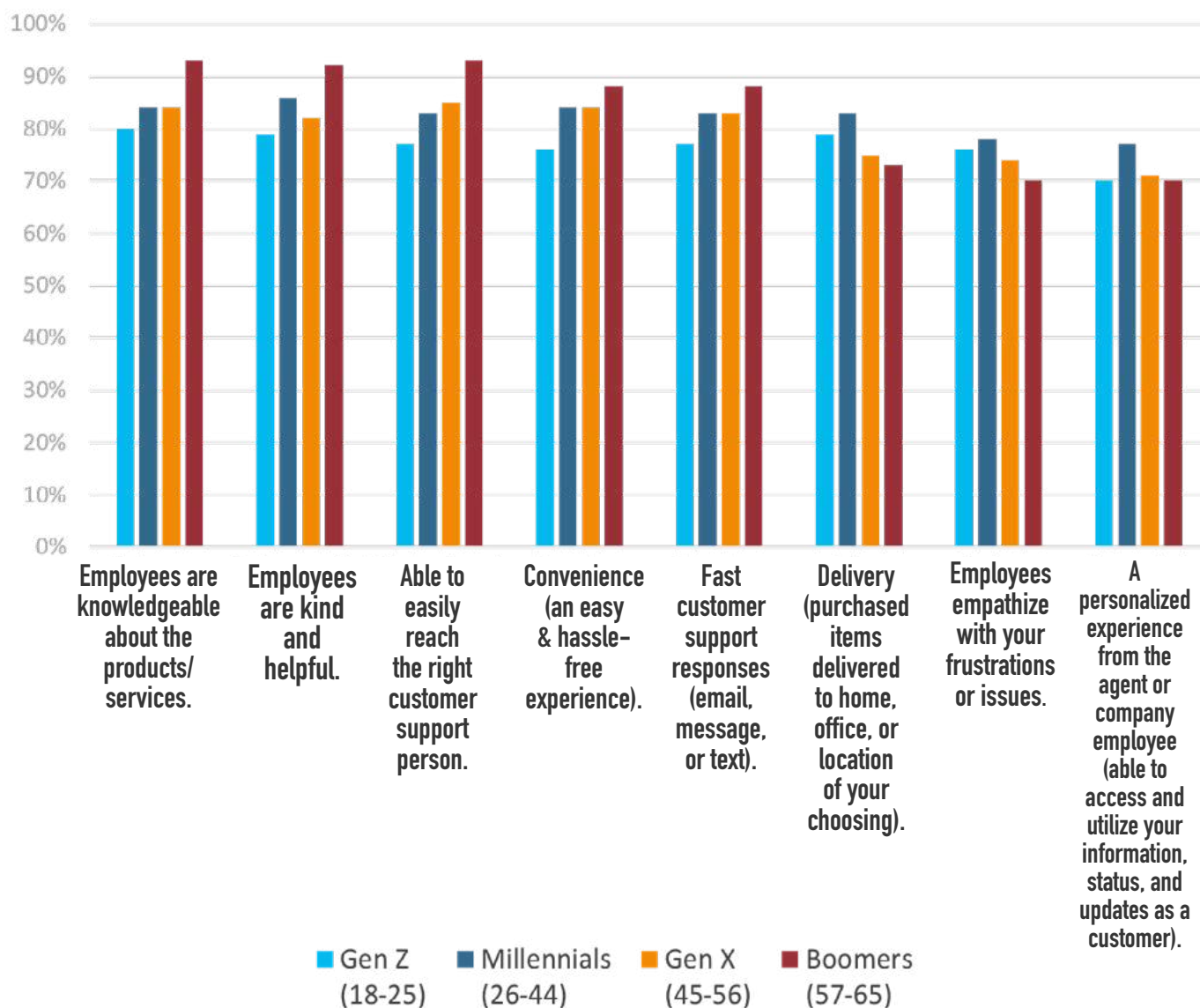


A personalized experience from the agent or company employee (able to access and utilize your information, status, and updates as a customer).

Age Matters

Knowledgeable, kind, and helpful employees are more important to Boomers, while Millennials find more importance in delivery, empathy, and a personalized experience.

IMPORTANCE OF EACH CUSTOMER SERVICE EXPERIENCE IN TODAY'S WORLD (Customers said these are *Very Important* or *Important*):



Personalization: At the Bottom of the List

Don't be fooled by the fact that a personalized experience is at the bottom of the list on Page 7.

You have to understand the list, which is made up of only what customers considered to be *important* or *very important* reasons that get them to come back. So, while not at the very top of the list, it still ranks high in importance. Trust me, customers want a personalized experience. So, just how important is this to customers?

75% surveyed are more likely to be loyal to a company or brand that delivers a personalized customer experience. That makes a compelling argument to create a personalized experience, regardless of where it showed up on the list.

To make the point, here's an example. If I had to book a flight on an airline, why would I choose one over another? Most airlines, at least the major carriers, are competitively priced and offer similar frequent flier programs, so let's take those out of the decision process. That leaves airline schedules, seat availability, etc. Let's assume that at least two airlines meet my needs and have availability. So, what is the tiebreaker? Maybe it's how well I know this airline, based on my past experience, and maybe even more importantly, how well do they know me?

When I go to the airline's website, find the flight I want and start to make the reservation, does the form start to auto-populate my personal information? If I use the phone to make a reservation, once the agent has determined it's actually me, does he or she see my history with the airline and treat me accordingly? That's personalization at both the digital and human-to-human level. And that may be the reason I choose one airline over another.

The research finds that as important as personalization is, there are other things that are more important. Apparently knowledgeable employees who are kind and helpful trump a personalized experience. But if all things were equal, in which the airline and its competitors offered the same level of knowledgeable, kind and helpful employees, if one airline offered a more personalized experience, that airline would most likely get the customer to come back.

Think about it another way. What do we really want from the airlines we fly with? We want them to get us to our destination safely and on time. If that were all there was to it, safety and on-time performance, then what could break the tie?

There might be several answers to that, but when you look at the results of the 2021 ACA study, three quarters of customers are more likely to come back because the company, in this case an airline, knows who they are.

So, just because personalization didn't show up at the top doesn't mean it's not very important. Consider that if the top expectations are table stakes, then personalization, a little further down the list, could be the tiebreaker that gives you a competitive advantage.



Age Makes a Difference

Asking what customers want is obviously important. But what makes them actually come back? Generations have different perspectives on customer service experiences that influence them to return. We asked, *“Which of the following customer service experiences are the most likely to cause you to come back? Select your top three.”*

Older generations are influenced if the employees are helpful and knowledgeable, while younger generations are influenced more by a friendly customer service experience and easy returns.

**OLDER
GENERATIONS**

VS.

**YOUNGER
GENERATIONS**



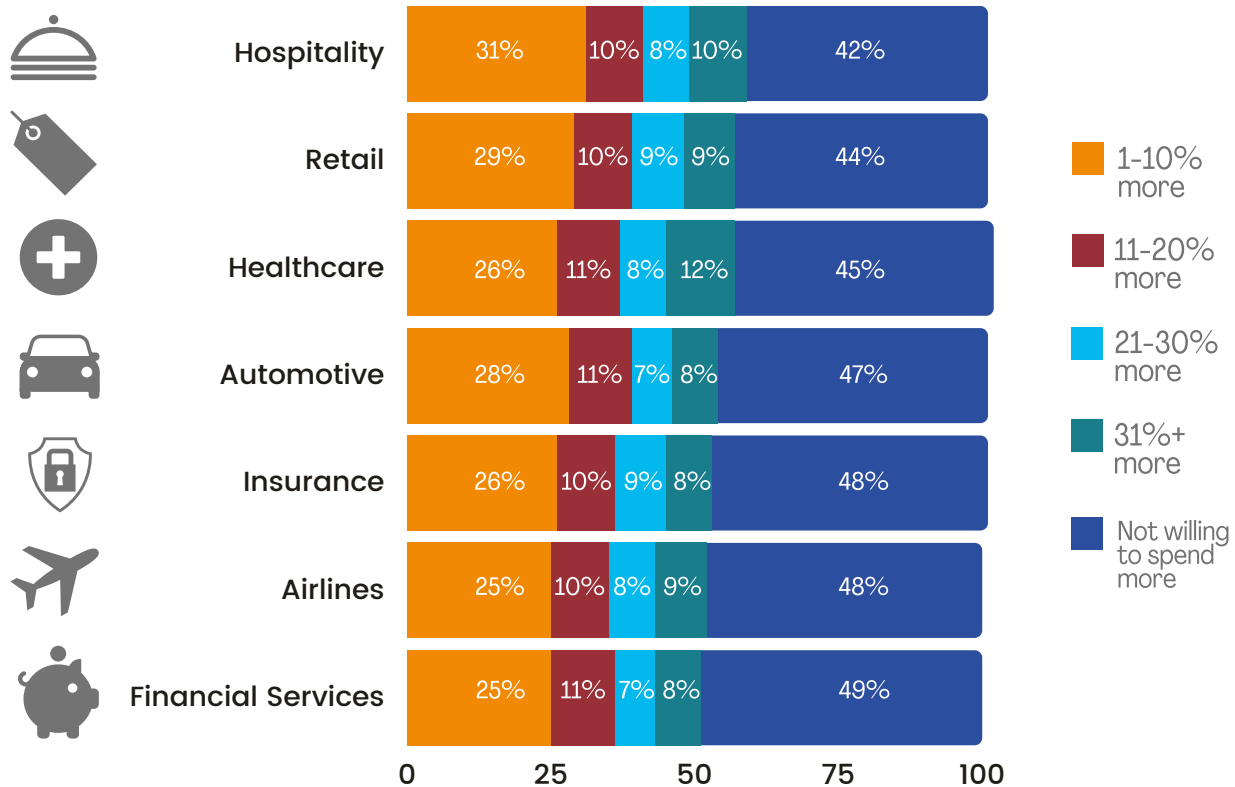
PART TWO: Show Me the Money!

Over Half Will Pay More for Great Customer Service.

More motivation! Simply put, customer service and a good CX are table stakes. If you don't deliver, you risk losing customers. We asked if the customer would pay more if they knew they would receive great customer service. Fifty-two percent said, "Yes." And 70% would pay more if that service was convenient. That means over half of your customers put service over price, emphasizing that price is less relevant.

But How Much More Are They Willing to Pay?

We got specific and asked, "For each industry, how much more are you willing to spend for their products or services if you know the company or brand has an excellent customer service experience?" One in four customers are willing to spend up to 10% more in almost every industry if they know a company has excellent customer service.



And the Winner Is...

While a quarter of customers are willing to spend 1%-10% more in almost every industry, if a company has excellent customer service, they are willing to spend the most on healthcare and telecommunications (Internet, cable and telephone).

In other words, customers want a good doctor and reliable Wi-Fi. (I don't know about you, but if I was going in for open-heart surgery, I wouldn't be looking for the lowest priced doctor!)

Does Age Make a Difference?

Out of those willing to pay more, you might be surprised what generation is most willing to do so. In other words, who values customer service enough that they would pay more? The winner is...

- ✔ Gen Z! **61%** of our youngest generation (ages 18-25) said, "Yes, I would pay more if I knew I would receive great customer service." They want value, and part of that value comes from their experience.
- ✔ Millennials (ages 26-44) came in second at **57%**.
- ✔ Gen X (ages 45-56) came in third at **53%**.
- ✔ Baby Boomers (ages 57-65) came in at **35%**.



Does Employment Make a Difference?

Of course, it does!

- ✔ **64%** of employed customers said, "Yes."
- ✔ **45%** of unemployed said, "Yes."

Does Income Make a Difference?

Even lower income earners appreciate value. At least some of them. **Who said, “Yes” to be willing to pay more?**

- ✔ For those making under \$75K, almost **50%** said, “Yes.”
- ✔ For those making \$75K and under \$200K, **56%** said, Yes.

Let’s break this down even more . . .

- ✔ **42%** of those making less than \$20K said, “Yes.”
- ✔ **56%** of those making \$20-34K said, “Yes.”
- ✔ **51%** of those making \$35-74K said, “Yes.”
- ✔ **56%** of those making \$75-99K said, “Yes.”
- ✔ **62%** of those making \$100-149K said, “Yes.”
- ✔ **51%** of those making \$150-199K said, “Yes.”

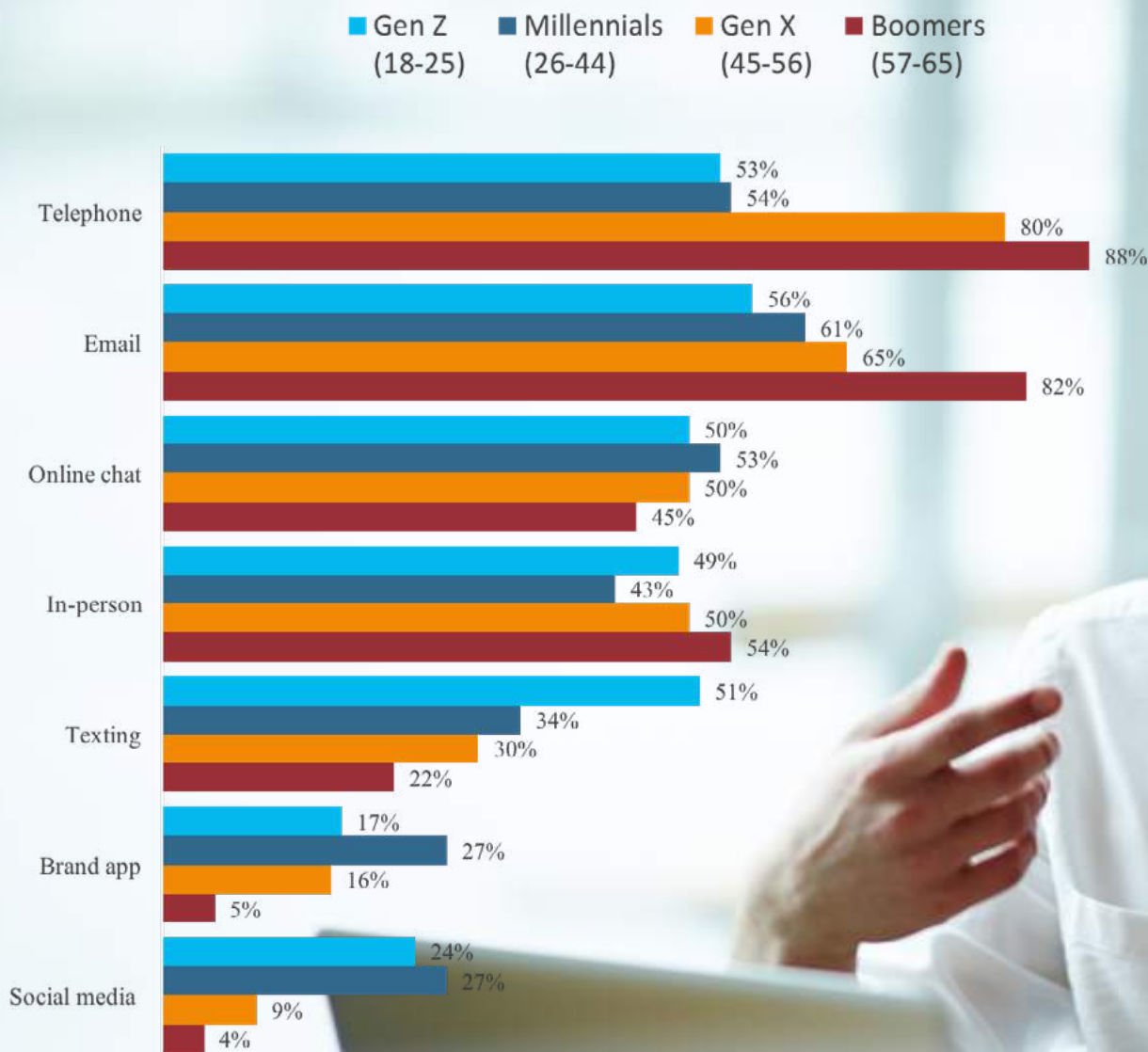


PART THREE: Communication Preferences

Last year's ACA study found that email was the preferred communication channel, by an almost statistically insignificant difference.

This year, it flipped. Telephone *barely* nudged out email. Boomers and GenX prefer the phone, with email second. No surprise there. Millennials and Gen Z prefer email.

We asked, "In general, what is your preferred method of communication when contacting a company for customer service?"



PART FOUR: Self-Service Technology Versus Human-to-Human

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

41% chose digital self-service options such as a Frequently Asked Questions (FAQs) page on a website, video tutorials, interactive voice response systems, chatbots, etc.

59% would prefer to call the company and talk to a live customer service agent.



For those companies that mistakenly believe they should have a 100% digital experience for their customers, that may be a long way off.

Even Amazon has live-agent customer support. They may push their customers to a digital solution first, but they have the backup of human support.

There's a reason.

More to Think About

67%

said, “I use self-service tools.” Self-service gives control to the customer, and they like it. When used the right way, it saves the customer time and effort. It also saves the company time and effort – as well as money.

55%

said, “I think companies need to rely on technology more to deliver an excellent customer service.” Relying more on technology doesn’t mean replacing human-to-human connections with technology. You can’t automate a relationship. When presenting the customer with digital options, there should always be a quick and seamless way to get to a live human for help and support.

63%

said, “I think in the next ten years robots will start to replace humans when it comes to customer service.” This could be a scary stat for some. We’ve been watching how automation, computers, and AI are making a major impact in the customer service and CX worlds. Still, there is a need for people. In 1967, the British bank Barclays unveiled the first ATMs. Experts commented that the number of banking locations would be reduced, and the tellers would be eliminated. Today many customers enjoy the convenience of the ATM machines, but there are also many more bank locations and plenty of tellers to personally take care of customers.

Don’t confuse willingness with preferences: While 67% of consumers are willing to use self-service tools, 59% would prefer to call the company. Keep in mind that there is a difference between willingness and preference.

PART FIVE: Ratings and Reviews

What Happens After a Good or Bad Experience?

This will validate the CX effort. After a **good** customer service experience, over **70%** of Americans are likely to tell their friends and family. Positive word-of-mouth comments can be your best marketing.

However, after a **bad** customer service experience, the same percentage, just over **70%** of Americans are likely to tell their friends and family, as well.

How Many Ratings and Reviews Do They Leave?

Ratings are important. On average, Americans look at between 2.8 and 4.2 customer service ratings and reviews before buying products and services. Sixty-seven percent think ratings and reviews are going to be more important to them in the future.

Consistently, Americans are providing more ratings and reviews for good customer experiences compared to bad customer experiences

Across all customer experiences, Gen Z provides significantly more ratings and reviews compared to older generations. **We asked, “How many customer ratings and reviews have you provided in the past year for a good, average or bad experience?”**

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

Average Number of Customer Ratings in the Past Year



Average Number of Customer Reviews in the Past Year



PART SIX: Rewards Programs

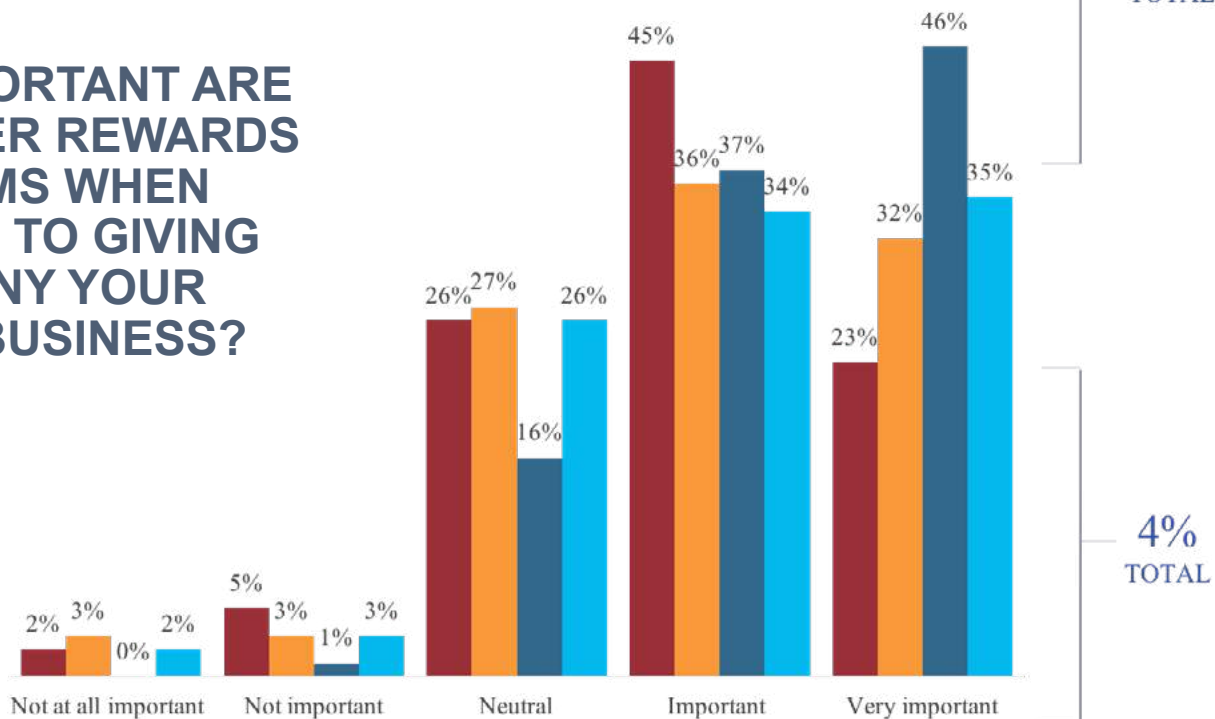
Overwhelmingly **(74%)**, Americans say that customer rewards programs are important when it comes to giving a company their repeat business

Almost half **(46%)** of Millennials report that customer rewards programs (points, rewards, coupons, etc.) are very important to giving a company their repeat business.



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

HOW IMPORTANT ARE CUSTOMER REWARDS PROGRAMS WHEN IT COMES TO GIVING A COMPANY YOUR REPEAT BUSINESS?



REPEAT CUSTOMERS VERSUS LOYAL CUSTOMERS

... WHAT'S THE DIFFERENCE?

Do not confuse a repeat customer with a loyal customer. They are not the same.

Don't get me wrong, repeat customers are very desirable. As a business, you should do everything you can do to get the customer to come back again and again. However, just because they do come back doesn't mean they are loyal. You have to understand the *why* behind the repeat business.

Let's talk about loyalty programs for a moment. A *typical* loyalty program is not really a loyalty program. It's a repeat business program. In other words, it's really a marketing program. These programs create repeat business, which can sometimes masquerade as loyalty, through the points, rewards and perks they offer. Customers will consolidate their efforts to do business with a specific company because of those rewards and perks. So, what happens if the company decides not to give any more rewards and perks to repeat customers? Will the customers keep coming back?

Maybe the business doesn't have a rewards program, yet customers seem to keep coming back. Again, ask, "Why?" Is it the location? Is it the price of the merchandise? If the reason the customer keeps coming back is because of a convenient location, the moment a competitor opens a store that's more conveniently located, the customer may go there instead. It's the same with price. If you promise a low price and that's why the customer buys from you, as soon as a competitor offers a lower price, the customer may

move their perceived loyalty to the competition.

In both of these examples, the customers were not loyal to the company. They were loyal to the location or the price. That's not loyalty. That's repeat business.

So, what creates loyalty?

Typically, there is some type of emotional connection. It can be the relationship between the customer and a salesperson or someone else in the business. It can be a cause that the company contributes to. It can be tied to trust and confidence, which are also emotions. It can be the overall perceived value of the customer's experience, which can be tied to a combination of all these factors just

mentioned and more.

The point is to recognize the difference between repeat customers and loyal customers. I like to refer to repeat customers as gold and loyal customers as sacred. And to emphasize, while customer loyalty seems to be the holy grail, there is nothing wrong with going for repeat business. The point is that you must understand why the customer comes back.

While marketing and loyalty programs can drive repeat business, you may want to consider a strategy to create loyalty. First, don't think of loyalty as a lifetime. Think of it as the next time, every time. Ask yourself what I refer to as *The Loyalty Question*: Is what I'm doing right now for my customer going to get them to come back the next time they need to buy whatever it is that we sell?



Other Interesting Stats

THIS IS GOING TO HURT... IS IT REALLY BETTER THAN CALLING CUSTOMER SUPPORT?!



48% of Americans would rather go to the dentist than call customer support.

Ouch! Apparently, going to the dentist may be more desirable than... Having to search for a phone number on a website, wait on hold, talk to someone who's hard to understand and doesn't seem to care, get transferred numerous times, and waste an inordinate amount of time, just to have a problem resolved – that should never have happened in the first place!

SINGLE PEOPLE WHO DELIVER AN EXCELLENT CUSTOMER EXPERIENCE HAVE AN EDGE OVER THOSE WHO DON'T!



56% would be more interested in dating someone if they delivered an excellent customer service experience!

If delivering a great customer service experience wasn't important enough for your business, then consider the benefits it might have for your personal life.

GOOD ENOUGH FOR GOVERNMENT WORK



38% think the government delivers great customer service.

The government seems to get picked on when it comes to customer service. The reputation comes from frustration of a system or process that is marred in bureaucracy. But apparently not everyone (38%) thinks that way.

A COLLEGE DEGREE IN CUSTOMER SERVICE



65% think colleges should offer courses to teach students how to deliver great customer service.

A customer service management degree is available through some colleges. That said, all students should be required to take Customer Service 101. Knowing how to treat customers and fellow employees, also known as internal customers, is foundational to success in a career.

FINAL WORDS

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

Friendly/Nice

Helpful

Fast

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



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:

Amazon

Walmart

Target

Rounding out a Top Ten list (in order of popularity): Apple, Google, Nike, Verizon, Costco, Chick-fil-A, and Disney.





The Very Final Word

I hope you found this report to be interesting, fascinating and helpful. Be sure to watch for more content from the survey. This is only part of what we uncovered. I'll be writing additional reports and articles over the next several months.

Our team created this study to help you understand the current mindset of the typical consumer in America.

As I travel to other parts of the world to deliver keynote speeches, I ask my clients if they want me to deliver content that is specific to their countries, or are they interested in what is happening in the United States. The typical answer is that they want techniques and tips on how to deal with their customers, but they also want and need to know what's happening in the U.S.

The reason for that is that consumers from all over the world are watching U.S. television. They see commercials, shows and movies that are changing their perceptions of what a customer looks like. When they see a commercial for a U.S. company that is touting their ability to deliver an amazing experience, with a recognition award (such as JD Power) to back it up, the seeds are being planted.

I go back to my statement in my introduction. Customers are smarter than ever. They know what great customer service and experience looks

and feels like. They aren't just basing it on your direct competition. They are basing it on the best service they have received from anyone. Important to remember:

Customer service and customer experience is marketing. It's your brand. It's your positioning in your marketplace and industry.

So, use this information as the motivation to provide that experience that gets your customers to refer you to friends, family and colleagues, entices them to leave reviews and ratings, and gets them to say, "I'll be back!"

(And then they do!)

Now after all of this important, heavily researched, FREE content...here is something you could BUY!

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SHEP HYKEN

Customer Service & CX Expert
Award-Winning Keynote Speaker
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Book Shep to speak at your next event!

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**.

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

Shep has written eight 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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