

2024
THE ACA STUDY

THE STATE OF CUSTOMER SERVICE AND CX

ACHIEVING CUSTOMER AMAZEMENT



RESEARCHED AND SUMMARIZED BY
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The State of Customer Service & CX

Welcome to the 2024 ACA Study: Achieving Customer Amazement. Once again, we surveyed over 1,000 American consumers to find out what their thoughts are related to customer service and customer experience (CX). The trend continues. Customer service and CX are more important than ever.

B2C Versus B2B

I'm compelled to remind those in the B2B world that the findings in this report apply to virtually any type of business, even though we surveyed consumers. B2C numbers may not be the same in the B2B world, but the concepts behind them are valid. Consider that all customers, regardless of industry, are consumers and are comparing the experience they have with your company or brand with the best experience they have received from any type of business.

There's quite a bit of new information this year. One area I wanted to focus on is an important question about customer satisfaction. First some background on it. Vanderbilt University professors Roland T. Rust and Anthony J. Zahorik conducted a study that found up to 40% of satisfied customers might not return to the businesses that satisfied them. That stat amazed me. After all, these customers were satisfied. This gave validity to the point that I have made for the past 30 years (and continue to preach) in my keynote speeches: A satisfied customer is not a loyal customer.

Furthermore, as already mentioned, a satisfied customer might not return at all. So, we asked the question about the likelihood a customer would return if the experience was "satisfactory." The answer is on page 7, and if delivering an experience that gets customers to say "I'll be back" is important to you (and you know it is), you'll find this answer fascinating.

Of course, there's much more in this year's report about the State of Customer Service and CX, so read on and learn about the latest trends and findings that will help you Achieve Customer Amazement.



Shep Hyken

CAO (Chief Amazement Officer)

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About Shep Hyken and Shepard Presentations

Shep Hyken is a customer service and experience expert, award-winning keynote speaker, researcher, *New York Times* and *Wall Street Journal* bestselling author, and the Chief Amazement Officer of Shepard Presentations.

As the Chief Amazement Officer at Shepard Presentations, Shep works with clients who want to create amazing experiences for their customers and employees. Learn more at www.Hyken.com

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BORING, BUT IMPORTANT!

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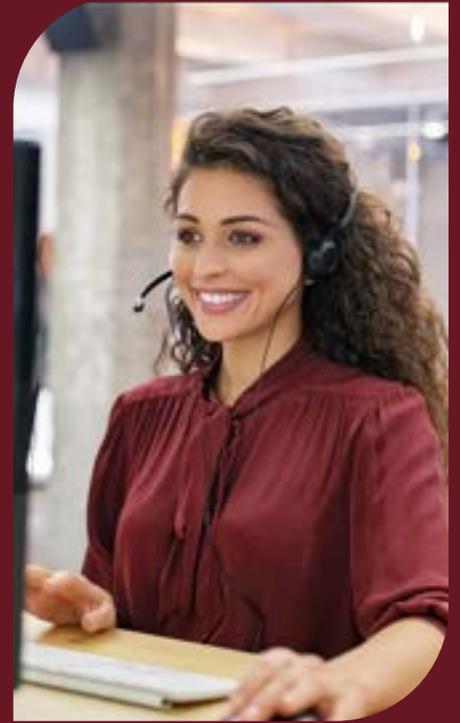
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NATIONAL STUDY GOALS

- 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.
- Use findings to help make decisions that positively influence customer service and CX.
- Many of the questions are repeated verbatim from the prior years' studies with the goal of uncovering any year-over-year trends and changes.

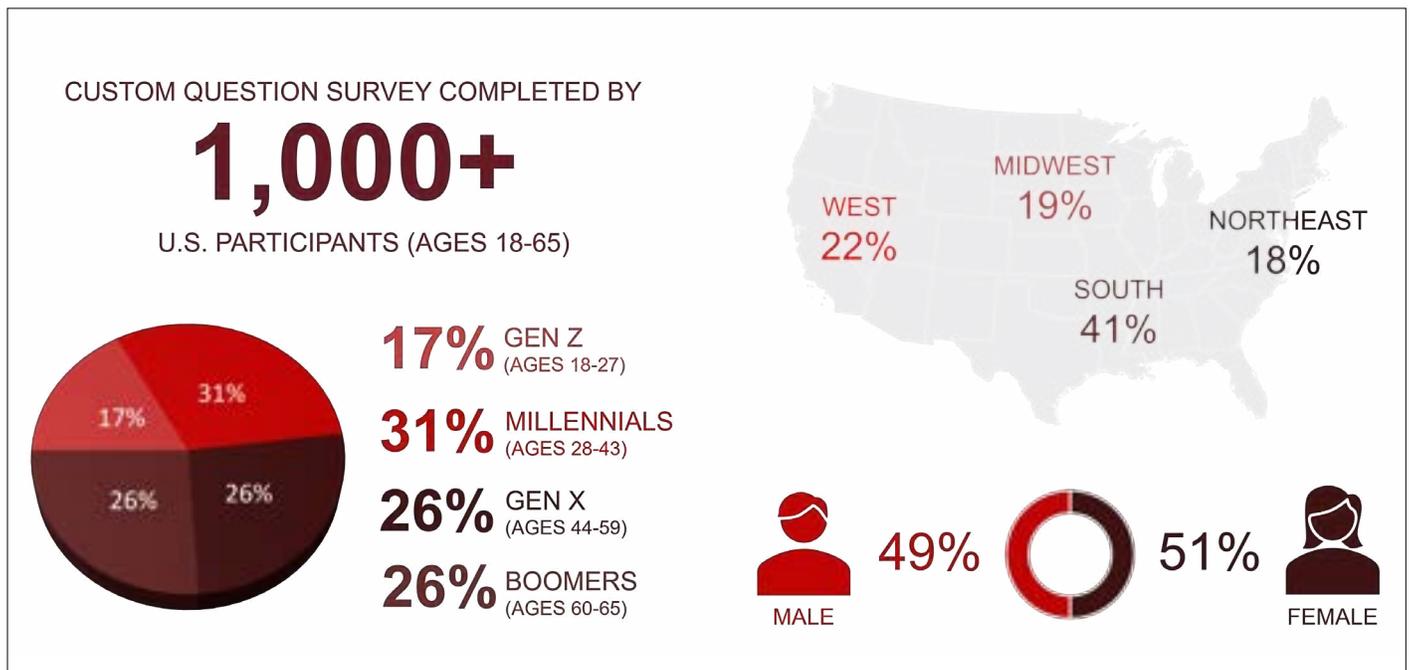
KEY STORY ELEMENTS WE UNCOVERED

- In 2024, the importance of customer service and CX has continued to increase since 2021.
- As customer expectations of service and experience rise, it will be more important than ever to deliver value in those areas to stay competitive.
- Depending on the age of your customers, there are significant generational differences that will help shape the experience you want to provide.
- In 2024, customers are more likely to react positively in almost every way after receiving a good customer service experience compared to prior years.



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. The survey was conducted online from January 8, 2024, to January 11, 2024.



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.

Foreword

At RingCentral, our goal is to unlock unlimited potential for businesses through intelligent and connected conversations that drive effortless customer service. Creating effortless customer experiences builds great customer relationships, which is why we are proud to sponsor this year's customer service and CX study. RingCentral is a leading provider of AI-driven cloud business communications, contact center, video, and hybrid event solutions. With decades of expertise in reliable and secure cloud communications, RingCentral has earned the trust of millions of customers and thousands of partners worldwide. But, enough about us.

As you will read in the following pages, customers have higher expectations and place more importance on customer service and CX than ever before. This report is filled with findings and commentary that will help you make decisions about your customer service and CX initiatives. So read on, take notes, and highlight the sections that apply to your business. Our goal is that something – or many things – from this report will help you create a better experience for your customers – an experience that, as Shep says, gets customers to say, “I’ll be back!”



JOHN FINCH
VP Product Marketing, RingCentral



INTERESTING AND INTRIGUING



A focus on customer service and CX is NOT an option. The people have spoken! In 2024...

88% of customers think customer service is more important than ever! The trend continues. On page 7, you'll see the importance of customer service and CX continues to increase.

85% of customers are willing to go out of their way to do business with a company that has better customer service. (Last year it was just 76%.) What does “go out of their way” mean? Customers will spend more time, put in more effort, and drive farther (if necessary) if they know a company or brand can provide a better customer experience. Are you that company or brand?

79% of customers would switch to a competitor if they found the other company/brand provided a better CX. Be the company or brand that wins customers from the competition (and not the other way around)!

87% of customers say great customer service increases their trust in the company when they buy something from them. (Last year, it was 82%.) The old saying is, “People like doing business with people (and companies) they know, like, and trust.” Knowing and liking are easy, but trust must be earned over time. Trust creates confidence, which can lead to repeat business, and even customer loyalty.

81% of customers prefer companies that offer a personalized experience. Personalization has always been important, but difficult to master for many companies and brands. While it can be as easy as remembering a customer's name or what they have recently purchased, AI and similar technologies make it easier than ever to personalize the customer experience.

INTRIGUED? Read on to learn more important and interesting findings to confirm why an effort and investment in creating an amazing customer service experience is more important than ever!

Customer Experience Makes Price Less Relevant

Let's start with an attention-grabbing headline. While customer service and a powerful CX won't make price completely irrelevant, they will make it less relevant. Almost half of customers are sensitive to price, although the other half recognizes the benefit of a good service experience and is willing to pay more.

In 2024, the top reasons customers choose to do business with a company or brand include price, product quality, customer service, convenience, and overall reputation. Let's take a closer look at findings related to how much customers will pay for the right experience.



Half of American Consumers Think Service Is More Important than Price

This year, **51%** (compared to 48% last year) felt customer service was more important than price. When you consider that half of consumers are price-sensitive due to the economy, you must strike the balance between what customers will pay for the experience and what they will pay for your product.

If a Great Experience Is Guaranteed...

What if the customer was guaranteed they would have a great service experience? **59%** said they would pay more. This highlights the substantial role that confidence in service quality plays in a customer's decision-making process, underscoring the importance of a promise or guarantee.

Convenience Makes Price Even Less Relevant

You'll see this stat again, but it's important. Customers put a premium on convenience, even more than good customer service. While **51%** of customers say service is more important than price, **70%** of customers are willing to pay more if the experience is more convenient. Combining a good service with convenience is a powerful customer experience that makes price even less relevant!

Still, Price Cannot Be Ignored

The U.S. economy has been shaky, so we asked, "With high inflation and the rocky economy, are you willing to sacrifice customer service for a lower price?" **49%** said, "No," which means the other half (51%) is concerned about price. While not all price-sensitive shoppers make decisions based on the economy, it's important to know it can impact your customer service value proposition.

AMAZING FACT

91% of customers think companies should put more emphasis on customer service now than they have in the past.

One of Every Four Customers Will Not Come Back, Even If They Are Satisfied

As mentioned in my opening comments, I was intrigued by a study that was conducted by Vanderbilt University professors Roland T. Rust and Anthony J. Zahorik. They found that up to 40% of satisfied customers don't come back. So, why wouldn't they want to come back if they were satisfied? Well, it turns out that a satisfactory experience isn't always enough.

First, let's define satisfactory. I promote that satisfactory is simply average. People describe a satisfactory experience as "fine." And...

FINE IS NOT FINE!

In my *customer service keynote speeches*, I joke that the word fine is the F-Bomb of customer service and CX. To prove this, we included a question that would help make this point.

We asked: If you were to rate a customer experience on a scale of 1 to 5 – where 1 is bad, 2 is fair, 3 is average or satisfactory, 4 is good, and 5 is excellent – how likely is it that you would return to this company or brand if you rated them a 3?

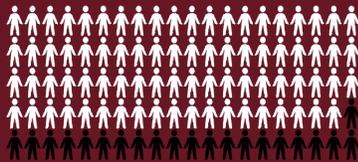
23%

Almost one in four customers who have a satisfactory experience is not likely or will never come back.

77%

The good news is that just over three-quarters of your customers are likely or very likely to come back.

But hold on! One of the reasons you'll get 77% of your customers to come back after a satisfactory experience is because they have no alternative. But what if they do?



79%

of customers would switch to a competitor brand or company if they found out they provided a better customer experience.

The point is satisfactory is not good enough. Fine is NOT fine!

Worth Noting: In a second survey, we asked the following question:

Have you ever been somewhat satisfied with a company yet not bought from them again? **70% said YES.**

AMAZING FACT:

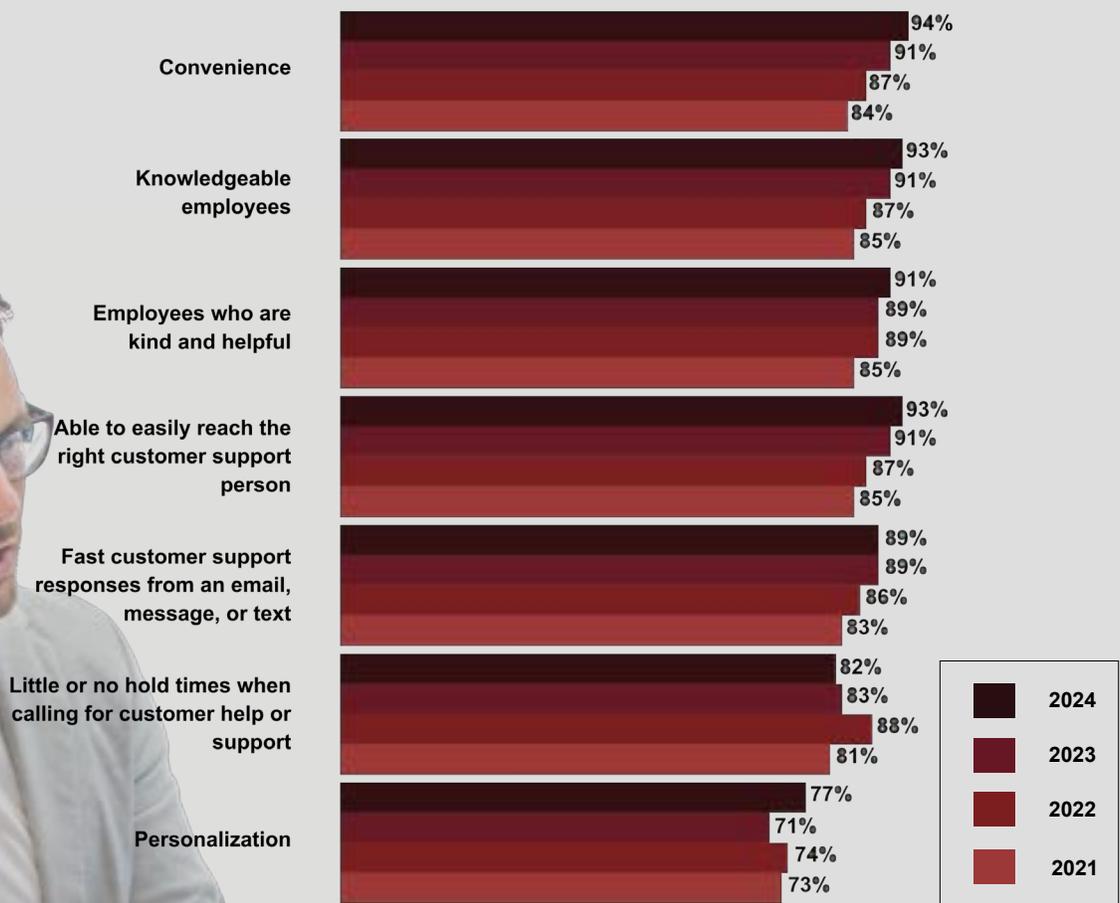
The younger the customer, the more they expect! 29% of Gen Z customers are not likely to come back after a satisfactory experience versus just 19% of Boomers.

The Importance of Customer Service and CX Continues to Increase

Customers' expectations continue to rise. The best companies set the bar higher for everyone, teaching customers what a great experience is. When a customer is disappointed with a company or brand, they might say, "Why can't they be as good as _____?" (You can fill in the blank with companies like Amazon, Chick-fil-A, Target, or other brands known for delivering high customer service.) And it doesn't have to be one of these recognized brands. It can be the shoe-repair store down the street, or the inside salesperson at a manufacturing company who builds incredible relationships and rapport with customers. Anyone or any company that delivers a rockstar customer experience sets the bar higher for everyone.

And for the second year in a row, convenience tops the list of most important customer experiences. The company that provides an easy and hassle-free experience has a competitive advantage over companies and brands that can't, don't, or won't.

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

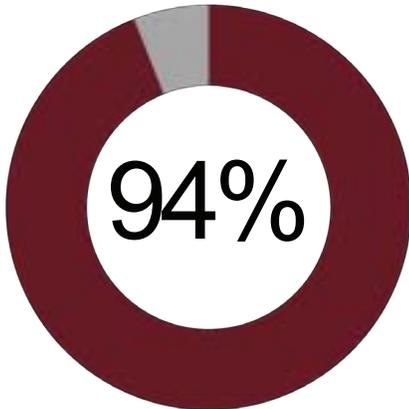


AMAZING FACT

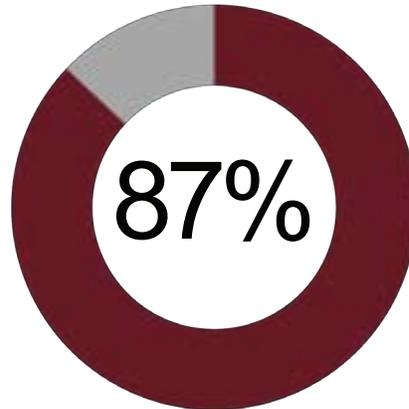
In 2024, 88% of customers think customer service is more important than ever. (In 2022 and 2023, that number was 83%.) Customers' expectations are rising!

Convenience Gives You a Competitive Advantage and More

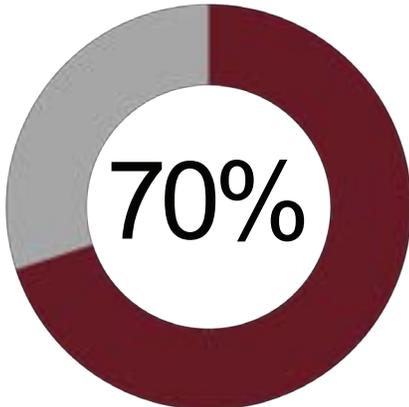
The trend for a convenient experience continues and was rated the highest for the most important experience – more than knowledgeable and friendly employees. I even wrote an entire book, The Convenience Revolution, recognizing this experience as one that would separate a company or brand from its competitors. Looking for ways to eliminate friction and make doing business with you easier will give you a competitive advantage that drives repeat business and can create fierce loyalty.



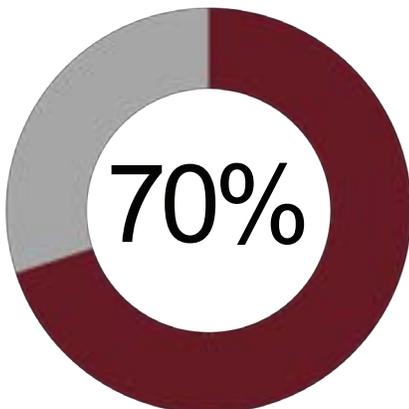
In 2024, 94% feel convenience is important.



In 2024, 87% of customers are likely to recommend a brand or company to friends and family if it provides a convenient customer service experience.



In 2024, 70% of customers are willing to pay more if the experience is more convenient.



In 2024, 70% of customers say a convenient customer experience alone would make them come back to a brand or company.



AMAZING FACT

In 2024, 62% said a convenient (hassle free, without friction) experience is more important than a friendly customer service experience.

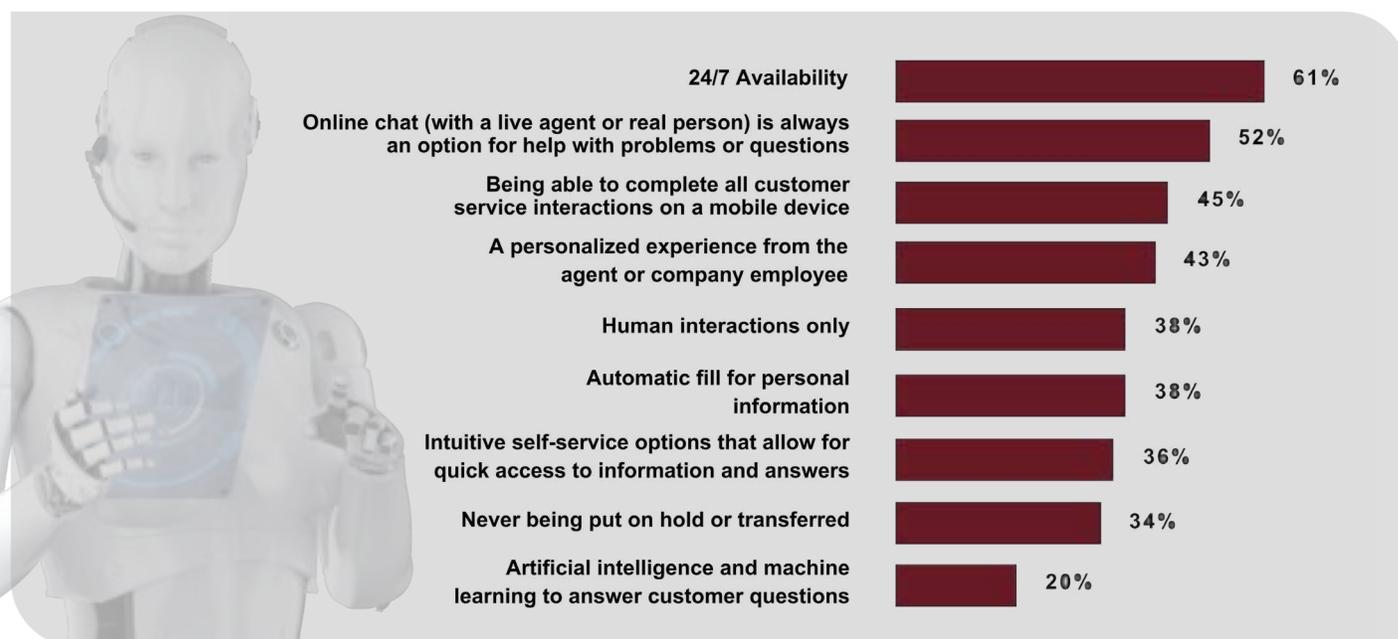
The Future of Customer Service and Experience (According to Customers)

Around 2010, major consulting firms started predicting that customer experience would become more important than price, product, or both. That may have come true, although it doesn't matter how good your service or CX is if the product doesn't do what you paid for it to do.

Today, the future isn't about service or CX being important, but how it will improve. Is it human-to-human interactions, AI-fueled chatbots, or other technologies we aren't familiar with or know about?

Keep in mind that these are customers' opinions – not the opinions of experts. Even if we think we know what is best for our customers (and often we're right), it's still important to know what customers think will be essential in the future, even if they are wrong. We wanted to stay realistic and ask about the next few years, not 10 or 20 years into the future.

We asked: Which of the following customer service experiences do you expect to be essential to you in the near future (3-5 years)? Select all that apply.



For three consecutive years, the preferred options remain unchanged, highlighting a significant trend.

With current technology, offering 24/7 basic support is entirely feasible. While AI answering questions hasn't hit the comfort level that customers would like (see page 11 for findings related to AI and self-service), they are willing to use online chat (human-to-human) versus picking up the phone for every problem or question. As chatbots improve, becoming virtually indistinguishable from the human-to-human experience, customers will be more open to using the technology.

We can't ignore the trend that being able to complete customer service interactions on a mobile device keeps showing up toward the top. Customers, especially young ones who have grown up with mobile phones their entire lives, want to do almost everything with their phones.

Finally, let's touch on personalized experiences. There are several findings throughout this report that indicate personalization is important and shouldn't be ignored as an opportunity to create a better experience.

AMAZING FACT

In 2024, 62% of customers expect AI technologies to become the primary mode of customer service in the future.

The Future is Now!

How AI and Self-Service Are Impacting CX

We looked at some general topics of how technology (AI and self-service solutions) is impacting customer service and CX. Even with a preference for the phone, customers are learning to use technology to enhance their lives. It's my opinion that customer service has not caught up to the buying experience.

Amazon has set the bar high on what a good self-service shopping experience is. Most customers go online to make purchases. It's easy and fast – as in convenient. However, when a customer has a complaint or a complicated question (and often, a very basic question), they still feel compelled to make a call.

On page 16, we cover communication preferences, and the phone came out on top, 70% to 30%. Over the past several years, I expected that number to go down. However, I admit to being wrong – and even surprised. That said, I predict that as generative AI improves, so will the self-service experience. It will surprise me if next year we see the same numbers. In the next two years, self-service options, often fueled by AI, will start to become more popular than we've been reporting. And to that point, 73% of customers have used self-service tools (self-service tools can include a Frequently Asked Questions page on a website, video tutorials, inter interactive voice response system, chatbots, and others) to answer questions or handle issues before contacting a live customer service agent. At least they tried!



THE GOOD:

- **62%** expect AI technologies to become the primary mode of customer service in the future.
- **32%** have successfully resolved a customer service issue using AI or ChatGPT-type technologies without needing human assistance.
- **38%** believe AI and technologies like ChatGPT will lead to more personalized customer experiences.
- **49%** think AI technologies like ChatGPT have the potential to improve the overall customer experience.

THE BAD:

- **63%** of customers are frustrated by self-service options, using AI, ChatGPT, and similar technologies.
- **56%** of customers admit to being scared of technologies like AI and ChatGPT.
- **75%** are concerned about the privacy and security of their data when interacting with AI-based customer service technologies.

THE INTERESTING:

- **74%** believe that AI will lead to significant job losses.
- **78%** of customers think in the next 10 years robots will start to replace humans when it comes to customer service roles.
- **42%** believe that AI technologies will create new types of jobs, rather than just eliminating existing ones.

AMAZING FACT

Only 27% of customers think self-service or automated support (like ChatGPT or AI-powered chatbots) can deliver as good of a customer experience as humans.

Why Customers Come Back

This is the fourth year in a row that we've asked the same question about the reasons customers come back, and the top three reasons (and desires) are the same. When you consider the answers, you'll realize, "This isn't rocket science. This is common sense!" Customers simply want to do business with employees who will help them when they need it, are knowledgeable, and are friendly. The top five reasons customers come back are:

1

**Helpful
employees**

2

**Knowledgeable
employees**

3

**Friendly
employees**

4

**A convenient
experience**

5

**There was a tie for fifth place: Hassle-free shipping
and delivery tied with easy returns**



It's hard to ignore that convenience, hassle-free shipping/delivery, and easy returns fall under the overall concept of convenience. Beyond the personal interaction you have with employees (who are helpful, friendly, and knowledgeable).

AMAZING FACT



In 2024, the No. 1 reason customers are likely to leave a brand is rudeness or apathy from a company or brand employee (see page 13). That's the opposite of friendly. Imagine that!

Why Customers Don't Come Back

It's obvious that a good customer experience is preferable by both the company or brand providing the experience and the customer who receives the experience. It can create a competitive advantage that makes price less relevant, and breeds repeat business and potential loyalty. And when you look at what customers are really hoping for, it shouldn't surprise anyone. What's also not surprising is why customers don't come back. I'm sure you've experienced at least one, if not all, of the reasons.

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

- **81%** of customers said rudeness or apathy would likely cause them to switch companies or leave a brand. This is the same reason year-over-year. You can go back to a study done by the Technical Assistance Research Program (TARP) in the 1980s that also found rudeness or apathy was the top reason. This has nothing to do with a bad process or policies. This is simply behavior.



Several reasons were clustered together:

- **76%** said if they had a problem, the company responded, but didn't make an effort to solve it, they would likely leave.
- **75%** said if they had a problem and the company simply didn't respond, they would likely leave.
- **73%** said if they felt as if they were not listened to or the company couldn't understand the problem or issue, they would likely leave.
- **72%** said being transferred to different people would likely cause them to leave.

Rounding out the list of reasons, all with a likelihood of leaving or switching to a competitor, and all above 50%, are:



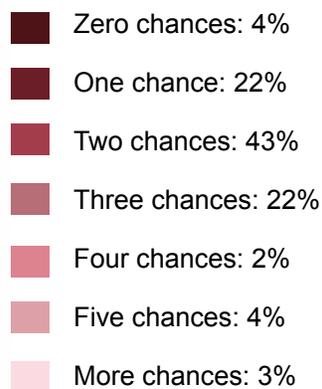
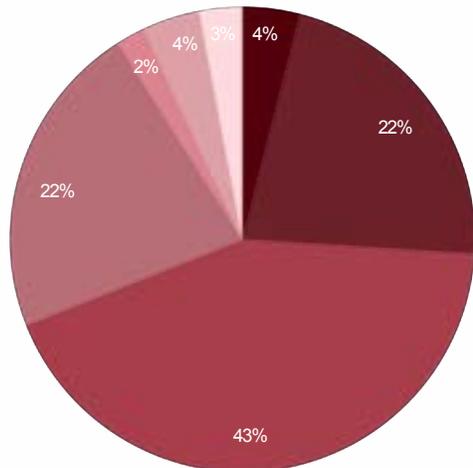
AMAZING FACT

In 2024, 58% of customers would be likely to switch companies or leave a brand because of an inconsistent experience. (Inconsistency erodes trust and confidence!)

How Many Chances Will Customers Give You Before They Leave?

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

2.2 chances!



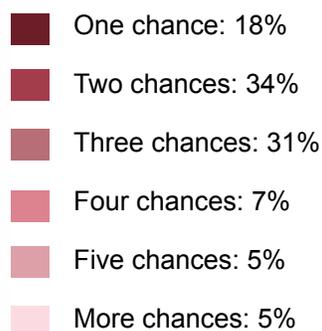
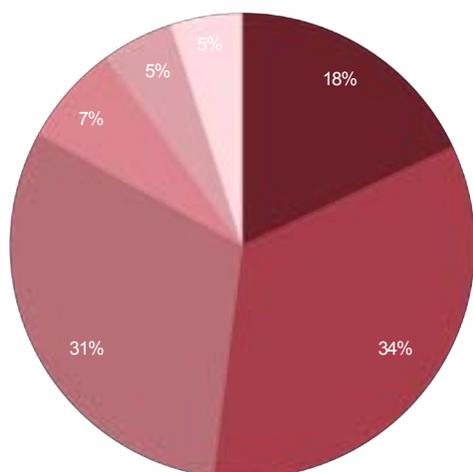
This indicates that, on average, customers are likely to offer two opportunities for a company to make amends for a poor service experience before looking elsewhere.

It's Not Much Better If the Customer Is Loyal.

Does loyalty make a difference?

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

2.7 chances!



It's important to note that we specifically asked about a company the customer was loyal to. The findings suggest that customers are willing to give a company "almost" three chances to rectify a poor experience before leaving or diminishing their loyalty. That's rounded up from 2.7 chances, just a half chance more than a business the customer was not loyal to. This finding underscores the critical importance of promptly addressing and resolving customer complaints to preserve loyalty and trust. Don't let any customers, **especially your loyal customers**, walk away upset or angry.

AMAZING FACT

In 2024, older generations are significantly more tolerant of a bad customer service experience than younger generations. For example, 52% of Boomers would give a company a second chance, versus just 37% of Gen Z. That's a 40% difference!

Why Customers Are Frustrated

Remember, your customers don't compare you to your direct competitors. In their minds, they think about the best service they have had from anyone, and that becomes what they want and hope for from any company or brand they do business with. If they have ever received a quick response from a company, that becomes their expectation. If a company offers hassle-free returns, that becomes their expectation. I could go on and on, but you get the idea. Below are some findings that should compel you to realize just how important customer service and a good CX are to your reputation, sales, and repeat (and loyal) business.

- **43%** of customers say they had more bad customer service experiences in the past year compared to previous years.
- **61%** of customers think that when they call customer support for a problem or question, the company doesn't value their time.
- **63%** of customers have stopped doing business with a company or brand because of the inability to connect with someone from customer support.
- **32%** of customers say customer service representatives are always friendly and helpful. That means 68% of customers say they aren't!
- **39%** of customers say that in the last 12 months, they had such a terrible customer service experience that they stopped doing business with the brand even though they liked the product.
- **32%** of customers called a company or brand with a complaint or question, were promised a return call, and didn't receive one.
- **72%** felt anger toward a company or brand that provided a poor customer service experience.

While these are negative findings, don't let them get you down. They are meant to make you think. If you want to feel better about these findings, just reverse the way they are written. For example, the first stat about 43% of customers say they had more bad experiences could be reversed to say that almost six in 10 customers (57%) said they didn't have more bad experiences in the past year than in previous years. Already, you should feel better!



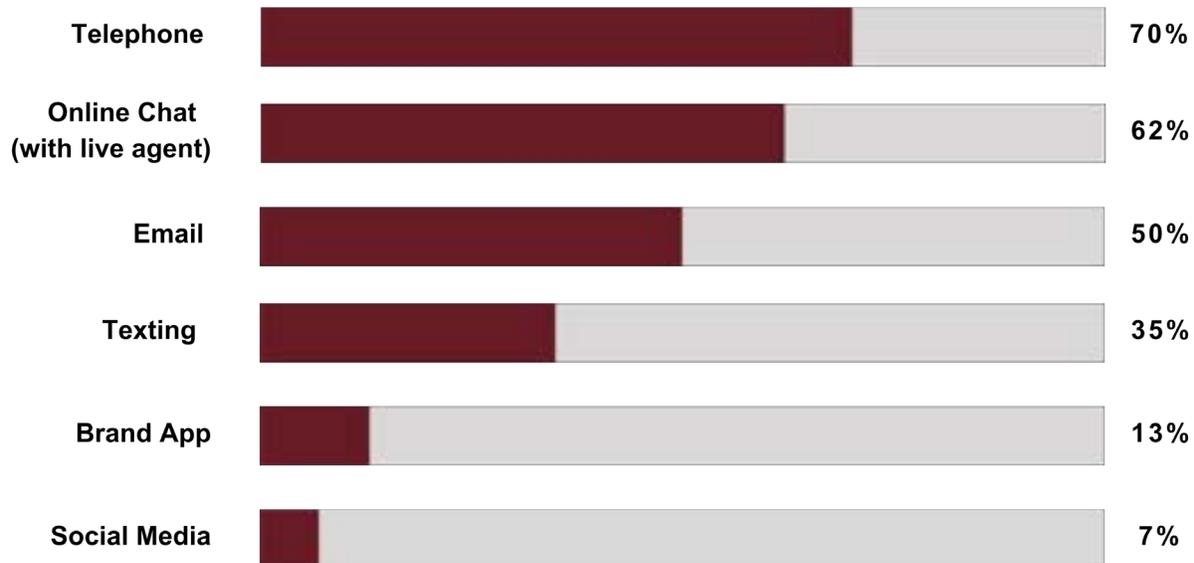
AMAZING FACT



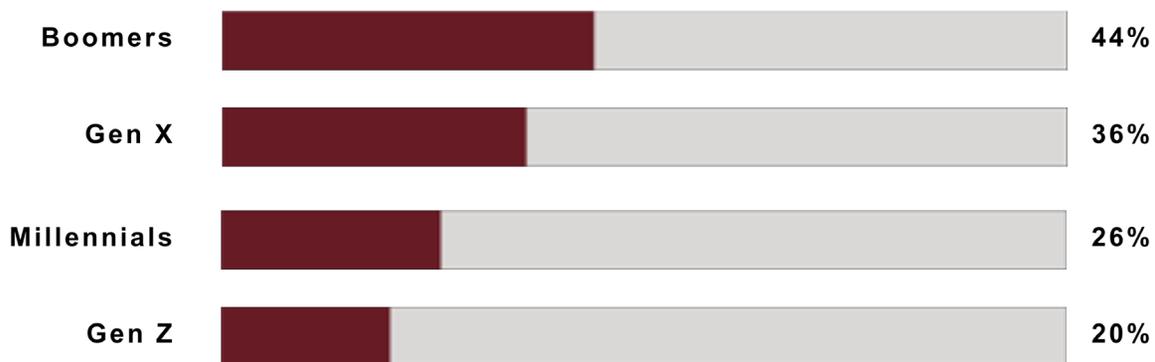
40% of customers say that when it comes to customer service, most companies don't meet their expectations.

Preferred Methods of Communication

With such a focus on self-service support, we can't ignore the different ways our customers want to contact us for support. The big difference this year is that online chat with a live agent eclipsed email as a preferred channel.



Once again, the telephone ranked as the No. 1 method of communication, and it shouldn't be a surprise that the older generations led the way for the phone as the communication method of choice. Here is the generational breakdown for choosing the phone:



You can't ignore the differences between older and younger generations. Furthermore, online chat is the No. 1 preference for communicating with customer support for Gen Z at 27% (followed by the phone).

AMAZING FACT

In 2024, only 33% of customers surveyed said they would feel comfortable doing business with a company or brand they know doesn't have live customer support (only self-service, AI, and ChatGPT-type technologies).

Don't Make Me Wait!

Customers don't like waiting more than they think they should. It's unreasonable to think a customer calling will have their call answered immediately, but what's reasonable? (Note: 3% of the customers we surveyed said they are not willing to hold for any amount of time.) We looked at how long customers were willing to wait on hold, wait for a return email, or wait for a response on social media.

On Hold



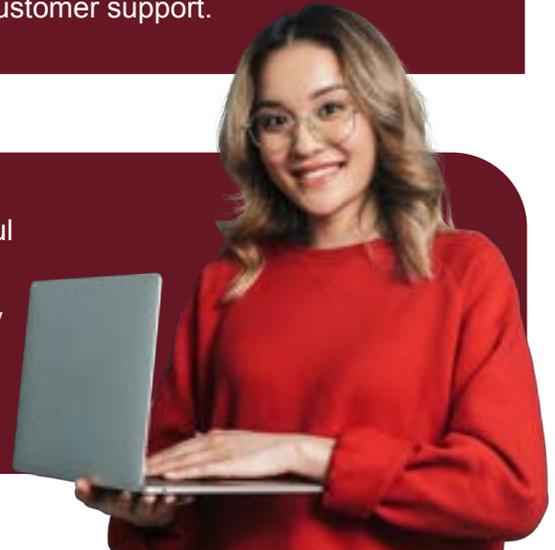
In 2024, when contacting customer service on the phone, 39% of customers are willing to wait up to five minutes before getting frustrated or angry, and almost half (48%) are willing to wait up to 10 minutes. Furthermore...

- 75% of customers would prefer to be called back when it's their turn rather than experiencing a long hold time.
- 43% of customers would spend more money if they knew they would never have to wait on hold for customer support.

Email

In 2024, when contacting customer support through email, 14% of customers are willing to wait up to 10 minutes for a helpful response before getting frustrated or angry, and 10% are willing to wait up to 30 minutes. Almost three out of four customers (73%) surveyed would be happy – even delighted – if a company responded in an hour or less. Furthermore...

- 41% of customers emailed a brand with a complaint or question, hoping for a response, and did not receive one.



Social Media



In 2024, when contacting customer support through social media (Facebook, X/Twitter, etc.), 16% of customers are willing to wait up to 10 minutes for a response before getting frustrated or angry. 13% are willing to wait up to 30 minutes, 9% up to an hour, and 34% would be happy with waiting up to two hours. Furthermore...

- 28% of customers said they had not ever used social media to contact customer support. Of those, 28% are Baby Boomers versus just 15% of Gen Z. (It's important to keep in mind that social media was the least favorite way customers like to get customer support. See page 16.)

AMAZING FACT

47% of customers say they have stopped doing business with a company or brand because it kept the customer on hold for too long.

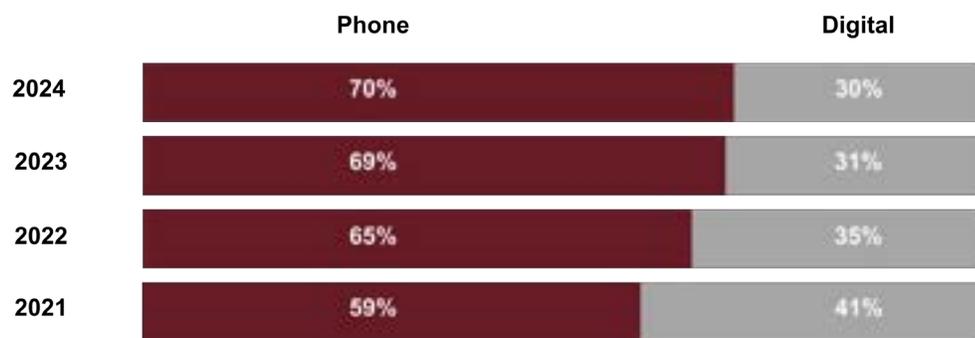
Self-Service Versus the Phone

With all the hype around AI and self-service customer support, you might think that the typical U.S. consumer would be embracing self-service solutions. It isn't surprising that the phone is still the most popular option when a customer needs help, but what is surprising is that the numbers haven't changed much. As a matter of fact, the percentage of customers who desire to use the phone over digital self-service increased.



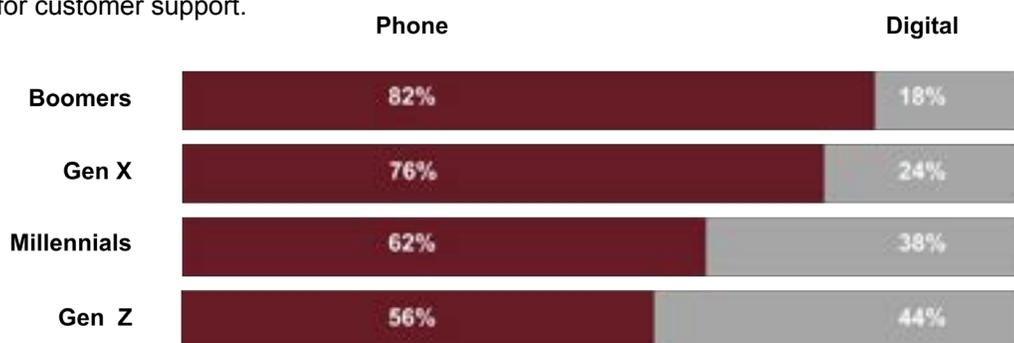
Something to keep in mind. On page 16, we asked about preferred methods of communication. For this question we provided just two choices: phone or digital self-service options.

We asked: When you have a problem or issue with a company or brand, which solution do you prefer to help solve your problem (phone or digital self-service)?



Age Matters

Similar to prior years, the younger generations embrace self-service more than older generations. Pay attention to the differences between the generations. Depending on who your company or brand serves, you may have to adjust how they contact you for customer support.



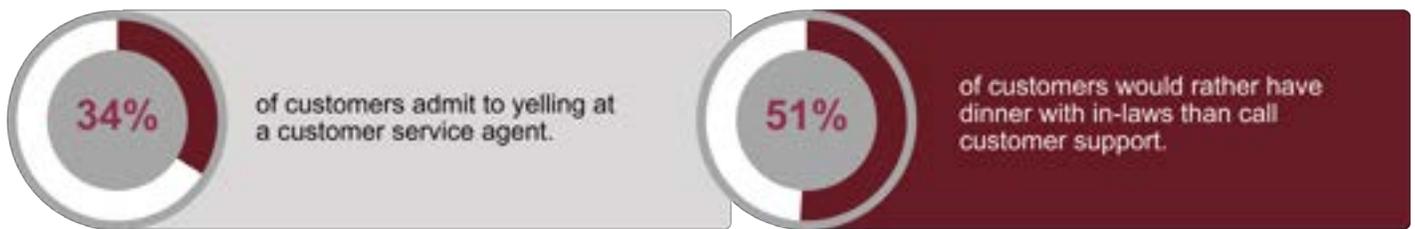
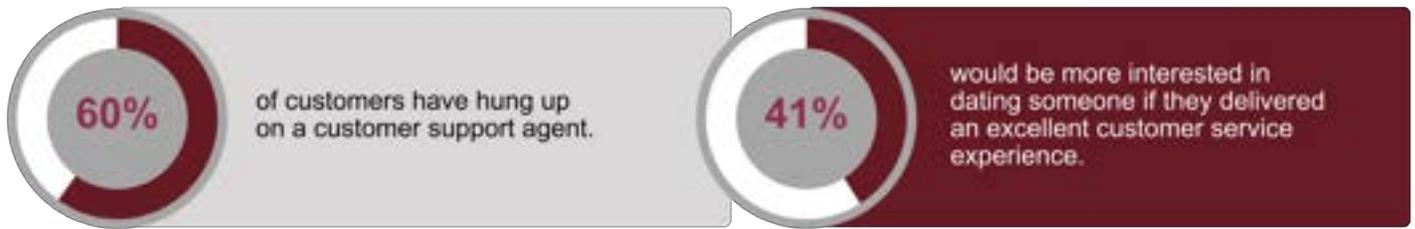
Drilling down, we asked customers, “Do you use self-service tools (Frequently Asked Questions on a website, video tutorials, interactive voice response systems, chatbots, and others) to answer questions or handle issues before contacting a live customer service agent?” More than seven out of 10 customers (74%) said, “Yes.” But even though they used these solutions, that doesn't mean it is their preferred way to contact customer support.

AMAZING FACT

Even with 70% of customers desiring the phone as the preferred solution to get help and solve problems, 26% of customers in 2024 have stopped doing business with a company or brand because self-service options were not provided.

The Bad and the Ugly (And Interesting)

After reading the last pages of findings, I thought it would be fun to share some of the not-so-serious findings about how angry and frustrated customers can be. Here are the “ugly” facts:



AMAZING FACT

43% of customers would rather clean a toilet than call customer support.

Do Customer Loyalty Programs Work?

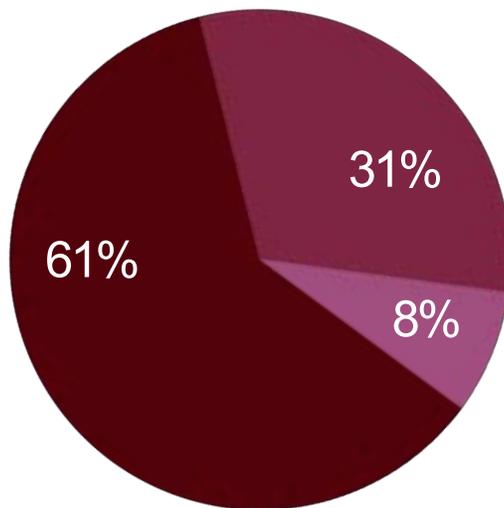
Customer loyalty programs are designed to get customers to come back. However, they don't always create loyalty. What they can do is create repeat business. That's important, and almost as good, but don't confuse the difference between loyal customers and repeat customers.

Loyalty is about an emotional connection. Your customers keep coming back because they trust you, they can predict the experience, or they feel a strong connection to the brand for any number of reasons that could include a favorite salesperson, a social cause the company supports, and more.

Most loyalty programs are actually marketing programs that drive, as mentioned, repeat business. A restaurant may give you a free sandwich after five visits. An airline gives you points or "miles" that can be redeemed for free trips or upgrades. Some customers are even willing to pay for a program, like Amazon Prime.

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

In 2024, customer reward programs are important to 61% of American customers when it comes to giving a company repeat business.



Neutral

In 2024, customer reward programs are not important to just 8% of customers.



AMAZING FACT

Loyalty programs are more important to younger consumers than older consumers. In 2024, 64% of Gen Z said loyalty programs were important to them versus 51% of Boomers.

More On Loyalty Programs

And why do so many companies have a loyalty program? They work, and the findings in this year's study prove it.



Loyalty Programs Make Price Less Relevant

- ✔ 46% are willing to pay more for a company or brand that has a good loyalty or rewards program.
- ✔ 39% have chosen one brand or company over another, even if it was more expensive, because they wanted to earn more points in a loyalty program.

Loyalty Programs Drive New Business, Repeat Business, and Word-of-Mouth Marketing

- ✔ 76% are more likely to return to a company that has a good customer rewards program.
- ✔ 57% would choose to switch to a brand that has a loyalty program if the other brand did not.

Loyalty Programs Drive Unplanned Business

- ✔ 39% have made an unplanned purchase just to earn more points or rewards.
- ✔ 47% admit to being more loyal to the loyalty program than the company.

AMAZING FACT

In 2024, 55% of customers surveyed have recommended a brand or company to others because of its loyalty program.

Satisfaction Surveys: They Can Help You and They Can Hurt You

Companies and brands need customer feedback. Some are much better at getting information than others. The wrong survey can not only frustrate a customer, it could cause them to not come back. That “short survey” that lasts 20 minutes leaves customers feeling duped. And then there are surveys that sometimes take longer than the experience the customer had with the company or brand. This year we took a deeper dive to understand how customers feel about receiving and completing satisfaction surveys.



General Findings:

- ▣ We asked customers how often they completed customer satisfaction surveys, only **14%** said rarely and **4%** said never. *Most customers complete surveys under the right circumstances.*
- ▣ **67%** said they don't complete surveys if they are too long. *Don't make surveys too long.*
- ▣ **23%** of customers stopped doing business with a company because it kept sending too many surveys. *Don't send too many surveys.*

Good and Bad:

- ▣ **74%** said they are more willing to complete a survey after a good customer experience versus a negative one. *Good service begets completed surveys.*
- ▣ **42%** of customers said they avoid completing customer satisfaction surveys after a negative experience to avoid further interactions with the company. *If the experience was that bad, not receiving a survey is the least of the company's problems.*

Timing Is Everything:

- ▣ **68%** said the timing of the survey sent (immediately after purchase versus later) influences their likelihood of completing it. *Hint: Don't wait three days to send a survey.*
- ▣ **84%** of customers are more likely to respond to a survey if it is sent shortly after the interaction with a company. *This finding further supports the idea that a customer receiving the survey right after a purchase has a good chance of completing it.*

AMAZING FACT:

Almost one in five customers (19%) stopped doing business with a company because its survey was too long.

An Important Reminder About Surveys

The survey is often the last impression a customer will have after a purchase until the next time they do business with the company or brand. This is worth repeating from last year's section on surveys: You don't want the last impression of a good customer experience to be tainted with a poorly orchestrated survey program. Put the right thought into how you survey your customers.



“I Don't Want to Get Anyone in Trouble.”

- ☐ **32%** said that after a poor customer service experience, they did not complete a survey because they didn't want the employee to feel bad. Some customers are sensitive to how employees feel about a negative rating or comment on a survey. Some are even concerned the employees will get in trouble.

Begging and Bribing

- ☐ **58%** of customers said a company employee asked them in advance of receiving a survey to leave a positive review or high rating. It's one thing to ask a customer to fill out a survey when they receive it. It's another to ask (beg) the customer in advance to leave a positive review.
- ☐ **33%** will only complete customer satisfaction surveys if there's an incentive, like a discount or a chance to win a prize. I recently saw a sign indicating that if you gave a restaurant a 5-star rating, they would give you a free cookie. What would happen if you gave them a lower rating – no cookie?

Customers Don't Believe Their Feedback Is Valued

- ☐ **72%** said they don't ever hear back from the company after completing a satisfaction survey. Even an automated response expressing appreciation for the customer taking the time to fill out a survey is better than nothing.
- ☐ **71%** assume the company won't make any changes based on their responses to a customer satisfaction survey. Even if it's not a direct response to the customer filling out a survey, letting customers know their ideas are heard and some of them are implemented is powerful. Some companies and brands will send customers messages or post on their websites the changes they made based on customer feedback.
- ☐ **37%** believe their feedback on a survey is not valued or taken seriously. If you don't let the customer know you're paying attention to their feedback, of course, they will feel their suggestions won't be valued.

AMAZING FACT

34% admit to giving a higher than deserved rating on a customer satisfaction survey because of an incentive, like a discount or gift for completing the survey.

Ratings and Reviews

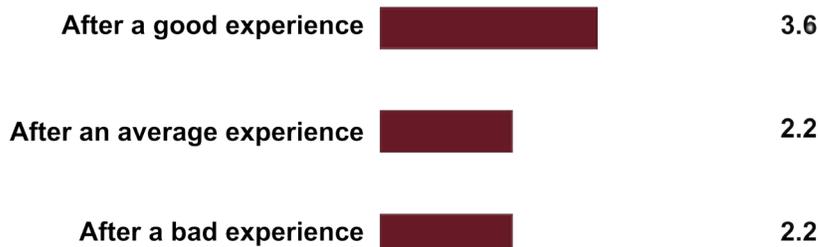
It's important to survey your customers, but as you can see on page 22, not all customers complete customer satisfaction surveys. Companies and brands must monitor review sites and social channels to see what customers are saying and how they are being rated.

We asked: How many customer ratings and reviews have you provided in the past year for each type of experience?

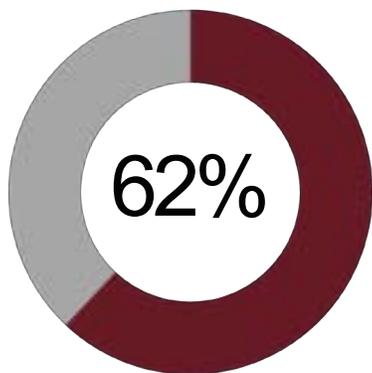
Customer Ratings



Customer Reviews

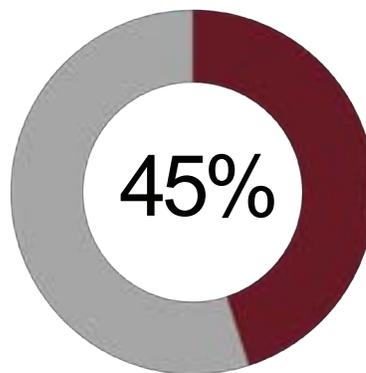


When a customer receives good customer service from a company or brand...



are likely to write a positive online review and **78%** are likely to leave a rating.

When a customer receives bad customer service from a company or brand...



are likely to write a negative review online and **56%** are likely to leave a negative rating.

AMAZING FACT

Almost 4 of 10 customers (38%) who have a poor customer experience won't leave a negative rating or review because they are worried the employee might get in trouble.

Ratings and Reviews

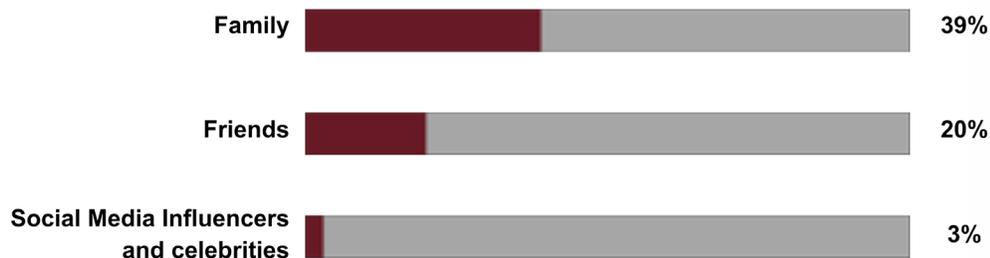
Reviews are important to customers considering making a purchase. They are looking for both product and customer satisfaction reviews.

- ✔ **90%** of customers “sometimes look at ratings and reviews before making a purchase.”
- ✔ **84%** say ratings and reviews help them decide if they want to make a purchase.
- ✔ **71%** say reading a review has stopped them from making a purchase they were ready to make.

There is some skepticism about reviews. Are they real? Are they rigged? Here’s what customers say:

- ✔ **76%** of customers are skeptical about the authenticity of ratings and reviews if they are all positive.
- ✔ **30%** of customers say they will not purchase from a company that doesn’t have any negative reviews.
- ✔ **45%** of customers don’t trust ratings and reviews on the company’s official website.
- ✔ **67%** of customers say that even with high ratings or reviews, they still ask family members for their opinions.

In addition to traditional ratings and reviews, customers consider other sources for product recommendations. Not including any type of review sites (38%), in order of preference:



After experiencing good customer service from a company...

- ✔ **78%** are likely to leave a positive rating.
- ✔ **62%** are likely to write a positive online review.

After experience bad customer service from a company...

- ✔ **56%** are likely to leave a negative rating.
- ✔ **45%** are likely to write a negative review online.

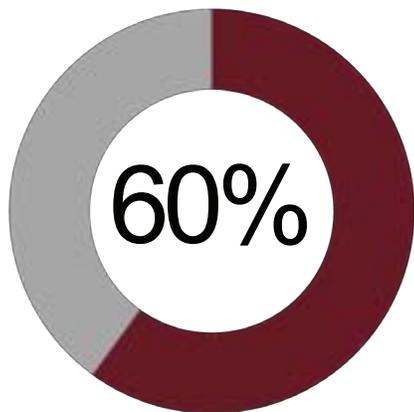


AMAZING FACT

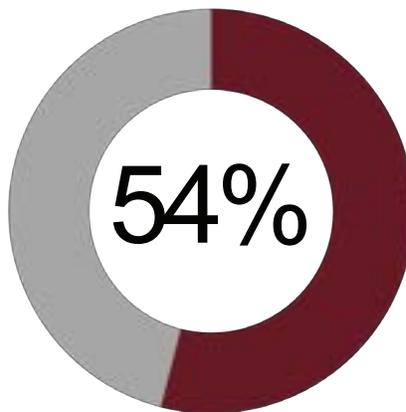
85% of customers believe that some ratings and reviews are fake.

A Social Cause: Good for the World and Good for You

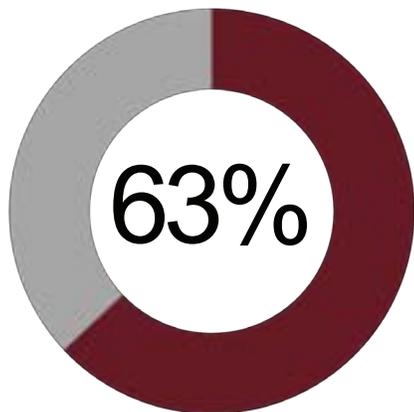
A social cause has become more important to customers than in the past. Terms like conscious capitalism and purpose beyond profit are being used in the C-Suite to describe a desire to give back to a cause or the community. This year, we asked several questions related to the importance of social causes. Here's what we learned:



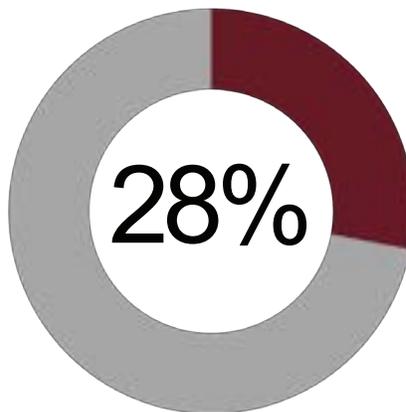
60% of customers prefer to do business with a company or brand that has a social cause that is important to them.



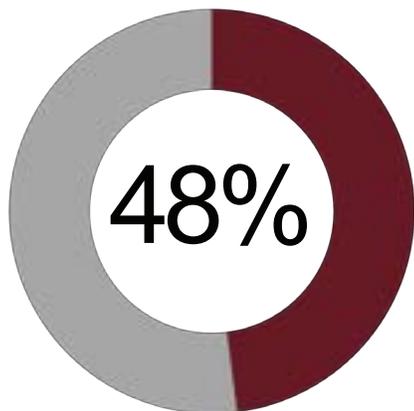
54% of customers would stop doing business with a company or brand that has a social cause they didn't agree with.



63% of customers expect companies to be socially responsible and contribute to community causes.



28% of customers would choose not to do business with a company or brand that doesn't have a social cause or give back to the community.



48% of customers would be willing to pay more if a company or brand has a social cause that is important to them.



AMAZING FACT

In 2024 (and in 2023 and 2022), it is significantly more important for younger generations than older generations that companies have a social cause that is important to them.

Let's Give Them Something to Talk About!



Last year, my concluding comments focused on Bonnie Raitt's hit song from 1991, ***Something to Talk About***. When I'm hired as a keynote speaker and the client uses "walk on music" when they introduce me, I have them play the chorus to the song. After all, isn't that what you want your customers to do – talk about your amazing customer experience?

My goal in this research has been to provide insights that will help you make decisions about your customer service and CX initiatives. While this research is based on the general population of the United States, matched to the U.S. Census, your customers may be different. They may all be young. They may all be technically savvy. They may all be from North Dakota. You get the idea. This is data to help you move forward in your goal to ***give them something (positive) to talk about***.

Summary of Key Research Discoveries

- In 2024, the importance of customer services and CX continue to increase. While there are many experiences customers want, ***convenience*** tops the list. Four years ago, 84% of customers said convenience was important. This year, it's 94%. You can't ignore the findings. Find ways to make doing business with you easy and without friction.
- In 2024, customer experience makes price less relevant. We asked the question several different ways to confirm this point. Overall, 51% think service is more important than price. If the experience is convenient, that number jumps to 70%. But keep in mind, if 51% think price is less relevant, then 49% of your customers are concerned with price.
- In 2024, customers won't put up with an average experience. Almost one in four will find somewhere else to do business if you just "satisfy" them. Customers want more than an average experience. And if they know there's better service elsewhere, 79% of the people would switch.
- In 2024, despite what people have predicted over the years, the phone is not dead. It is still the customers' most preferred channel of communication.
- In 2024, AI is a hot topic, and it is fueling improved self-service options, but customer enthusiasm has not caught up with the advances that make the experience better. But there is a brighter future for self-service. 62% of customers expect AI technologies to become the primary mode of customer service in the future.
- In 2024, the top three reasons customers come back are the same as they have been since we started asking them for the past four years. They want helpful, knowledgeable, and friendly employees. That's not rocket science!

SHEP HYKEN

**Award-Winning Keynote Speaker
NYT & WSJ Bestselling Author
Researcher
Chief Amazement Officer**

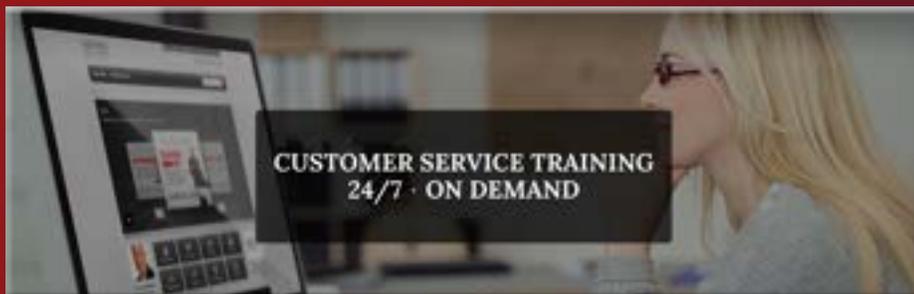


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