

2026

The State of Customer Service and CX

The latest research on what
customers want, need, and expect.

Researched and summarized
by Shep Hyken, customer
service/CX expert



Get Shep's Latest Tips, Research and More >> www.Hyken.com

THE STATE OF CUSTOMER SERVICE & CX

Welcome to this year's *State of Customer Service and CX* report. Each year, we survey more than 2,000 American consumers to learn and understand how they feel about the experiences they receive from the companies and brands they do business with.

- Is there something more important than customer service or CX?
- How are customers reacting to using AI, whether it's optional or forced upon them?
- Will a customer really stop doing business with a company because of their satisfaction survey?
- Even with AI's ability to create a better customer experience, why do seven out of ten customers still prefer to use the phone?
- Are customers willing to pay more if they know they will have a good customer experience?

All of these questions, and more, will be answered throughout the pages of this report. I'll also share my thoughts on why these findings are important to you and your business. The numbers tell a story. They can help form your customer service or CX initiative. They can confirm that what you're doing is right (or wrong).

Yes, this is a "consumer" report, but this is important:

It doesn't matter what type of business you run or what industry you are in, whether you are a B2C or B2B business, your customer (who you might call clients, members, residents, patients, fans, etc.) no longer compares you to a direct competitor. Their benchmark for a great service experience is based on the best company or brand they have done business with. It can be Amazon because of its consistency, a restaurant because of the staff's friendliness, or it could be a manufacturing company that has an inside salesperson who's always so knowledgeable and helpful. The point is...

The best experience a customer has sets the bar for all their experiences with the companies and brands they do business with.

It is my hope that you'll get several ideas from these findings that will help you deliver a better customer experience that gets your customers to say, "I'll be back!"

Always be amazing!



Shep Hyken
CAO (Chief Amazement Officer)
Shepard Presentations LLC

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.

TABLE OF CONTENTS

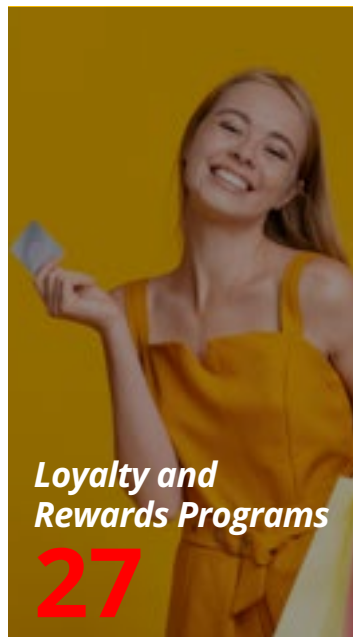


18 *Customers Don't Like to Wait!*



Social Cause

26



Loyalty and Rewards Programs

27

-
- 4** National Study Goals, Key Story Elements, Report Methodology
 - 5** Interesting & Intriguing
 - 6** The General Sentiment of CX
 - 7** This is What Customers Expect
 - 8** More than Half (59%) of American Consumers Will Pay More for Great Service
 - 9** What Customers Want
 - 10** Trust Is Non-Negotiable
-
- 12** Hot Topic! **Convenience Still Rocks!**
-
- 13** Personalization:
Create the *They Know Me* Experience
 - 14** What Your Customers Think About AI
 - 16** The Phone Is Not Dead!
 - 17** Communication Preferences
 - 18** Customers Don't Like to Wait
 - 19** If Customers Don't Like to Wait, Why Are They Willing to Hold Longer?
 - 20** Contact Center Update:
"Your Call Is Very Important to Us"
 - 22** Why Customers Come Back
 - 23** Top Reasons Why Customers Don't Come Back
 - 24** How Many Chances Do You Get?
 - 26** Social Cause
 - 27** Loyalty and Rewards Programs
 - 28** Satisfaction Surveys
 - 30** Ratings and Reviews
 - 32** Top Words
 - 34** Top Brands
 - 35** Closing Remarks

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.

PERMISSION TO REPRINT: The reader is granted permission to reprint findings from this report provided proper attribution is cited by crediting The State of Customer Service & CX Study with a link back to www.Hyken.com/research. If you have questions or would like formal permission, please contact us. Thank you!

© MMXXVI Shep Hyken

For more information on this report, please contact us at cindy@hyken.com, +1 (314) 692-2200, www.Hyken.com.

NATIONAL STUDY GOALS

- Explore the current state, strategies, and perceptions of customer service and customer experience to anticipate expectations for the next 2–3 years.
- Understand and evaluate consumer needs, demands, and behavioral preferences that drive customer service and customer experience.
- Use findings to help make better decisions that positively influence customer service and experience.
- **NOTE:** For the purpose of this study, customer service and customer experience refer to the interactions customers have with people, companies, or organizations they do business with. These interactions can happen before a purchase, during the sales process, or after the sale when seeking support, assistance, and more.

KEY TRENDS AND FINDINGS

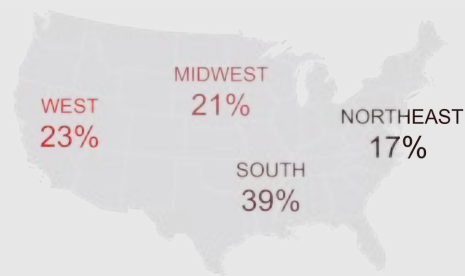
- Customers are giving companies few chances after bad experiences. 20% of customers won't give another chance, more than double from last year.
- Convenience is becoming an expectation, but it is still important. 92% of customers rate convenience as important or very important.
- The importance of rewards programs is up over the past three years. 63% say rewards programs are important to them.
- 42% of customers say they have more bad experiences this year compared to previous years.
- Surprisingly, even with the improvement of AI supporting self-service, 68% of customers still prefer to use the phone over digital self-service when they have a problem. Gen Z actually increased their preference for the phone, from 52% last year to 60% this year.

REPORT METHODOLOGY

This report is based on two online surveys of 2,226 U.S. adults (ages 18-70), conducted January 5-9, 2026, and weighted to the US population demographics.



25%	GEN Z	(AGES 18-29)
31%	MILLENNIALS	(AGES 30-45)
28%	GEN X	(AGES 46-61)
16%	BOOMERS	(AGES 62-70)



AI TRANSPARENCY STATEMENT

Once the data and findings were delivered to me, I used AI as an analytical and organizational tool to help identify year-over-year differences, generational comparisons, and noteworthy trends. AI assisted with structuring and summarizing the data so I could more efficiently identify patterns and insights. From there, the interpretation, conclusions, and point of view are entirely mine. I reviewed the information, applied my experience, judgment, and industry knowledge, and determined what mattered and why. Other than minor editing assistance from tools like Grammarly and support from the team at Shepard Presentations, all commentary, insights, and final language were written by me. AI gave me the gift of efficiency. All of the thinking, storytelling, and the message come from my very human brain.

INTERESTING & INTRIGUING

INTRIGUED?



Read on and learn why investing in customer service and CX is more important than ever!

Product Quality Wins

96%

of customers say the quality of the product is important to them, even more important than customer service. (Page 7)

Convenience

65%

say convenience (hassle-free experiences) is more important than friendly customer service. (Page 12)

Pay More

59%

say customer service is more important than price, making price less relevant. (Page 8)

CX Expectations

45%

say that, when it comes to customer service, most companies don't normally meet their expectations. (Page 7)

Better or Worse

41%

think customer service is better this year than last. That means almost six out of ten customers think it's worse! (Page 6)

Why Customers Leave

82%

say rudeness or apathy is likely to make them switch or leave a brand. (Page 22)

The Phone Is #1

68%

say they would rather call a company than use self-service options to solve a problem. (Page 16)

AI Comfort Level

49%

say they are more comfortable using AI for customer support than they were last year. (Page 14)

Trust

86%

say great customer service increases their trust in a company. (Page 10)

The General Sentiment of CX

Good news for the overall sentiment of customer service and experience...



83% of customers say that, in general, they are happy with the companies and brands they do business with. The important words to consider are “in general.” Once you read the additional findings on this page, you’ll see that customers seem to be tolerant of a less-than-amazing experience.



41% of customers think service is better this year than last. Some people seem to feel customer service is on the rise, but it’s not the majority. That means that if your company is among those that make these customers say, “Service is better,” then you have a competitive advantage.

But we have a long way to go. We drilled down and asked specific questions, and here are the results:

42%



42% said they had more bad customer service experiences in the past year compared to previous years. We asked the same question for the past three years. The trend is going in the wrong direction. In 2024, 38% had more bad experiences than in prior years. In 2025, the number is 40%. That’s a 10.5% increase in bad experiences over three years.

52%



52% of customers say they have had a bad experience in the past 12 months. This is an interesting finding. If you flip it around, 48% of customers say they did not have one bad experience. That’s amazing!

74%



74% of customers think it’s easy to deliver good customer service. Maybe that is why customers become frustrated when they experience bad service. They think it’s easy. There are two sides to customer service. There’s the system that drives part of the experience, which can be a process or technology (or both). That’s on the company to ensure their system works. The other side is people. Employees interacting with customers must be trained to deliver the basics, which include a kind and friendly experience. (How hard is that?)



AMAZING FACT

66% of customers said that no matter how much they enjoyed the product, if the company doesn’t provide good customer service, they will find another company to do business with.



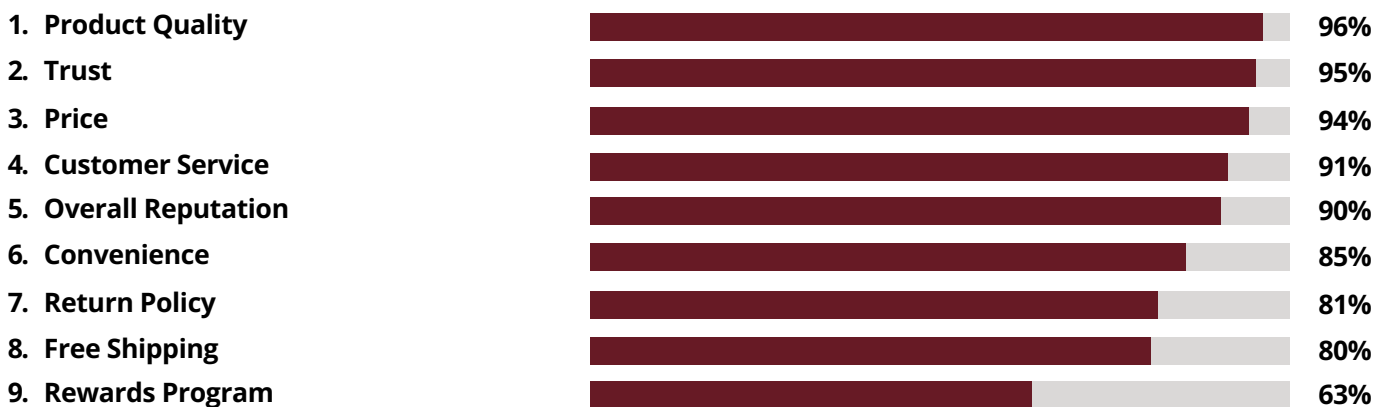
This is What Customers Expect

More than half of your customers will pay more for a better customer experience (see Page 8), but it won't matter if what you sell doesn't do what it's supposed to, or its quality doesn't meet the customer's expectation. The number one expectation, even more than convenience and overall customer service, is *product quality*.



WE ASKED:

How important are each of the following when choosing where to do business?



(Note: The percentages above combine *Very Important* or *Important*)

The top five are all 90% or above. That means all these attributes, whether consciously or subconsciously, may be considered by customers when choosing where to do business. That means you must consider them all!

What's More Important than Customer Service?

Product Quality:

If you have the nicest, friendliest, responsive customer service, but your product doesn't do what it is supposed to do, two words: Game Over.

Trust:

Like product quality, if your customer doesn't trust you, the friendliest service won't matter. (See Page 10 for more about *trust*.)



AMAZING FACT

Two out of three customers say that no matter how much they enjoy the product, if the company doesn't provide good customer service, they will find another company to do business with.



More than Half (59%) of American Consumers Will Pay More for Great Service

The theme of consumers willing to pay more for a good customer service experience continues. Here are five reasons customers would be willing to pay more:

59% of customers are willing to pay more for a good customer experience. That's six out of ten customers who recognize the value of being treated as they hope to be.



52% of customers would pay more if they knew they would receive a more convenient experience. Be easy to do business with, and price becomes less relevant.



63% of customers are willing to pay more for a personalized experience. Personalization can come from knowing what they've bought in the past, how often they buy, the questions, concerns, and comments they've had in the past, and more. When you know your customer, you have a relationship, not a transaction.



53% of customers are willing to pay more for a company or brand that has a good loyalty or rewards program. (See Page 27 for more about rewards programs.)



47% of customers are willing to pay more if the company has a social cause or charity that is important to them. (See Page 26 for more about social causes.)



Price Sensitivity in Shaky Economic Times

While almost six out of ten customers are willing to pay more for great service, a rough and shaky economy can undermine this strategy. During times of a rocky economy and high inflation, almost half (48%) of customers say they will sacrifice service for price. But for the other half, customer service still counts!



AMAZING FACT

In the past three years, the willingness to pay more for a great service experience has increased from 45% in 2024 to 59% today, proving that service is more important than ever.



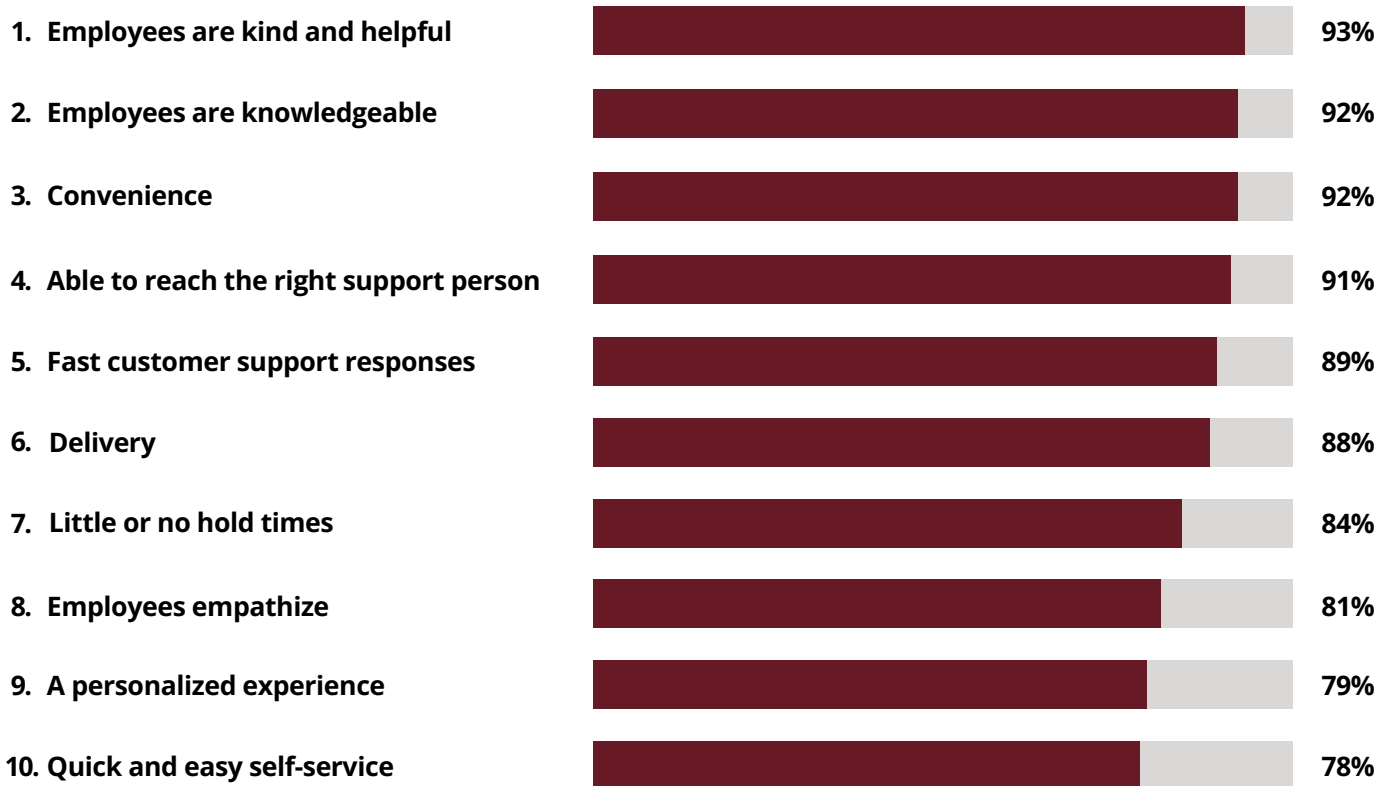
What Customers Want

WE ASKED:

How important are each of the following customer service experiences to you?

As in past years, the top expectations were clustered at the top, with only 4 percentage points separating the top five.

We offered five choices: Very Important, Important, Neutral, Not Important, Not at All Important. The following “Top Ten” and comments below combine “Very Important” and “Important”:



Convenience: All generations appreciate convenience, but Baby Boomers appreciate it the most. Almost every Boomer (97%) said convenience was important, versus Gen Z at 85%.

Human-to-Human Interactions: The quality of the employee experience is non-negotiable across all ages. Everyone rated kind, helpful, and knowledgeable at 9% or higher.

Self-Service Customer Support: With the advancement of AI-fueled self-service options, it may be surprising that “Quick and easy self-service using digital tools versus calling” came in at number ten. This “last place” experience was driven by Boomers. Millennials and Gen Z appreciate, and in some cases demand that a company provide self-service options. So, while you may be inclined to push self-service, be sure that live agent support is an option.

AMAZING FACT

Even though Gen Z grew up with technology, we would think they should love chatbots and automated service. They do, but when they need or want to talk to a live agent, they rate empathy more than any other generation.

Trust Is Non-Negotiable

Trust is non-negotiable. It is table *stakes*. Without trust, you will never achieve customer loyalty, let alone a customer willing to do business with you the first time. Ethics and morality are the foundation of trust. From there, it's almost as simple as just doing what you promise. Consider that:

- **88%** trust a brand when it consistently does what it says it will do.
- **86%** of customers say great customer service increases their trust in a brand.
- **83%** trust a brand more when they are quick to respond to inquiries, questions, or problems.
- **88%** trust a brand when it admits mistakes and takes responsibility.
- **86%** trust a brand when it fixes problems quickly and without excuses.
- **82%** would leave a brand if they didn't take responsibility for mistakes.

BE TRANSPARENT

83% of customers don't trust a brand that hides fees or uses misleading pricing. Hidden fees and small print will drive your customers away. Consider some hotels that bury an extra fee, sometimes called a *resort fee* in their fine print. They advertise a price, and often their guests are surprised when they receive their final bill with a daily *resort fee* added on.

INCONSISTENCY ERODES TRUST

While 86% of customers say great customer service increases their trust, 70% would leave a brand because of inconsistent customer service. This has nothing to do with honesty and integrity. This is just about the service experience. It *must be* consistent. Otherwise, customers will wonder, "What's the next time going to be like?" And that is the question that leads to a lack of trust – and specifically a lack of confidence.



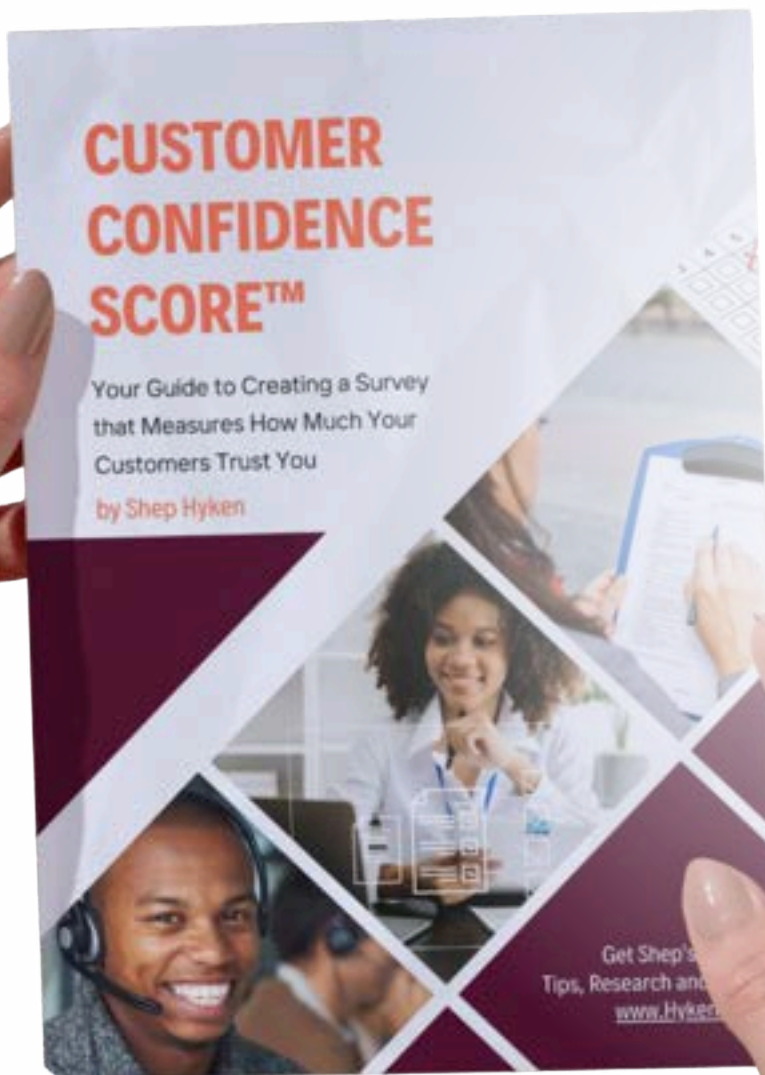
AMAZING FACT

88% of customers said that trust is more important than in recent years, and once trust is broken, it's hard for the brand to earn it back.



CUSTOMER CONFIDENCE SCORE™

Your Guide to Creating a
Survey that Measures
How Much Your
Customers Trust You



A NEW WAY TO MEASURE WHAT REALLY MATTERS — TRUST

Want to know the
missing metric behind
true customer loyalty?
Unlock the guide and learn
how to measure and grow
customer confidence today.

DOWNLOAD NOW, IT'S FREE!
(NO EMAIL REQUIRED.)



Convenience Still Rocks!

85%

of customers said a convenient experience is important to them.

82%

of customers are likely to recommend the company to others if they provide a convenient customer experience.

52%

of customers would pay more if they knew the experience would be more convenient.

65%

of customers say convenience is more important than friendly customer service.



In previous years, the number of customers who said a convenient experience is important to them was a bit higher. Prior to the COVID-19 pandemic, I wrote a book titled *The Convenience Revolution*. My thesis was that convenience was one of the strongest competitive differentiators. My subsequent research confirmed that convenience trumped price and friendly customer service. So, why has this number decreased?

The trend doesn't indicate a decline in importance. It shows normalization. When you look at the various findings in this year's study, there is a bigger picture. Convenience still remains a high priority in a customer's decision to do business with a company, but it is becoming assumed.

Where convenience was the most competitive differentiator, it is now an expectation!

In other words, customers expect convenience. While they may not reward you as often for being convenient, simply because it's now an expectation, they will penalize you if you aren't.

Consider what drives customers away. If I had to choose one word, it would be *friction*. On Page 20, we cover the findings on why customers leave or switch brands, and many of those reasons could come under the heading of *friction*.

So, while finding ways to be convenient might be important, eliminating anything that is less than convenient is even more important!

AMAZING FACT

If you want repeat business, consider that seven out of ten (70%) said a convenient experience alone would make them come back.

Personalization: Create the *They Know Me* Experience



82% of customers prefer companies that offer a personalized experience. The simplest definition of personalization is when the customer says, “They know me.” Personalization includes knowing:

- **The customer’s name**
- **Purchase history**
- **Buying patterns**
- **Past customer support issues and complaints (and how they were resolved)**
- **Preferred communication channels**
- **Language preferences**
- **Special days, such as an anniversary or birthday**
- **Industry or profession (especially for B2B customers)**
- **And more**

The information comes from the customer telling you or you monitoring the customer’s interactions with you. Both give you the data you need to deliver the *They Know Me* experience. Once the customer has that type of connection, it gives the company or brand a competitive advantage.

59% of customers trust companies and brands to use their data responsibly. That means that four in ten are concerned. A company that crosses the line and misuses data can come across as overly aggressive, intrusive, or even creepy. That will push customers away. In short, use your customers’ data wisely!



AMAZING FACT

Six out of ten (63%) of customers would be willing to pay more to do business with a company that offers a personalized experience.



What Your Customers Think About AI

Nothing is a hotter subject in the CX world than AI. Improvements in AI technology are moving so fast that it's hard to keep up. But sitting on the sidelines waiting for an improved solution is a mistake. While it's best to be ahead of competitors, staying even, as in keeping up, is better than playing catch-up.

Last year, I predicted that customers would be more accepting of AI self-service. This year's findings didn't show the increase I expected. However, if you asked me today, I'd make the same prediction.

49% of customers are more comfortable with using AI for customer support than they were last year, just a 2% increase, which is negligible.

That doesn't mean it won't happen. While AI technology is improving, there is still too much inconsistency from one company to the next, which creates a confidence issue. Here are this year's findings:

Good News For AI:

- **53%** of customers have noticed an improvement in AI customer service technologies over the past year.
- **50%** of customers say they have successfully resolved a customer service issue using AI or ChatGPT-type technologies without needing human assistance. The same as last year.
- **58%** of customers think AI technologies like ChatGPT have the potential to improve the overall customer experience.
- **51%** of customers believe that AI and technologies like ChatGPT will lead to more personalized customer experiences.
- **54%** of customers believe AI and chatbots have significantly improved the speed and efficiency of customer service.
- **43%** of customers think self-service or automated support can deliver as good a customer experience as humans.
- **32%** of customers stopped doing business with a company or brand because self-service options were not provided.

AMAZING FACT

65% of customers expect AI technologies to become the primary mode of customer service in the future. While only a 2% increase over last year's findings, just five years ago, in 2021, the percentage of customers who felt this was 21%.

What Your Customers Think About AI (Cont.)

Not So Good News For AI:

- **57%** of customers say companies that offer self-service options powered by AI, ChatGPT, and similar technologies frustrate them.
- **45%** of customers say technologies like AI and ChatGPT scare them.
- **71%** of customers feel that companies that use AI make it more difficult to reach a human customer service agent.
- **59%** of customers feel that when it comes to customer support, they dislike self-service options and only want to talk to a live person.
- **53%** of customers say they have received wrong or incorrect information from an AI self-service bot. (By the way, humans make mistakes, too)

Age Matters

- **A Dilemma:** 46% of Gen Z and Millennials have left companies for not offering self-service, but 72% of Baby Boomers would refuse to do business with companies offering only AI self-service support.
- **Success For the Younger Generation:** While 50% of customers report successfully resolving customer service issues using AI or ChatGPT-type technologies, there is a substantial difference between younger and older generations. Just 1/3 of Boomers (34%) versus 2/3 of young Millennials (66%) have successfully resolved an issue with AI.
- **A Positive** Gen Zs' outlook on AI delivering an experience as good as humans is twice as high (57%) compared to Boomers (28%).



Take Action – Find the Balance Between AI and Live Support

You must achieve a balance between technology and human-to-human support. The best companies, even when they push customers toward an AI-first experience, still give them the option. And here's why:

84% of customers think companies using AI for customer service should always provide an option to speak to a human.

While some customers insist you offer self-service as a customer support option, 69% still prefer the phone (see Page 16). You must have a balance between the two. Don't become so enamored with technology that you forget what your customers want. Most companies that attempted to adopt 100% AI-driven self-service have reversed their decision. Even if you want to encourage customers to use self-service support, be sure to offer a human-to-human option if they prefer it.



AMAZING FACT

48% of customers say they have left or switched companies because their self-service/digital customer service options were too difficult to use.



The Phone Is Not Dead!

WE ASKED:

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

68%

of customers prefer to talk to a live customer service agent.

32%

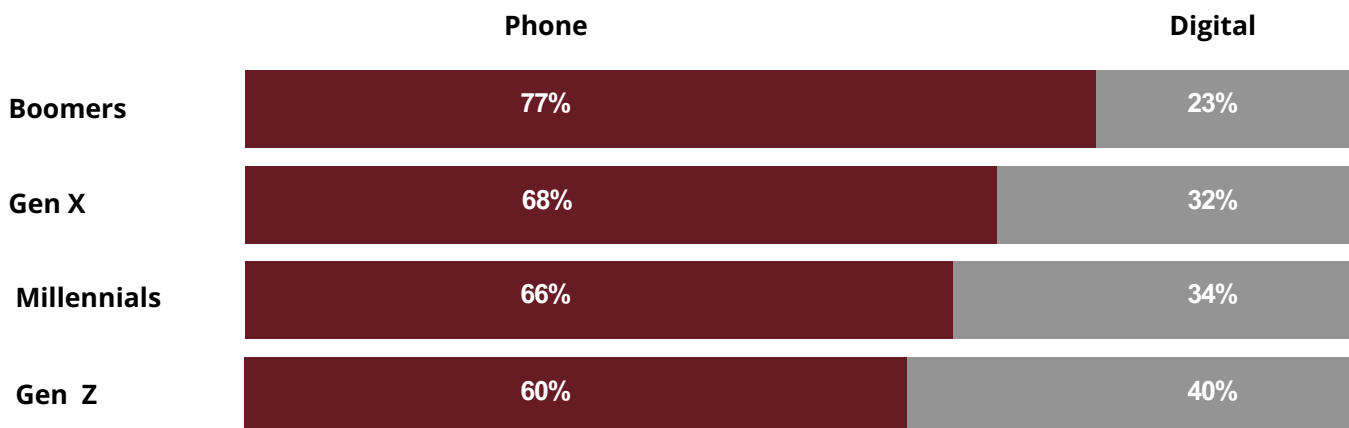
prefer a digital self-service option, such as a Frequently Asked Questions page on a website, video tutorials, interactive voice response systems, chatbots, AI, etc.

This year's findings were surprising because, in general, they stayed the same. I have asked the same question for the past six years, and the numbers are almost the same every year. Last year's numbers were identical to this year's numbers. And in prior years, it was so close as to be negligible. My prediction that the preference for the phone would start to diminish was wrong. But it proves another point I've preached. Even as self-service solutions continue to improve, you can't go 100% digital and eliminate the live agent. Most companies that have tried this have reversed their decisions and returned to finding the balance between human and digital support.

Age Matters: There are two things worth noting about the generational differences.

Last year (2025), 82% of Boomers preferred the phone. This year, the number is 77%. That is only a 5% difference, but the number is trending down, which I thought it would. The self-service options are getting easier and more intuitive to use.

What surprised me was that last year (2025), 52% of Gen Z preferred the phone. This year, the number *increased* to 60%. While Gen Z has the highest preference (40%) for a digital self-service solution, six out of ten still prefer the phone.



AMAZING FACT

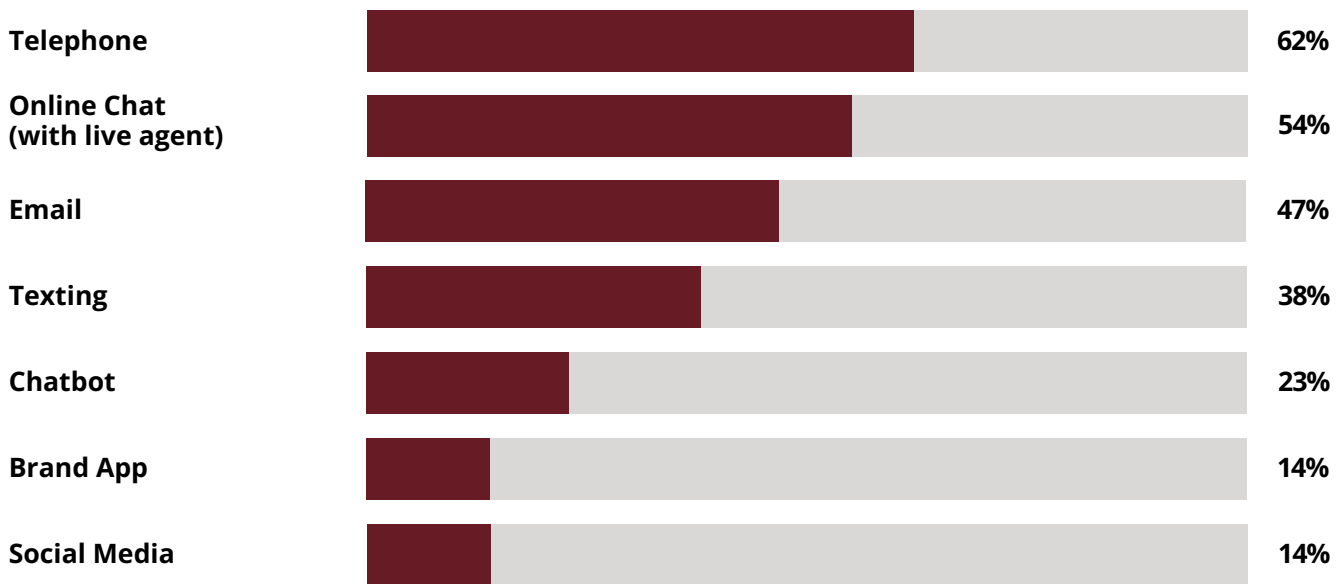
59% of customers say they dislike self-service options and only want to talk to a live person for support. Boomers drive this number higher, as nearly 3 in 4 (72%) only want to talk to a live person.

Communication Preferences

While customers prefer using the phone, we took the idea a step further to find out their top three choices for the most popular ways they communicate with companies and brands they do business with.

WE ASKED:

In general, what is your preferred method of communication when contacting a company for customer service? (Rank your top three.)



The difference between First Choice and Top-Three Combined reveals the difference between what customers “most prefer” versus what they find “acceptable or wanted.” The First Choice rankings tell you which channel customers will gravitate toward when given (at least 7) choices, suggesting where companies should invest in excellent service.

The Top-Three (the acceptable) tells you which channels should be available to avoid frustrating a customer. For example, even though 11% ranked email as their first choice, 47% include it in their top three. While email is rarely preferred, it is still widely accepted.

AMAZING FACT

Even with the high preference for phone support, 47% of customers said they would likely switch companies if self-service options were not provided. Customers want the choice.

Customers Don't Like to Wait

84%

of customers say that little or no hold time is important or very important when calling for support. Here's the breakdown for waiting on the phone, for an email, or a response on social media.



PHONE:

9.7 Minutes: The average time a customer is willing to wait is just under ten minutes, **but that is just an average.** Consider that 14% of customers are frustrated with a wait time of one minute or less, and more than half of customers (52%) become frustrated by the 5-minute mark.



EMAIL:

Eight Hours: The average time a customer is willing to wait is 8.3 hours, **but (again) that is just an average.** The critical response time is 1-2 hours. Almost six in ten customers (57%) expect a response in two hours, and 86% of customers say the absolute limit is 24 hours. And 15% of customers expect email responses as quickly as phone responses, within ten minutes, suggesting some customers view email as a real-time channel.



SOCIAL MEDIA:

Five Hours: The average time a customer is willing to wait for a response on a social media channel is 5.1 hours, **but (once again) this is just an average.**

While social media doesn't rank high on preferred channels, it's still important to consider the important finding is that for those customers who do, 45% expect a response within 1 hour.

By the way, 24% of customers say they have never used social media to contact a company for support. And not quite half (43%) of these customers are Baby Boomers versus just 15% of Gen Z.



AMAZING FACT

Customers have become 45% more patient with phone hold times over the past three years (tolerating an average of 9.7 minutes in 2026 versus 6.7 minutes in 2024), quite surprising in today's "I want it now" world we live in.



If Customers Don't Like to Wait, Why Are They Willing to Hold Longer?



Considering the “Amazing Fact” on the previous page (Page 18), it is surprising that the tolerance for being on hold has increased by 45%. Does that mean customers are accepting that service seems to be getting worse?

I have a theory.

First, let's look at an important metric that many contact centers use, AHT (average handle time). This was an important measure of a customer support agent's success. Another way to look at it is: how many calls per hour can someone handle? The answer has been that shorter calls mean more calls per hour.

Today, with self-service options, AHT is increasing because these channels allow customers to find answers to basic questions and access information that, in the past, would have required them to speak with a live customer service agent. The result is that easy problems and questions are handled by technology, freeing live agents to help customers with more complex issues. The result, of course, is that complicated calls take longer than simple, menial calls.

So, why is there an acceptance of longer hold times? When the issue is more complex, the customer knows they need to speak with an expert (at least they hope to) who can help. Knowing or hoping this will happen means they may show more patience. The 45% increase in “hold tolerance” is being driven by younger generations, who often view calling as a “last resort for issues” rather than a “first stop for any question.”

AMAZING FACT

While overall hold tolerance increased 45% over three years, this was driven entirely by Gen Z and Young Millennials, whose tolerance jumped 106%. In contrast, older generations became 6% less tolerant, actually pulling the total average down.

Contact Center Update: "Your Call Is Very Important to Us"

Is your call really important? Given that so many customers complain about being put on hold for long periods of time, one might wonder. Consider this:

48% of customers feel that when calling customer support, they don't think the company values their time.

However, most do care, and those who do make accommodations for busy times. They either ramp up their staff or they have the technology that informs customers how long they will have to wait and gives them an option for a callback when it's their turn. That technology is so reasonable, why wouldn't a company use it? Especially because:

73% of customers say when they are put on hold, they would prefer to be called back when it's their turn rather than experience a long hold.

77% of customers say they have called customer support, reached an automated menu system, and repeatedly screamed into the phone, "Agent" or "Representative," and eventually, out of frustration, hung up. That stat may make you smile, but there's sometimes a lot of truth in humor. Customers are calling you because there is a problem, a question, or a complaint. Don't feed their frustration with an outdated or poor IVR (Interactive Voice Response) system.

47% of customers say they would spend more money if they knew they wouldn't have to wait on hold for support. I'm not suggesting you should charge for a support call, but when you consider that overall, 59% of customers would pay more for better customer service, then adding a few cents to the cost of a product is a good way to fund a better experience. If you're good at what you do, most customers shouldn't have to call; for those who do, give them an amazing experience.

24% of customers say they are likely to leave a brand due to long wait or hold times. That's one in four customers! Furthermore, 42% said they are "somewhat likely" to leave. Don't risk losing customers over something that can be managed.

AMAZING FACT

When asked, "Would you rather go to the dentist than call customer support, 36% said, "I'd rather go to the dentist."



THE SHEPARD LETTER

Want to create amazing customer experiences?
Get weekly expert insights and trends from
Shep. You'll also receive his weekly cartoon.
Subscribe now!



CLICK HERE TO SUBSCRIBE
(www.hyken.com)



Why Customers Come Back

WE ASKED:

Which of the following customer service experiences are most likely to cause you to come back? (Select your top three.) We provided nine options. In order of importance, here's how they rank:

1. Knowledgeable
2. Helpful
3. Friendly
4. Convenience
5. Easy returns
6. Hassle-free shipping/delivery
7. Strong customer reviews
8. Personalized experience
9. Empathy

Note: These findings align with those of a similar question (see Page 23) asked to a different group of 1,000+ consumers.

Human Traits Dominate: The top three responses, Knowledgeable, Helpful, and Friendly, are all about the quality of human-to-human interactions. This tells us that customers return when they feel they're dealing with competent people who care (friendly and helpful).

AMAZING FACT

A "personalized experience" ranked 7th out of 9, but that doesn't mean it's unimportant. It's just that being knowledgeable and helpful (ranked first and second) shows customers still want competent people, no matter how well they know them.

ADD THIS TO YOUR
READING
LIST THIS YEAR



Successful companies are seeking ways to build and deliver connected customer experiences using a combination of technology and human-to-human connections. They aim to create Moments of Magic for all their customers. Shep Hyken shows you exactly how to do this and more.

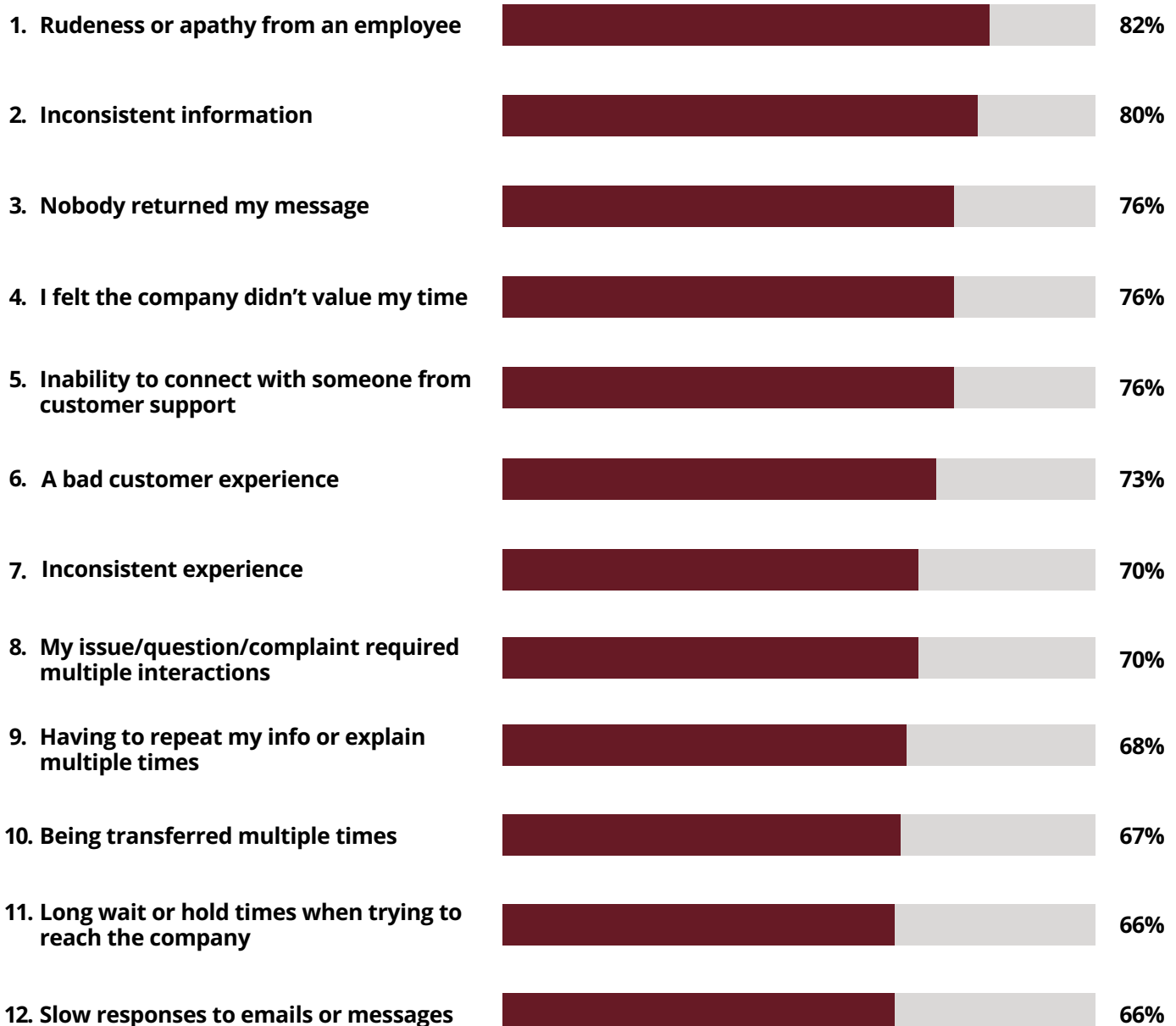
Gabriele "G" Masili
VP and CTO, Customer
Experience & Success, Microsoft

[CLICK HERE TO LEARN MORE](#)

Top Reasons Why Customers Don't Come Back

WE ASKED:

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



(Note: The percentages above combine *Very Likely* and *Somewhat Likely*.)



AMAZING FACT

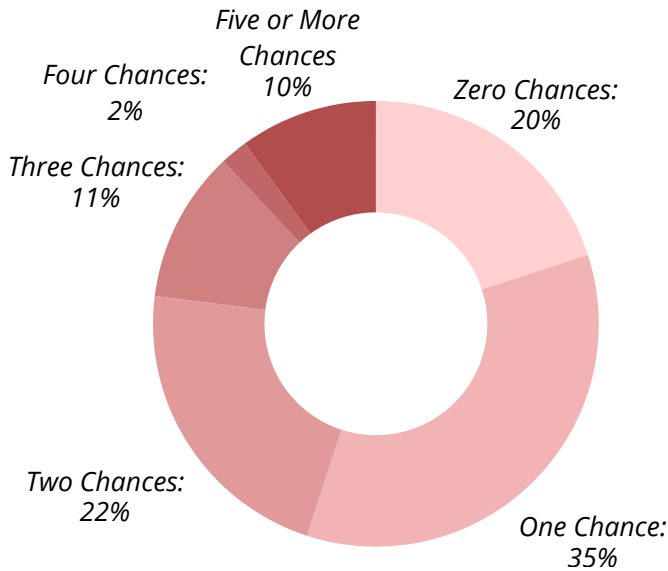
17% of customers would very likely leave a company if they didn't provide self-service options, and 30% said they would be somewhat likely to leave. That's almost half of your customers who might leave because you didn't offer them self-service options.



How Many Chances Do You Get?

WE ASKED:

How many chances would you give a company *you are not loyal to* after a bad customer service experience before switching to a new company?



Two (1.9) Chances

For companies a customer is not loyal to, two chances are generous, especially when you consider that 20% of unhappy customers won't give the company a chance at all. When you look at the numbers for both regular and loyal customers, there is a clear message: Get it right the first time!

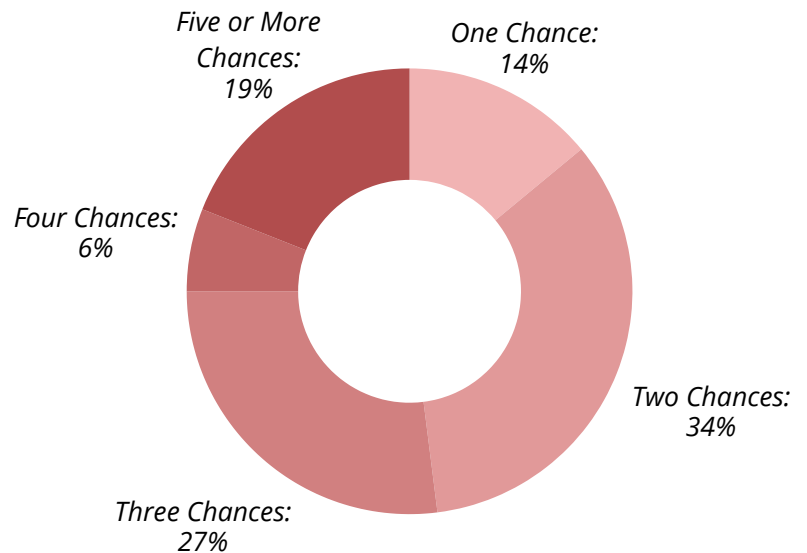
LOYALTY MAKES A DIFFERENCE

WE ASKED:

How many chances would you give a company *you are loyal to* after a bad customer service experience before switching to a new company?

Three (3.1) Chances

While loyalty makes a difference, it's just one extra chance. Customers give the companies they are loyal to three chances, but it's a "three strikes, and you're out" mentality. Loyalty may buy you an extra chance, so take advantage of it. While no company is perfect, do your best, and if there is a problem, take a look at the *Amazing Fact* below. There is hope!



AMAZING FACT

82% of customers would consider returning to a company if they actively sought to make amends for a bad customer experience.

CUSTOMER SERVICE TRAINING 24/7 ON DEMAND



Now that you know what your customers want, it's time to brush up on your customer service skills! Visit www.shepardvirtualtraining.com or call 314-692-2200 to learn more about our online "video-based" training courses.



THE CUSTOMER FOCUS™ & CREATING A CUSTOMER-FOCUSED CULTURE

Build a thriving customer-centric culture with Shep's proven philosophy. Learn six essential leadership steps to foster strong relationships, both internally and externally, ensuring long-term business success.

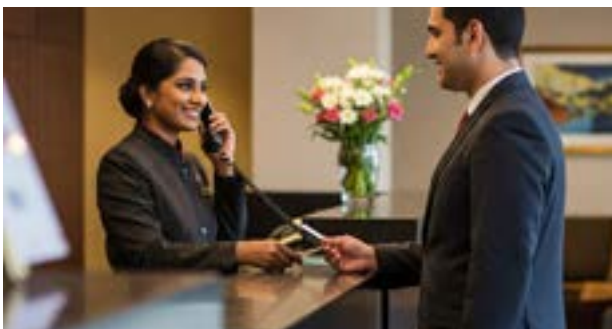
AMAZE EVERY CUSTOMER & BE AMAZING OR GO HOME

Elevate your service with 52 powerful strategies from Amaze Every Customer Every Time and master the Seven Amazement Habits to consistently create "Moments of Magic®" in both your personal and professional life.



CREATING AN AMAZING EXPERIENCE & HANDLING COMPLAINTS

Discover five simple ways to enhance customer satisfaction while learning expert techniques to manage complaints and diffuse difficult situations, turning challenges into opportunities for loyalty and growth.



CLICK HERE TO LEARN MORE



Social Cause



Beyond simply being seen as good (corporate) citizens, there are many benefits to being charitable and giving back to the community. As you read through the stats and findings below, you'll see how a *giving back* strategy does more than increase a positive perception. It provides a competitive advantage by increasing trust, loyalty, and making price less relevant.

60% of customers expect companies to be socially responsible and contribute to community causes.

62% of customers prefer to do business with a brand or company that supports a social cause important to them. Boomers care the least (53%), and Gen Z cares the most (70%).

47% of customers said they are willing to pay more if the company or brand has a social cause important to them. Once again, Boomers don't seem to care as much. Only 27% would pay more versus Millennials and Gen Z, who are more than twice as likely to pay more for the company with aligned social causes.

64% of customers prefer companies that support local community causes over those involved in global issues.

51% of customers would stop doing business with a company or brand that has a social cause they don't agree with. Be sure your social and charitable efforts align with your customers', but remember, you can't please everyone.

56% of customers believe companies that support social causes are more likely to treat customers better.

52% of customers say a company's involvement in a social cause increases trust.

50% of customers say a company's involvement in a social cause increases their loyalty toward them.



AMAZING FACT

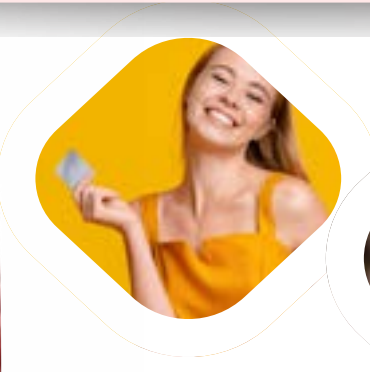
A third (31%) of US consumers say they would choose *not* to do business with a company or brand that doesn't contribute to a social cause or give back to the community.



Loyalty Programs

Loyalty and rewards programs drive repeat business. It doesn't always mean the customer is truly loyal to the company or brand, but the incentives, such as points and perks, are enough to keep the customer coming back. And when you combine those incentives with an amazing experience, you have a winning combination that can drive true customer loyalty. Let's take a look at what consumers had to say about loyalty programs.

- **53% will pay more for a company that has a good loyalty or rewards program.** Just like a great customer service experience makes price less relevant, so does a good loyalty program.
- **46% of customers say they will choose one brand over another, even when it is more expensive, because they want to earn more points.** This plays right into the concept of price being less relevant with the right program.
- **56% of customers prefer to do business with a company that offers a rewards program over a company that just offers great customer service.** This one surprises me. Just over half of US consumers prefer the perks over being treated well. As mentioned above, imagine if you provided both!
- **50% of customers say they are more loyal to the loyalty program than to the company.** Keep this in mind. If your program changes or a better loyalty program from a competitor comes along, you're at risk of losing that customer.
- **83% of customers believe they should be treated better for their loyalty.** Loyalty should be more than a discount or perk. All customers deserve a great customer service experience, but those who have proven their loyalty through repeat purchases, or an emotional connection deserve recognition for their continued support.
- **34% of customers say they belong to so many loyalty or rewards programs that they can't keep track of them all.** This is why the program must not only offer perks or incentives, but stand out enough to be memorable and "front-of-mind."



AMAZING FACT

80% of customers are more likely to return to a company that has a customer rewards program. And that is exactly why you should consider a program!



Satisfaction Surveys

Of course, we want to know if our customers are happy with us. What's the best way to go about getting customer feedback? The default answer is, "Let's do a survey." However, surveys may not give you the full picture. Many customers never complete surveys, while others almost always do. Some people are frustrated by the number of surveys they receive, and even if they love you, they choose not to complete them. Furthermore, when poorly executed, surveys can taint the experience and, in some cases, completely ruin the relationship.

AI can play an important role in understanding customer satisfaction. Tracking customers' buying patterns and analyzing support calls and chats can help a company understand the overall sentiment of customer satisfaction. AI can use this data to identify customers at risk of leaving and generate a report for the retention team to help retain them. Not all, but a lot of information you normally get from satisfaction surveys can be learned by using AI.

With all that in mind, let's look at the customer responses that will help you make good decisions for the next time you send out a satisfaction survey.

Up to Half of Customers Say They Almost Always or Often Fill Out Surveys

Wouldn't it be nice if most of your customers were willing to complete your satisfaction surveys? It's highly unlikely, but a percentage will. Here's what customers are saying.

- **20%** of customers said they almost always complete surveys, and another 30% said they do so often. While 100% would be ideal, feedback from almost half of your customers is amazing.
- **57%** of customers are more willing to complete a satisfaction survey after a bad experience versus a positive one. Positive feedback makes us feel good. Negative feedback makes us better (if we act on it).

Customers Want Feedback on Their Feedback

If a customer takes the time to share feedback, let them know you received it and what you plan to do about it.

- **65%** of customers say they never hear back from a company after completing a survey. Customers would appreciate knowing their survey was received, and even better, being told how their feedback led to change.
- **40%** of customers say they have stopped doing business with a company because they did not receive critical feedback that was provided in a survey.
- **74%** of customers feel more satisfied when a company acknowledges a completed survey with a follow-up message or email.



AMAZING FACT

One in four (27%) customers said they have stopped doing business with a company because they kept sending too many surveys, and 23% stopped doing business because the survey was too long.



Satisfaction Surveys (Cont.)

Do Customers Think Satisfaction Surveys Work?

This makes me happy. If a customer gives you feedback, use it to improve! Taking the time to design and send a survey without taking action on the feedback is a waste of everyone's time.

- **44%** of customers said they have seen a company make noticeable improvements based on the feedback provided in customer satisfaction surveys. That's a big number, emphasizing that if almost half of your customers notice the change, it might be worth acknowledging their feedback and what you plan to do with it.

Bribes and Incentives

I've been asked by clients whether an incentive can help increase the completion rates of satisfaction surveys. My short answer is that I'm against it. However, an incentive can increase the response rate, but you must make it abundantly clear that you're looking for honest feedback that should not be influenced by the incentive. The incentive is given for honest feedback. And just as I seem to be over-emphasizing this point, you should do the same for your customers.

- **60%** of customers say an employee has asked in advance of receiving a survey to leave a positive review or high rating.
- **73%** of customers say they are more willing to complete a survey if there is an incentive offered.
- **39%** of customers say they are only willing to complete the survey if there is an incentive, such as a discount or a chance to win a prize.
- **28%** say they have been offered a bribe or incentive to leave a positive rating, comment, and/or response to a company's customer satisfaction survey.
- **41%** of customers admit to giving a higher-than-deserved rating on a survey because of an incentive.

Bribes and Incentives

Here are reasons you may not be getting the response you hope for.

- **66%** of customers say that if a company keeps sending the exact same surveys, they will stop filling them out.
- **66%** of customers say that when surveys are too long, they don't complete them.
- **66%** assume the company won't make any changes based on their responses to a survey.
- **37%** say that after a poor experience, they didn't complete a satisfaction survey because they didn't want the employee to feel bad.
- **34%** of customers say they receive so many surveys from different companies, they don't complete any of them.
- **43%** say they avoid completing customer satisfaction surveys after a negative experience to avoid further interactions with the company.



AMAZING FACT

79% of customers said they were more likely to respond to a survey if it's sent shortly after an interaction with the company, and 81% said they are more likely to complete a survey when it's clearly stated how long it will take.



Ratings and Reviews

Ratings and reviews are the result of two important areas: product quality and the value of the experience. Early in this report, I noted that product quality is the top expectation of customers from the companies and brands with whom they do business. No matter how good the experience is, if the product doesn't work as expected, the customer will find another competitor that will. While most ratings and reviews concern the product, when the company disappoints a customer, the customer may also share that.

The Difference Between Ratings and Reviews

Ratings are often based on a number of stars or a numerical scale, while reviews are typically written and may include photos or videos. As customers research a product, they often look at reviews and there are at least two areas to consider:

1. The customer wants to know if the product they are buying works. Seeing 4 or 5 stars gives them confidence.
2. If the customer sees a low rating, they may also look to see how the company handled it. Did the company respond? Does a written review indicate the company made good? I once encountered a retailer with poor ratings from about 5% of his customers. He was proud of those low scores because he publicly addressed each one with an apology and a promise to address the issue. Many of those ratings had follow-up comments from the customers who were impressed by how the retailer handled the complaint.

RATINGS

WE ASKED:

How many customer ratings (often a scale or a 1-5-star rating) have you provided in the past year for each type of experience?

After a good experience		5.44
After an average experience		3.86
After a bad experience		2.91

REVIEWS

WE ASKED:

How many customer reviews (written, photo, or video feedback) have you provided in the past year for each type of experience?

After a good experience		4.14
After an average experience		2.90
After a bad experience		2.47

AMAZING FACT

Three out of four customers (72%) are skeptical about the authenticity of ratings and reviews if they are all positive. Perfection is unrealistic, and customers know it.

Ratings and Reviews (Cont.)

How Customers Use Ratings and Reviews

- **84%** of customers look at ratings and reviews before making a purchase.
- **79%** say ratings and reviews help them decide if they want to make a purchase.
- **65%** say reading a review stopped them from making a purchase they were ready to make.
- **69%** say that even with high ratings or reviews on a product they want to purchase, they still ask friends and family for opinions.
- **56%** frequently share their ratings and reviews to help others make informed decisions.

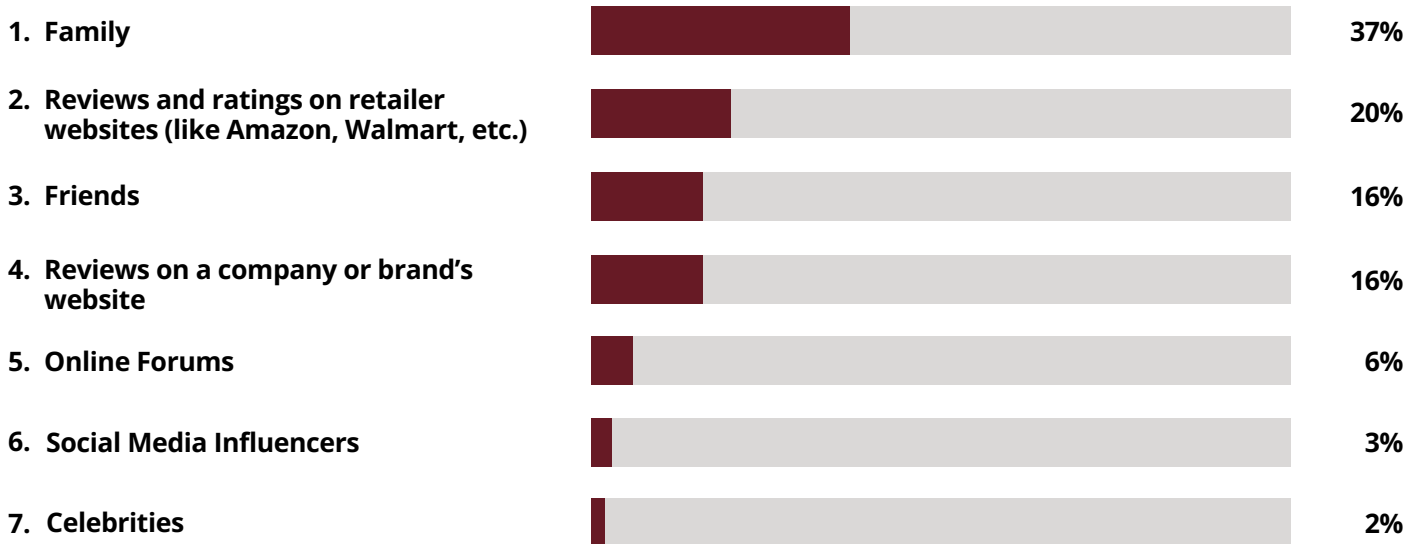
Perfection Is Unrealistic

As mentioned in the *Amazing Fact* on the previous page, 72% of customers are skeptical about the authenticity of all positive reviews and ratings. When asked another way, 31% of customers won't make a purchase from a company that doesn't have negative reviews. Their point is that nobody (and no company) is perfect!

Customers question the authenticity of reviews. 81% believe that some (not all) ratings are fake. Many customers (38%) have been offered a bribe (reward or other incentive) in exchange for a positive rating or review. That plants the seed for questioning the legitimacy of reviews.

WE ASKED:

Who do you trust most for product recommendations? (We provided a list.)



Customers overwhelmingly trust personal connections and sites that have verified customer feedback. Endorsements from influencers and celebrities have their place but are not a trusted source for most consumers. When you combine family and friends, you have over half the votes, confirming that word-of-mouth marketing is a powerful strategy. Give your customers something to talk about, and they will (to their family and friends).

AMAZING FACT

77% of customers are more likely to buy from a brand after seeing a great response to a negative review. As mentioned on the previous page: perfection is unrealistic, but handling imperfection effectively is completely within your control.

Top Words

WE ASKED:

What three words best describe an excellent customer service experience to you?

1. **Friendly**
2. **Helpful**
3. **Knowledgeable**
4. **Empathy**
5. **Kindness**
6. **Honest**
7. **Listening**
8. **Understanding**
9. **Fast**
10. **Respectful**
11. **Good**
12. **Efficient**
13. **Nice**
14. **Patient**
15. **Attentive**
16. **Quick**
17. **Polite**
18. **Great**
19. **Responsive**
20. **Caring**
21. **Timely**
22. **Reliable**
23. **Professional**
24. **Effective**
25. **Courteous**

Human Traits Dominate

As you look at the 25 words, they can be clearly divided into two groups: human and operational. Human traits describe behavior, attitude, or emotional connection. (Note: I included knowledgeable as an operational trait. Often, this is a function of training.) The big take-away:

72% of the words customers use to describe great service are human traits!

Human Traits: 18 out of 25 Words

1. **Friendly**
2. **Helpful**
3. **Empathy**
4. **Kindness**
5. **Honest**
6. **Listening**
7. **Understanding**
8. **Respectful**
9. **Nice**
10. **Patient**
11. **Attentive**
12. **Polite**
13. **Great**
14. **Caring**
15. **Professional**
16. **Courteous**
17. **Good**
18. **Responsive**

Operational Traits: 7 out of 25 Words

1. **Knowledgeable**
2. **Fast**
3. **Efficient**
4. **Quick**
5. **Timely**
6. **Reliable**
7. **Effective**



AMAZING FACT

The word, *Knowledgeable*, ranks third overall. When asked to provide their favorite words, 27% of Baby Boomers selected Knowledgeable versus just 5% of Gen Z. Why? Boomers want expertise and knowledge. Younger generations? They have Google and ChatGPT.



Top Words (Cont.)

Even though there are 25 words, many of them mean the same thing. For example, friendly and kindness belong together. The result is we were able to break these down into six categories. (Because respondents could choose more than one word, totals exceeded 100%. To show relative importance, results were normalized to equal 100%.)

Friendliness and Kindness – 30%

- Friendly
- Kindness
- Respectful
- Polite
- Nice
- Caring
- Courteous

Speed and Efficiency – 14%

- Fast
- Efficient
- Reliable
- Effective
- Timely

Helpful and Attentiveness – 19%

- Helpful
- Listening
- Attentive

Empathy and Understanding – 14%

- Empathy
- Understanding
- Patient

Competence and Expertise – 18%

- Knowledgeable
- Honest
- Reliable
- Effective
- Professional

General Excellence – 5%

- Good
- Great

AGE MATTERS

All generations value the *Friendliness and Kindness* category.

It's a universal expectation. Beyond that, here are the top choices of the generations:

- Baby Boomers appreciate *Competence and Expertise*.
- GenX appreciate *Helpful and Attentiveness*.
- Millennials appreciate *Warmth and Friendliness*.
- Gen Z appreciates *Empathy and Understanding*.



AMAZING FACT

You might think everyone values *Competence and Understanding*. We all want answers and solutions! But the generational gap is huge: 47% of Boomers rank it first, compared to just 20% of Gen Z. That is a massive 2.4x difference!



Top Brands

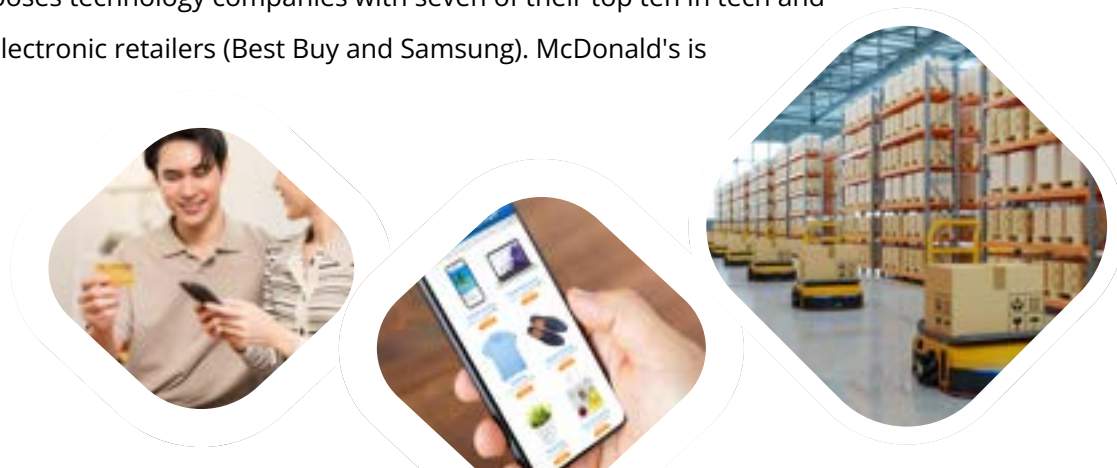
WE ASKED:

What are the top three companies or brands that come to mind when you think of excellent customer experience?

- | | | |
|----------------|----------------|-------------|
| 1. Amazon | 11. Best Buy | 21. Kroger |
| 2. Walmart | 12. Nike | 22. Lowes |
| 3. Apple | 13. Kohl's | 23. Xfinity |
| 4. Target | 14. Home Depot | 24. Meta |
| 5. Google | 15. eBay | 25. Samsung |
| 6. AT&T | 16. Microsoft | |
| 7. Costco | 17. Sam's Club | |
| 8. Chick-fil-A | 18. Spectrum | |
| 9. Verizon | 19. McDonald's | |
| 10. T-Mobile | 20. Macy's | |

AGE MATTERS

- Baby Boomers favor traditional brick-and-mortar retail (Costco, Macy's, Kohl's, Home Depot). Seven of their top ten choices are physical stores.
- Gen X chooses membership warehouses, grocery stores, and telecom. 46% of Gen X put Sam's Club in their top three. They shop where they can buy in bulk and save money.
- Millennials had four of their top ten choices in technology companies (Apple, Meta, Google, and Microsoft).
- Gen Z overwhelmingly chooses technology companies with seven of their top ten in tech and telecom. They also favor electronic retailers (Best Buy and Samsung). McDonald's is their #3 choice.



AMAZING FACT

Apple is iconic, but CX strength isn't universal. Our data shows a massive generational divide. While other generations average 33%, only 7% of Boomers put Apple in their top three. This 7% versus 32% gap proves reputation is highly generational.

Let's Give Them Something to Talk About

We once again close out this year's *State of Customer Service and CX* report with the opening words from Bonnie Raitt's 1991 hit song, *Something to Talk About*. I have used the chorus of this song as "walk-on" music for my keynote speeches and have occasionally used the same words as the title of my speech.

The experience you create for your customers should be worth talking about. We want customers to tell their friends, family, and colleagues at work what a pleasure it is to do business with you. The six categories of words customers use to describe an amazing customer experience are a great checklist.

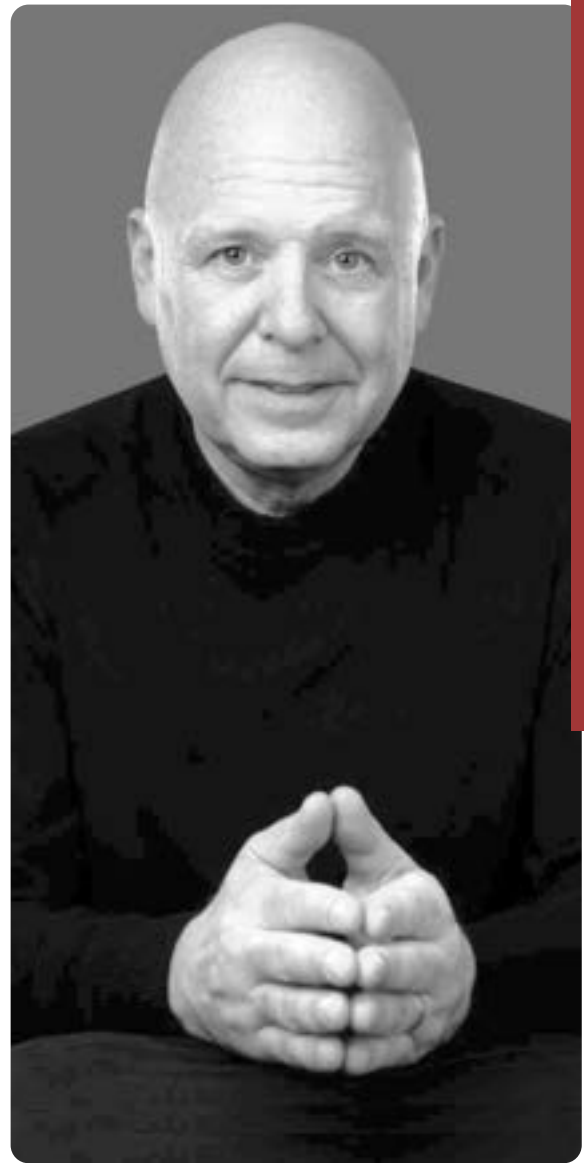
- ✓ **Friendliness/Kindness**
- ✓ **Helpful/Attentive**
- ✓ **Competence/Expertise**
- ✓ **Speed/Efficiency**
- ✓ **Empathy/Understanding**
- ✓ **General Excellence**

Is your company or brand able to check all the boxes? And does your customer agree? You may think you have a convenient experience (speed and efficiency), but if you asked your customer, what will they say?

The customer's perception of your customer experience is the only one that counts!

The findings, statistics, and commentary throughout the report are intended to provide insight into how customers think. I hope they provide you with insight to help you make more customer-focused decisions.

So, let's give them (your customers) something to talk about! Give them the experience that makes them say, "I'll be back!"



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!

[CLICK HERE TO SHOP OR GO TO WWW.HYKEN.COM](http://www.hyken.com)



MAKE YOUR MARK

ELEVATE YOUR EVENT WITH SHEP HYKEN

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



Looking for a keynote speaker who will inspire, engage, and transform your audience? Shep Hyken, customer service and experience expert, New York Times bestselling author, Hall of Fame speaker, and researcher, delivers high-energy presentations packed with actionable insights to create loyal customers and unforgettable experiences.

- Engaging and entertaining with dynamic storytelling and real-world business lessons
- Data-driven strategies backed by industry research to improve customer loyalty and drive growth
- Customized content tailored to your industry and challenges
- Don't just meet expectations—exceed them. Book Shep Hyken today and take your event to the next level.

BOOKING FOR 2026 AND BEYOND. SECURE YOUR DATE TODAY.

Go to
www.Hyken.com
to learn more.