



The New Rules of Customer Engagement

UNITED STATES
Survey Report



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Executive Summary

Today's customers have expectations. The well-informed digitally-savvy ones in particular, want to do business with companies that know them, understand their expectations intimately, and design experiences that meet their needs. At Freshworks, we see the customer engagement industry going through rapid change. Not only do we want to understand and anticipate this change, we want to impact it. What do customers really expect? Where, when and how are they communicating with brands of their choice? In the following pages, we share actionable insights from our survey on customer engagement, based on the responses of 1,000 consumers across the United States.

69%

CONSUMERS CONTROL CX

of consumers have stopped doing business with a brand due to a single bad service experience in the last 12 months.

71%

OMNICHANNEL GETS NOTICED

of consumers use 3 or more channels to engage with a brand and 41% use 5 or more channels.

26%

MESSAGING OVERTAKES TRADITIONAL

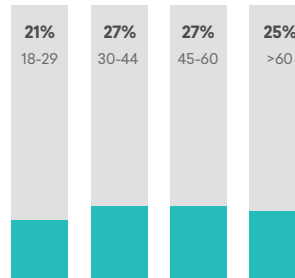
Live Chat emerges as the third most preferred channel of engagement for consumers, after voice and email.



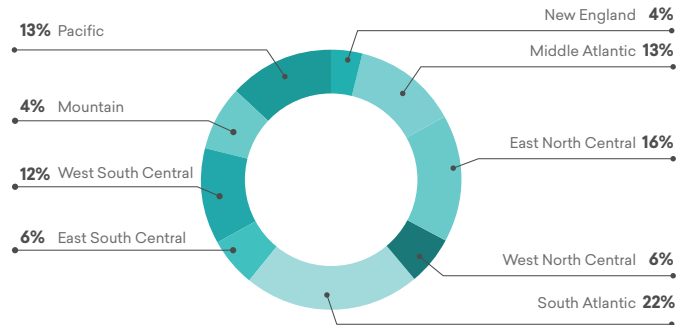
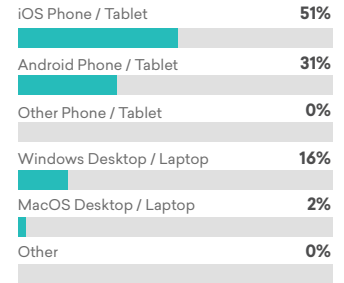
Survey Demographics

The New Rules of Customer Engagement Survey was conducted online using a third-party opt-in survey tool. We surveyed 1,000 consumers in the United States aged 18 and older. The respondents were equally divided between male and female, with varying household incomes. The below representations highlight the survey demographics.

Age



Device Type



“

“The themes that emerge from this survey report are frustratingly familiar - better omnichannel engagement, 360 view of the customer and more personalised and proactive support - many of which have been around for a number of years. Much of the problem seems to be that too many CX efforts are focused on delighting customers rather than getting the basics right. The basics of delivering an experience that is connected, understands the customer, anticipates their needs and shows up when needed. The best brands do this and do it relentlessly. This, one, puts them head and shoulders above many of their competitors and, two, gives them a huge foundation on which they can build better, longer lasting and more valuable relationships with their customers.”



ADRIAN SWINSCOE

Customer Service and Experience
Advisor & Speaker, Forbes Contributor.



Brand Expectations



Customers demand experiences marked by *immediacy, personalization , and convenience*. When they don't receive it, substantial numbers get affected, often after just one bad customer experience. This rising bar of customer expectations has significant implications for service organizations across regions and industries.

01

Consumer expectations are at an all-time high

02

Consumers are loyal to brands with great experiences

03

Consumers demand contextual support across channels

04

Customers prefer proactive over reactive support

“

"Given the well-informed and connected customer, advances in technology, and the massive amounts of data that companies collect about their customers, the experience needs to be personalized, simplified, relevant, and consistent."



ANNETTE FRANZ, CCXP
Founder & CEO CX JOURNEY Inc.,
CX Advisor & Author



01

Consumer Expectations are at an All-time High

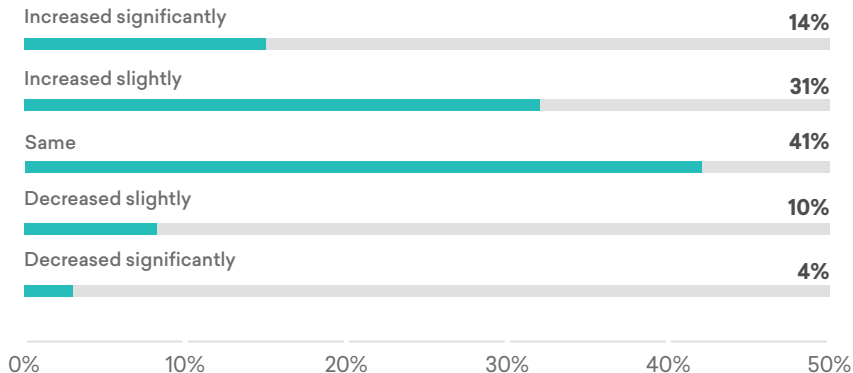
Consumers expect more than ever from their favourite brands.

45% of American consumers have higher customer service expectations from their favourite brands, than they had in the last two years.

Consumers are pushing the envelope of 'great' experiences - their last best experience is now the minimum expectation for the experience they want.



How have your customer service expectations changed in the last two years?





Unhappy consumers act quick and switch fast.

a.

Customer churn is just one 'bad service experience' away

b.

60% of customers share bad experiences with others, either in-person, or online on peer sites, review forums and social media.

c.

69% of consumers have stopped doing business with a brand or switched to a competitor due to a single bad customer service experience in the last 12 months.



02

Consumers are Loyal to Brands with Great Experiences

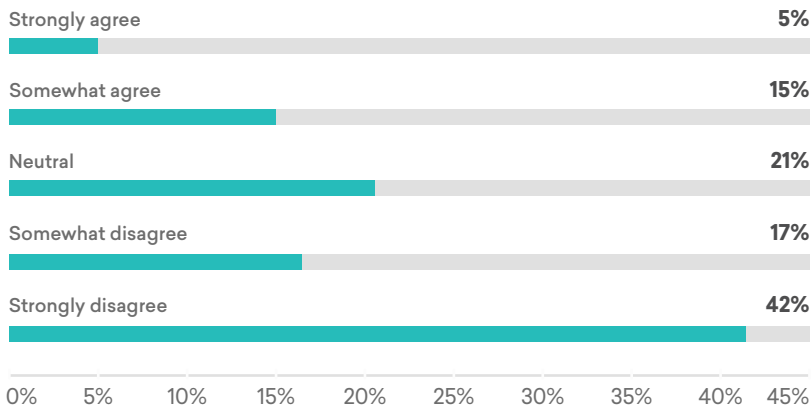
Some consumers are willing to pay more for great experiences.

20% of consumers are willing to pay more for a great customer service experience.

Great service experiences drive competitive differentiation, increased or even new revenue streams and greater loyalty.

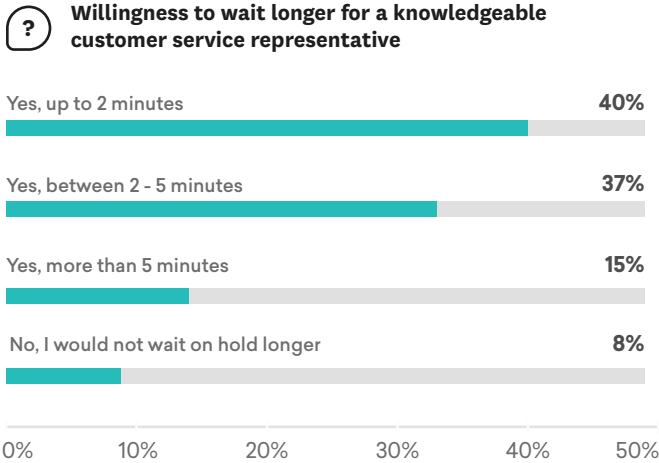
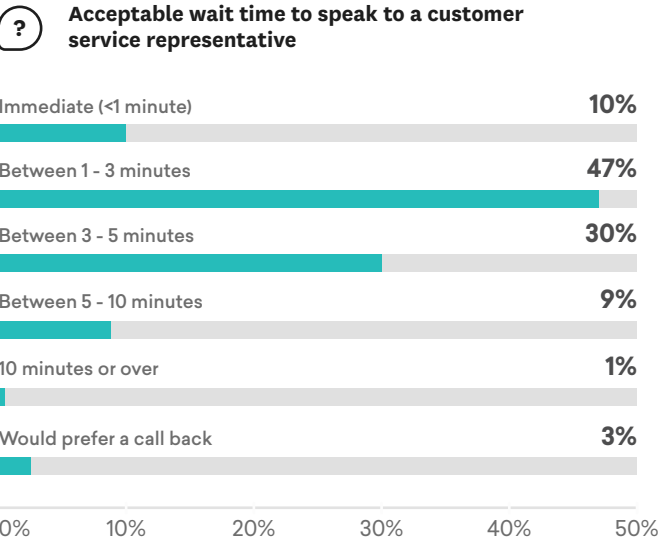


I would be willing to pay a fee to receive a higher level of customer service.



Consumers are willing to wait longer for better service.

- ✓ **10%** of consumers believe it's acceptable to wait up to **one minute** to speak with an agent; another **47%** believe a one to three minute wait is acceptable.
- ✓ When asked if they would be willing to wait longer for a more knowledgeable representative, **40%** consumers confirmed they'd be willing to wait up to **two minutes** while another **37%** would wait between two to five minutes.



03

Consumers want Contextual Support Across Channels

Consumers prefer brands that engage across multiple channels.

68% of customers prefer brands that provide service across multiple channels (email, chat, social, etc.).

“

Customers need to be delivered respect. Respect that companies honor how they want to interact with them. Respect that they are available on the customers' terms and respect that every faction of the business knows them and honor them. This is fundamentally how we all want to be treated. So to simplify, omnichannel is truly about building your “customer respect delivery machine.”



JEANNE BLISS, CCXP

President CustomerBliss, CX Pioneer, Advisor & Author

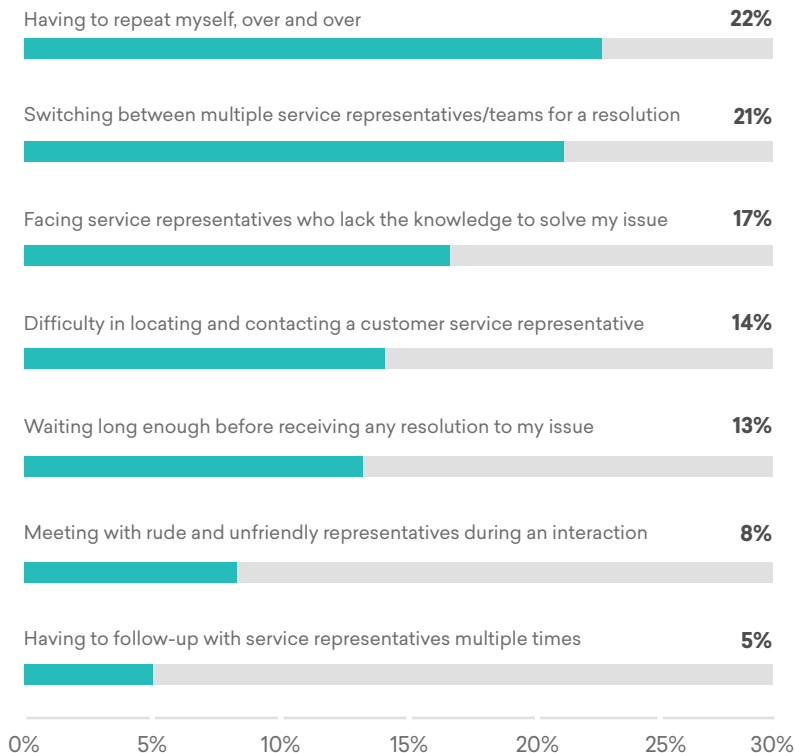




Consumers crave contextual engagement, saving them from the frustration of having to repeat themselves.



What are your most common frustrations when dealing with customer service?



04

Customers prefer Proactive over Reactive Support

72% of consumers have a clear preference for brands that offer proactive notifications and service to them.

The modern, digitally-savvy consumers of today expect brands to move from a state of 'meet my needs' to 'anticipate my needs'. Proactive engagement is opening doors for businesses to interact with prospects and existing customers in a more personalized and intelligent way, with targeted and tailored content based on customer analytics and insights.



Do you have a preference for brands that offer proactive notifications and customer service to you?

YES

72%

NO

28%

0% 10% 20% 30% 40% 50% 60% 70% 80%





“

“All too often in CX, we’re focused on improving effectiveness and ease of use. While these are important to prevent disloyalty, they do nothing to earn the right for customers to keep doing business with you. Customers are looking for a more authentic relationship with brands, which requires creating an emotional connection with customers – and you can’t do that by focusing only on reducing pain points. The message is clear – rather than trying to “fix” your experience, customer engagement requires brands to recreate their experiences in order to create an emotional connection.”



JIM TINCHER, CCXP

CX Speaker & Advisor,
Mapper-in-Chief at ‘Heart of the Customer’



Channels of Engagement



Today's customers want the speed and efficiency of automated engagement but also crave the warming art of human empathy and emotional connection. This influences their choice of customer service channel. As confidence in using new channels continues to grow, customer expectations increase exponentially. The always-on, always-connected customers of today demand great service experiences on their terms and on channels of their preference.

01

The Growth of Multichannel Touchpoints

02

The Rise of Live Chat & Messaging

03

The Surge in Self Service & Social Channels

In recent years, the proliferation of mobile devices and social media forever changed the way we communicate, allowing customers to choose from an even wider array of channels to interact with brands and companies. The customer journey is now often a mish-mash of non-linear engagement opportunities, for example, beginning in one channel such as a website and continuing on others such as an app on a smartphone or on Social Media, then back to the web, followed by a store visit, and so forth.



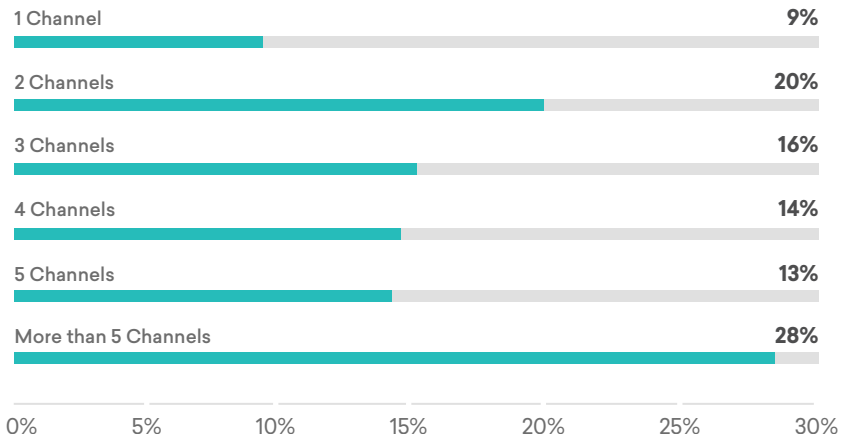
01

The Growth of Multichannel Touchpoints

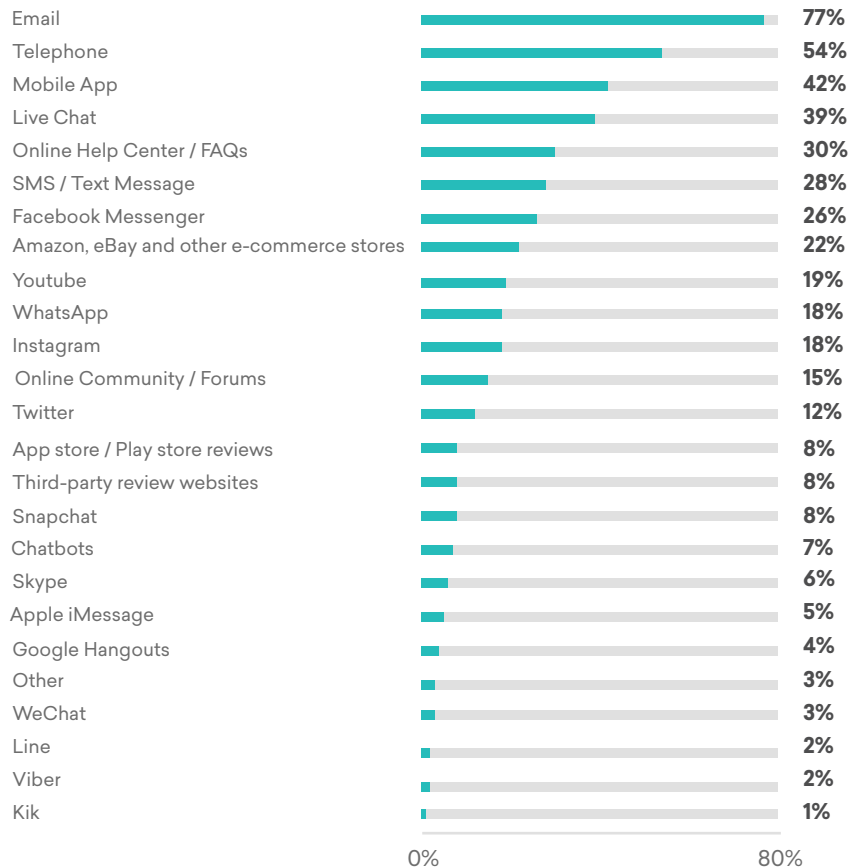
71% of consumers use 3 or more channels regularly to engage with a brand today.



How many different communication channels do you regularly use to engage/interact with a brand?



? Which of the following channels do you use regularly to interact with brands of your choice?



In most cases, the difference between an ordinary and an exceptional experience lies in the ability to engage customers on their terms and provide consistent, meaningful journeys across all engagement channels. The rise in multichannel touchpoints has greatly complicated the end-to-end customer journey, especially with the increased use of mobile devices. Yet, customers expect consistent and personalized experiences—no matter which channel they use.

Our survey reveals the following as the top three commonly used channels of engagement.



77%
Email



66%
Live Chat

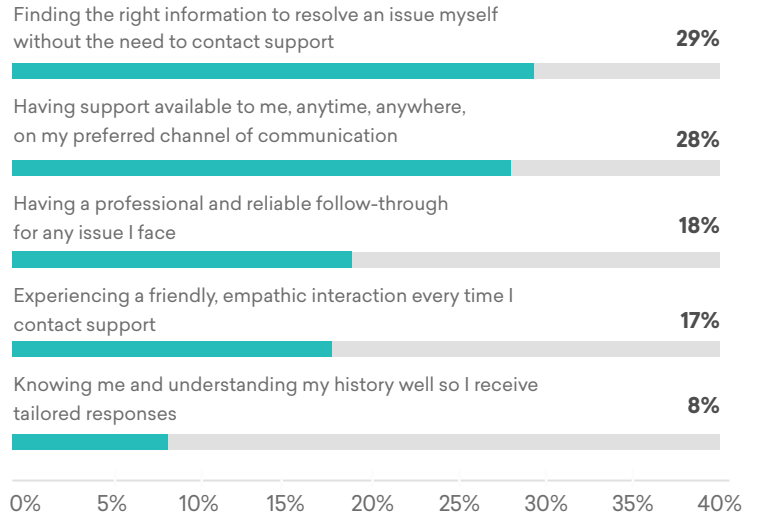


54%
Telephone





Which of these do you value most in a customer service interaction?



02

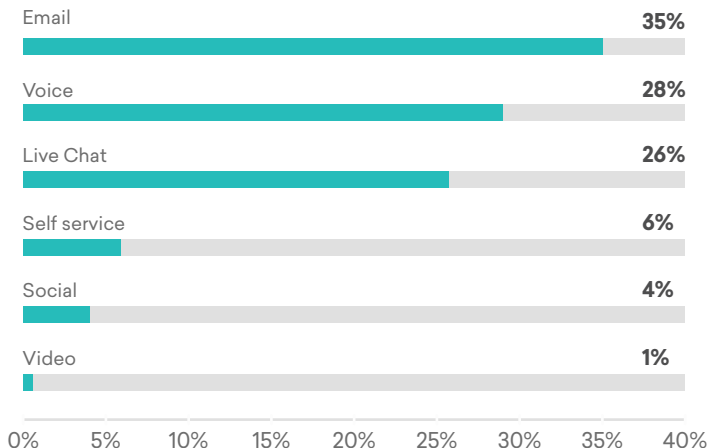
The Rise of Live Chat & Messaging

2019 will be the year where connectedness drives growth in channels with more immediate, real-time interaction.

While **email (35%)** and **voice (28%)** will continue to be the two most preferred channels for service interactions, **live chat (26%)** is fast emerging as the next most preferred engagement channel.



Which of the following is your most preferred communication channel for a service interaction with a brand?



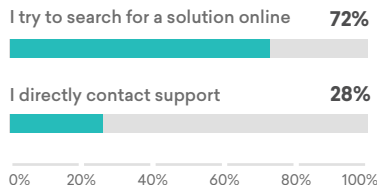
03

The Surge in Self Service & Social

72% of consumers prefer to first try to solve issues on their own before contacting support.

No longer just an important option for millennials, social channels are also gradually becoming a standard for all demographics. Infact, **48%** of consumers currently use social networks to rant or rave about their recent service experiences.

? When you have a need for customer service, do you search online for a solution or directly try to contact support?



? What would you do if you experienced poor customer service (select all that apply)?



Key Takeaways



Today, customers know more, and they expect more. Fast forward a few years, and there's little doubt the bar will be set even higher and new priorities will have emerged. Here are our key recommendations for businesses to stay relevant and competitive.

Create a Unified 360-degree Customer View

The premise behind the identification of your customer is about creating a single view. It's about consolidating multiple data points, likely from disparate repositories, into a single, cohesive view so that you can truly engage with that customer in an effective and hyper-personalized way. To know your customers better and how best to engage with them, you need a unified customer view with their entire history. Businesses today are moving from point solutions for each engagement channel to unified solutions that consolidate engagement and touchpoints across the journey.

Deliver Seamless, Integrated Omnichannel Engagement

We're living in a cross-device, cross-platform, cross-channel world. This means there's no one messaging channel that can reach everybody effectively. Each of these channels has unique strengths. If your channels are still organized as silos, then the time to act is right now or you'll be left further behind.

Shift to Personalized Proactive Support

Customer interactions have gone from transactional to continuous, and consumers want proactive, not reactive engagement. They want businesses to anticipate their needs and proactively reach out to them with the right information and the right context, where and when they need it. Use your customer information to create smarter, personalized and relevant conversations.





About

Freshworks provides customer engagement software to businesses of all sizes, making it easy for customer support, sales and marketing professionals to communicate more effectively with customers and deliver moments of wow. Freshworks offers a full suite of SaaS (Software as a Service) products that create compelling customer experiences and lets businesses share a 360 degree view of relevant customer information internally.

Founded in October 2010, Freshworks Inc., is backed by Accel, Tiger Global Management, CapitalG and Sequoia Capital India. Freshworks is a 2,400+ team headquartered in San Mateo, California, with global offices in India, UK, Australia and Germany. The company's cloud-based suite is widely used by over 150,000 businesses around the world including the NHS, Honda, Rightmove, Hugo Boss, Citizens Advice, Toshiba and Cisco.

For more information, please visit www.freshworks.com

