UNDERSTANDING CUSTOMER EFFORT

HOW EFFORT IMPACTS THE
CUSTOMER SERVICE EXPERIENCE

interactions

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WHY CUSTOMER EFFORT?

Corporate emphasis on customer experience is growing, so much so that customer experience is now being referred to as the 'new marketing.' In this new customer-obsessed marketplace, more and more companies are looking to differentiate on the basis of customer experience rather than on price or product. A customer service interaction is now one of the most critical touch points a company has with a customer.

There are many ways to quantify and analyze customer experience, with Customer Satisfaction (CSAT) being one of the most common measurements. The challenge that most companies are facing is that a high CSAT score is increasingly difficult to come by. Customers are frustrated with long hold times, confusing phone menu options, and difficulty reaching a live agent when needed. And in order to meet the needs of the always-connected consumer, companies are adding customer service channels. Unfortunately, research shows that this fragmentation of customer service channels is only leading to decreased CSAT scores.[1]

This is where customer effort comes in. If the goal for a company is to truly differentiate based on customer experience, then the organization needs to find a way to challenge the customer service status quo. One powerful way to do this is by reducing the amount of effort a customer uses during a typical customer service experience.

The purpose of the research detailed in this report was to understand customer effort: what drives up effort, and what impact does it have on customer satisfaction levels?

[1] CFI Group 2016 Contact Center Satisfaction Index

RESEARCH DESIGN

From July through October 2016, Interactions fielded an online survey from which approximately 750 responses were analyzed. The fifteen-question survey (Appendix A) asked respondents to recount their most recent customer service experience and to evaluate several broader aspects of customer service. Respondents were generally nationally representative along age and gender demographics. (Appendix B).

Responses were collected from consumers whose most recent customer service experience was with a company in one of the following industries: Communications, Retail or Ecommerce, Technology, or Travel and Hospitality.

APPENDIX A

APPENDIX B

TELL US ABOUT YOUR MOST RECENT CUSTOMER SERVICE EXPERIENCE

For the first portion of the survey, respondents were asked to recall their most recent customer service experience. The following results detail information related specifically to those experiences.

WHY DO CUSTOMERS REACH OUT?

For Communications, Retail/Ecommerce, and Technology industries, the most common reason why customers initiate a customer service request is to receive technical support. From there, the reasons for reaching out vary by industry. For Travel and Hospitality, the most common reason for reaching out was to make a reservation. Appendix C provides additional details on reasons why respondents contacted customer service by industry.

MANY CUSTOMERS START THEIR JOURNEY ALREADY FRUSTRATED

In a typical customer service journey, there is a lot that can go wrong. So it doesn't help that a significant portion of your customers are already frustrated or annoyed before they even pick up the phone or open a chat window. Research showed that while 45% of respondents started their most recent customer service journeys content or satisfied, 40% were already frustrated or annoyed before even reaching out.

And while these numbers do appear to improve once the customer service issue is resolved—to 64% content and 28% frustrated—it's worth noting that nearly half (48%) of those respondents who started their journey already frustrated remained frustrated after the interaction was complete.

## YOUR CUSTOMERS ARE WELL-INFORMED

In a recent past research report, Human Touch and the Customer Service Experience, we detailed how the customer journey is hardly a straight line from A to B. In fact, the responses collected during this customer effort survey strengthen that finding. Increasingly, customers are seeking out information about their issue long before they reach out to a company. In this survey, 64% of respondents used one or more method to research their issue before reaching out. This is even more true of younger consumers: 80% of respondents age 18-34 used at least one research method before contacting a company.

40%

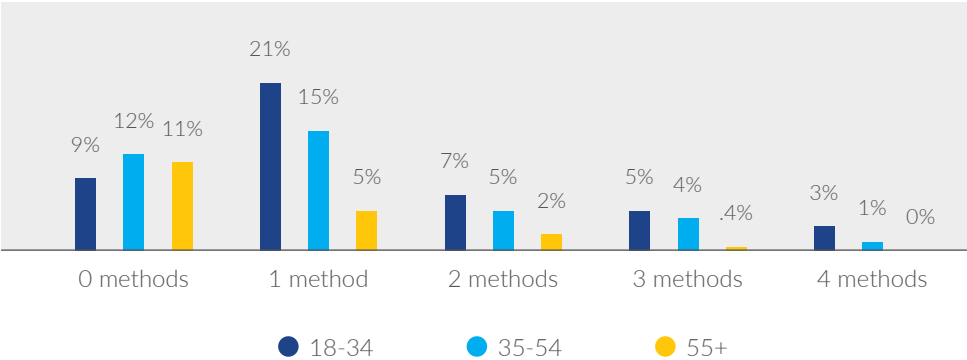40% of respondents were already frustrated or annoyed before even reaching out.

What research methods did you use before reaching out?*

39%	34%	25%	13%
Online search	Read FAQs	Reviewed online forums	Reviewed social media
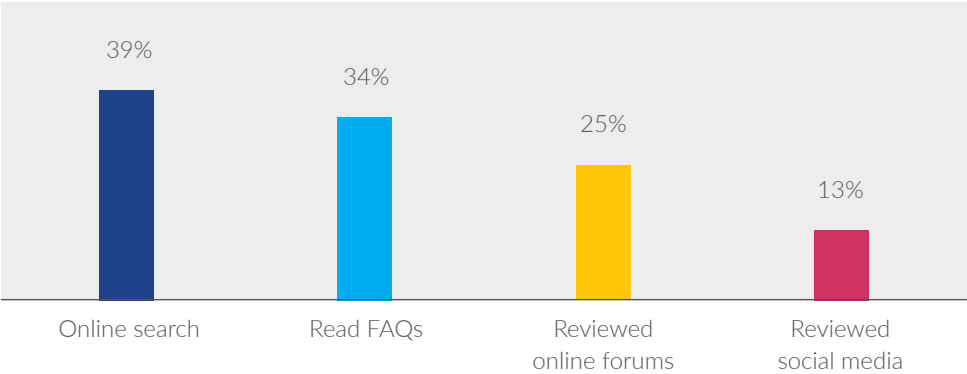
Respondents could select more than one method used

This research that customers are conducting also has an impact on their frustration level: nearly half (49%) of respondents who used one or more methods to research an issue were frustrated before reaching out, compared to only 27% of those respondents who did not use any research methods before reaching out.

How many research methods did you use before reaching out?

|	0 methods	1 method	2 methods	3 methods	4 methods
18-34	9%	21%	7%	5%	3%
35-54	12%	15%	5%	4%	1%
55+	11%	5%	2%	.4%	0%

● 18-34   ● 35-54   ● 55+

VOICE WILL CONTINUE TO BE A DOMINANT SERVICE CHANNEL

Despite the perception that millennials only want to text or use digital interfaces to interact with customer service, the fact is that the phone is still the most commonly used customer service channel, regardless of age or industry. In fact, 53% of respondents used the telephone as the initial method to contact a company, with 63% of respondents eventually ending up on the phone over the course of resolving a single customer service issue.

Actually, research shows that past experiences - in terms of efficiency and ease of use – are much stronger determinants for which method a consumer will use than age is.
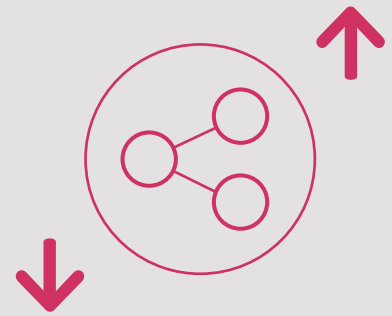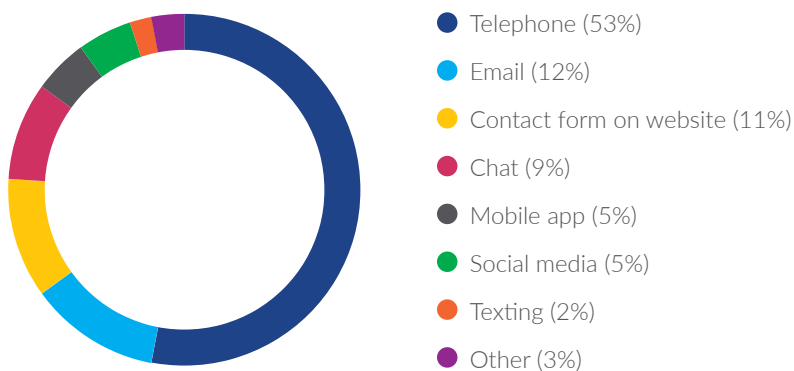
SOCIAL MEDIA IS UNDERUTILIZED

Social media remains one of the most underutilized methods of contact, although usage does increase when respondents have to use more than one method to reach out to a company to resolve the same issue.

What was the initial method that you used to reach out to the company?

- ● Telephone (53%)
- ● Email (12%)
- ● Contact form on website (11%)
- ● Chat (9%)
- ● Mobile app (5%)
- ● Social media (5%)
- ● Texting (2%)
- ● Other (3%)

Approximately 36% of respondents had to use two or more methods to contact a company before their issue was resolved.

**What was the secondary method you used to reach out to the company?**

- Telephone (28%)
- Email (15%)
- Contact form on website (10%)
- Chat (13%)
- Mobile app (9%)
- Social media (16%)
- Texting (4%)
- Other (5%)
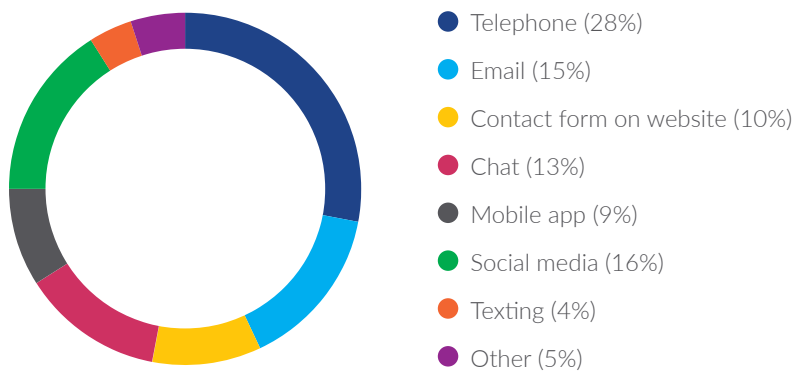
HOW MUCH TIME ARE YOU SPENDING? TOO MUCH.

When it comes to customer service, consumers want to get things done as quickly and easily as possible. But that isn't necessarily the experience they're getting. In fact, nearly half of all respondents felt that they were spending 'too much time' or 'too much effort' resolving their most recent customer service issues.
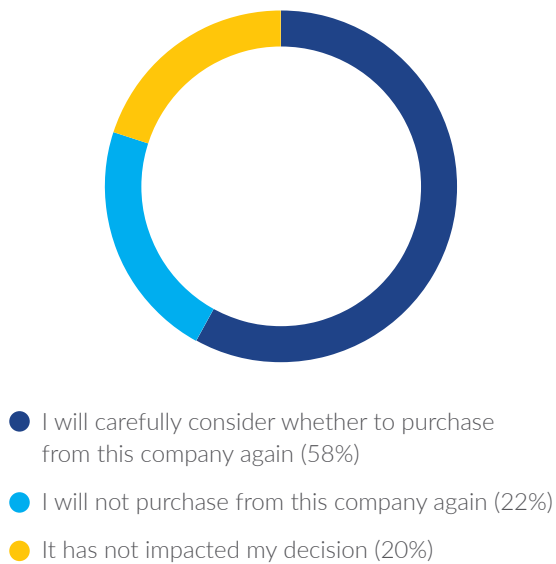
How much time/effort did you spend resolving your issue?

	Less than expected	Just the right amount	Too much
Effort	15%	42%	43%
Time	15%	39%	46%

● Effort ● Time
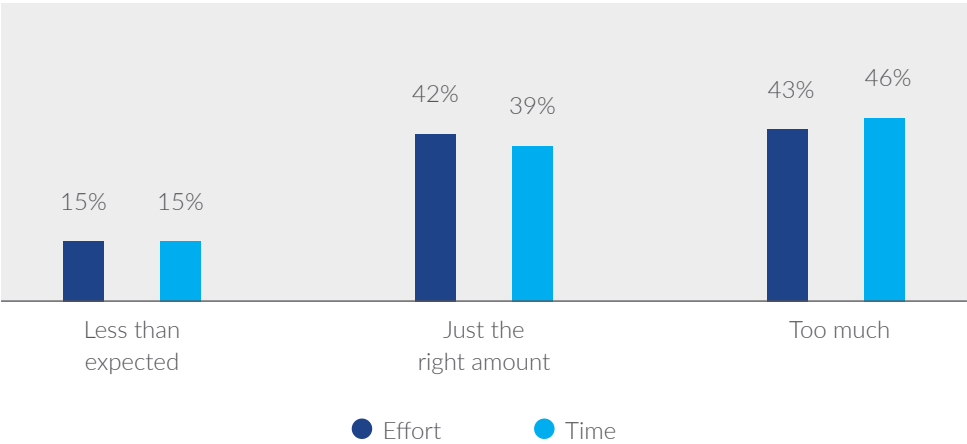
THE IMPORTANCE OF POSITIVE CUSTOMER EXPERIENCES

Not surprisingly, there was a clear relationship between a consumer's perception about their customer service experience and his or her attitude towards future purchases with that same company. For instance, of those respondents who were not satisfied with their most recent customer service experience, 58% said that they would carefully consider whether or not to purchase from this company in the future.

How has this experience impacted your decision to purchase from this company in the future?

- I will carefully consider whether to purchase from this company again (58%)
- I will not purchase from this company again (22%)
- It has not impacted my decision (20%)

There is also a strong correlation between frustration levels and the amount of time or effort spent during a customer service interaction. Nearly half of people who said they spent too much time (49%) or too much effort (45%) were frustrated after finishing the interaction.

Perhaps more importantly, however, is the positive impact on customer satisfaction when customers spend less time or effort than they expected. Nearly 90% of respondents who said they spent 'less time than expected' or 'less effort than expected' were content at the end of the interaction.

TOO MUCH TIME AND EFFORT

When asked to identify reasons why they felt too much time or effort was spent, respondents had a number of different answers:

- 57% believed there were too many steps involved in the process

- 45% felt like the business was trying to prevent them from speaking with a human

- 34% did not think the time they had to spend was appropriate for the complexity of the issue
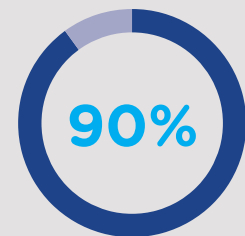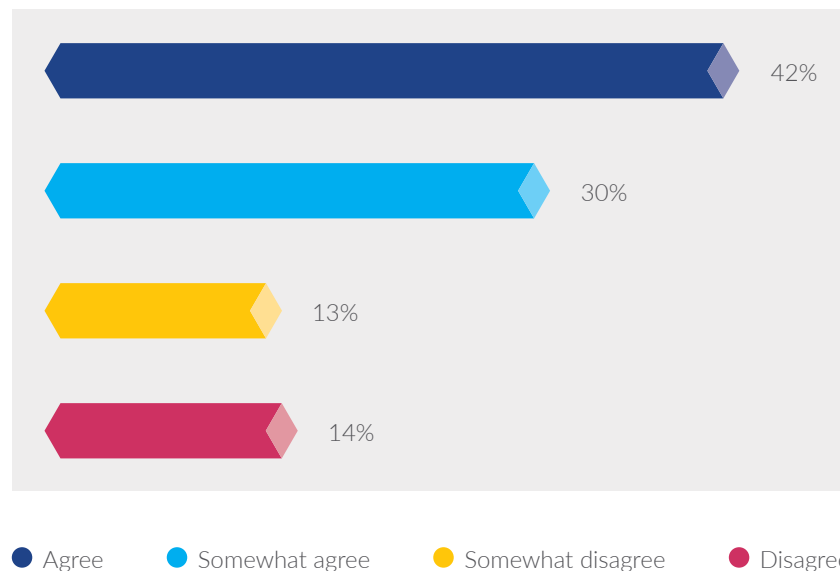
90%

Nearly 90% of respondents who said they spent 'less time than expected' or 'less effort than expected' were content at the end of the interaction.

CONSUMERS ARE SATISFIED ONCE THE TASK IS COMPLETE

Despite feeling that customer service interactions take too much time and too much effort to complete, consumers are still generally satisfied with their most recent customer service experiences. This can be attributed to the fact that approximately 80% of respondents reported that their issue was resolved by the end of the customer service interaction. So, in this case, satisfaction is likely the result of the consumer completing a required task, despite how time-consuming or frustrating the interaction may have been.

I was satisfied with my overall customer service experience

Agree	42%
Somewhat agree	30%
Somewhat disagree	13%
Disagree	14%

● Agree　　● Somewhat agree　　● Somewhat disagree　　● Disagree

GENERAL CUSTOMER SERVICE EXPERIENCES

Respondents were next asked to answer a series of questions related to customer service experiences in general. These questions were not specifically related to experiences with any one industry or company.

WHAT'S THE MOST FRUSTRATING PART OF CUSTOMER SERVICE?

Respondents were given a list of several situations that they might encounter during a regular customer service experience and were asked to rank them from most to least frustrating. Not surprisingly, having to repeat information multiple times and waiting on hold claimed the top spots.

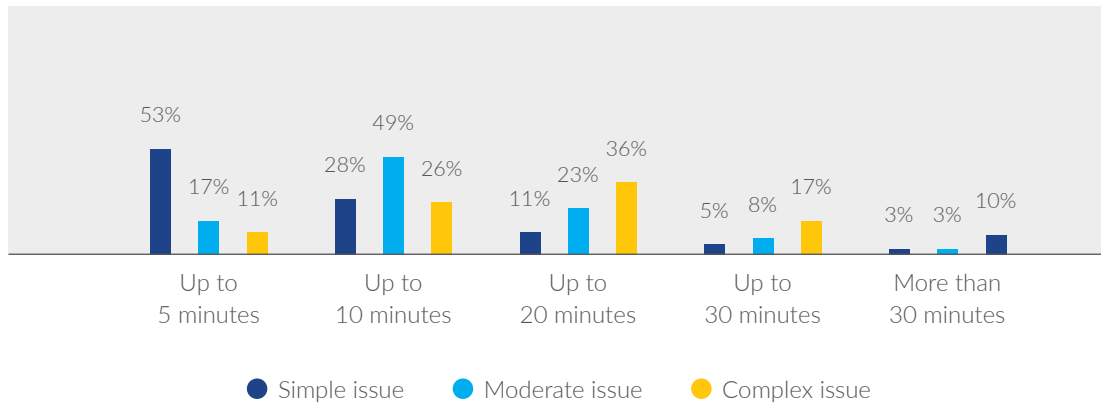## CONSUMERS ARE NOT WILLING TO SPEND MUCH TIME RESOLVING ISSUES

It turns out that your customers are not willing to spend a lot of time getting their issues resolved. The reality is that for simple to moderately complex issues, most consumers are only willing to spend about 10 minutes—including wait time.

For simple issues (such as resetting a password or updating personal information), slightly more than half of respondents (53%) were only willing to spend up to 5 minutes resolving an issue, and an additional 28% would spend up to 10 minutes. For moderate issues (such as changing a reservation or making a return), 17% of respondents were only willing to spend up to 5 minutes, with an additional 49% willing to spend up to 10 minutes. For complex issues (such as canceling and rebooking a flight), 25% would spend up to 10 minutes and an additional 36% would spend up to 20 minutes.

THE MOST FRUSTRATING PART ABOUT CUSTOMER SERVICE IS:

1. Having to repeat the same information multiple times
2. Waiting on hold on the telephone
3. Encountering an automated system (robot) on the phone
4. Not being able to find a company's contact information
5. Having FAQs repeated to you by a robot on the phone
6. Being confused about which menu option to select
7. Only being able to use certain contact methods (such as the phone) at specific times of the day
8. Uncertainty about the best way to contact the company for a particular issue
9. Not being given an option for a callback or an estimated wait time

How much time are you willing to spend to resolve an issue?

53% · 17% · 11% — Up to 5 minutes
28% · 49% · 26% — Up to 10 minutes
11% · 23% · 36% — Up to 20 minutes
5% · 8% · 17% — Up to 30 minutes
3% · 3% · 10% — More than 30 minutes

● Simple issue   ● Moderate issue   ● Complex issue

FOR CUSTOMER EXPECTATIONS, INDUSTRY MATTERS

The study also took a look at whether respondents were willing to spend more time resolving an issue depending on the industry. Results showed that this is in fact the case, with consumers indicating they would spend more time with industries that deal with more sensitive issues (such as healthcare, finance, or insurance) than with industries such as utilities or retail.

From most to least time willing to spend:

1. Healthcare
2. Finance
3. Insurance
4. Communications
5. Travel or Hospitality
6. Utilities
7. Retail

How much time are you willing to spend (by industry)?

● Communications   ● Finance   ● Healthcare
● Insurance   ● Retail   ● Travel   ● Utilities
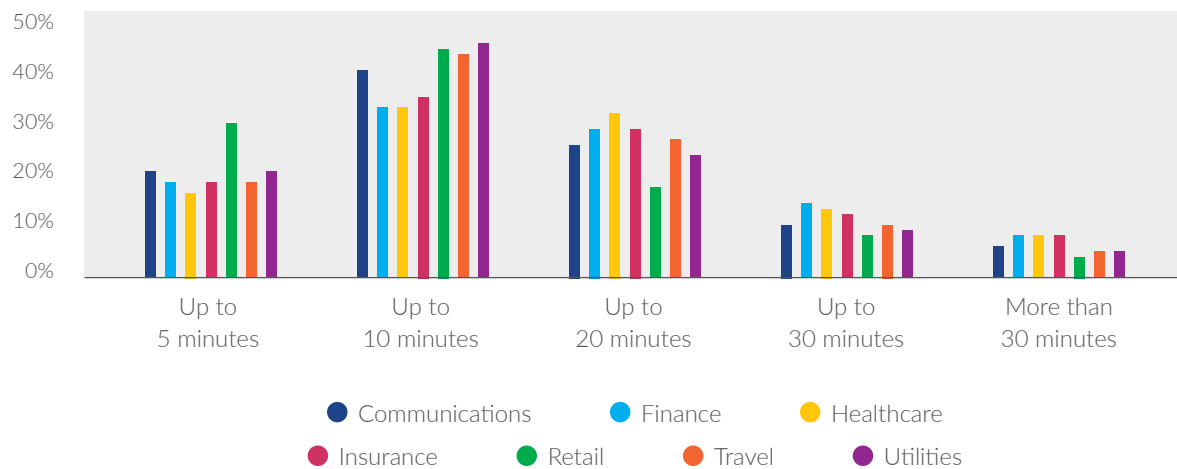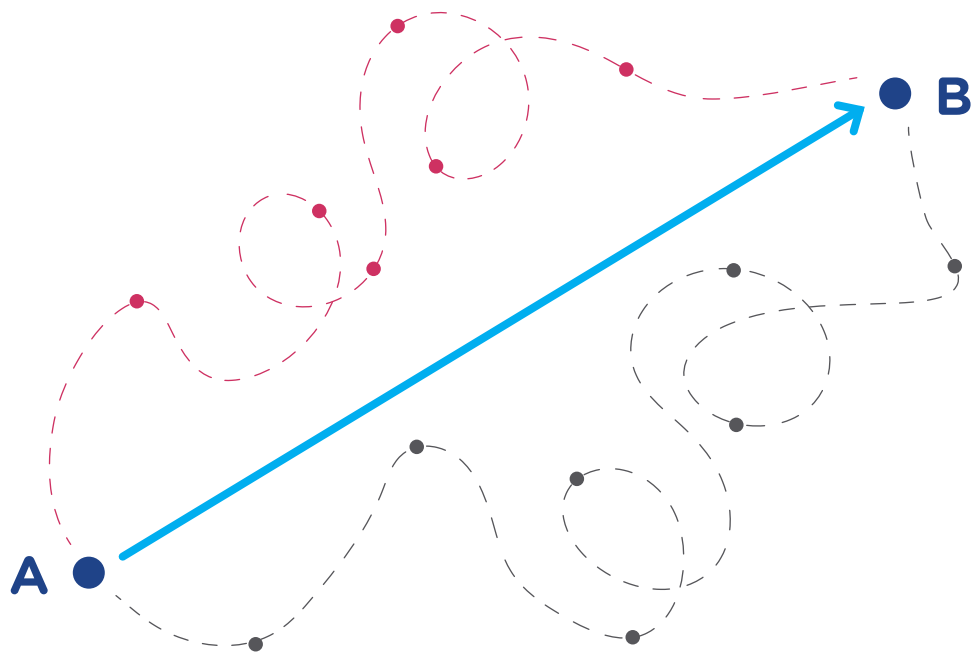
WHAT DOES THIS MEAN?

Customer effort plays a significant role in the overall customer experience – and is therefore an important consideration for any company that intends to differentiate on this basis. Although customers report being generally satisfied with customer service interactions, simply meeting the status quo for customer experience is not enough for a company to stand out.

THERE'S ROOM FOR IMPROVEMENT

Simply resolving a customer service issue or complaint is no longer enough – in a competitive, customer-obsessed environment, there is always room for improvement. The majority of customers are saying that it takes too much time and effort to resolve an issue, and that the overall process involves too many steps. Beyond that, a significant number of customers are starting their customer journey already frustrated, which means that the margin for error is slim. The goal should therefore be to make the interaction as quick and easy as possible, so your customers can be on their way.

BEING WHERE YOUR CUSTOMERS ARE MEANS PROVIDING THE SAME SUPPORT ON EVERY CHANNEL

Voice is still and will continue to be a dominant channel for customer service interactions, but increasingly consumers are looking elsewhere for help. They are researching their issues before reaching out, and when they do need to reach out they pick the channel or device that is most efficient and convenient for them at the time. A siloed approach to channel strategy is no longer sufficient – your customers expect a seamless experience across all channels they use to interact with your company. This means selecting the channels that make the most sense for your business and your customers and ensuring the same level of support across each channel.

LESS EFFORT MEANS HAPPIER CUSTOMERS

The most important takeaway from this research is that there is a significant relationship between reduced customer effort and positive future outlook for purchases. Meaning that for companies looking to compete on the basis of customer experience, reducing customer effort is a worthwhile endeavor. In the realm of customer service, this means providing a simple, efficient path for your customers to get things done, regardless of channel.

ABOUT INTERACTIONS

Interactions provides Intelligent Virtual Assistants that seamlessly combine Artificial Intelligence and human understanding to enable businesses and consumers to engage in productive conversations. With flexible products and solutions designed to meet the growing demand for unified, multichannel customer care, Interactions is delivering significant cost savings and unprecedented customer experience for some of the largest brands in the world. Founded in 2004, Interactions is headquartered in Franklin, Massachusetts with additional offices in Indiana, New Jersey and New York.

For more information about Interactions, contact us:

866.637.9049

APPENDIX A: QUESTIONNAIRE

Q1) When answering the following questions, please think of the last time you contacted a company about a customer service issue.

Please select the industry that best fits the company you most recently contacted:

- ◯ Retail or Ecommerce
- ◯ Technology
- ◯ Travel or Hospitality
- ◯ Communications (Wireless, Internet, Cable, etc.)
- ◯ Utilities
- ◯ Healthcare
- ◯ Financial Services
- ◯ Insurance

[For Q1 = Retail or Ecommerce, Technology]
Q2a) What was your primary reason for contacting the company?

- ◯ Make a purchase
- ◯ Cancel an order
- ◯ Check order status
- ◯ Make a return or request refund
- ◯ Technical support
- ◯ Check balance on rewards points
- ◯ Redeem rewards points
- ◯ Make changes to an existing order
- ◯ Other, please specify

[For Q1 = Travel or Hospitality]
Q2b) What was your primary reason for contacting the company?

- ◯ Make a reservation
- ◯ Change or Update an existing reservation
- ◯ Cancel a reservation
- ◯ Redeem rewards points
- ◯ Check rewards points status
- ◯ Questions about an existing reservation
- ◯ Other, please specify

[For Q1 = Communications]
Q2c) What was your primary reason for contacting the company?

- ◯ Change service
- ◯ Upgrade phone
- ◯ Request home service
- ◯ Cancel service
- ◯ Move request
- ◯ Technical support
- ◯ Report service outage
- ◯ Question about existing service (including billing)
- ◯ Other, please specify

Q3) What was the name of the company you contacted?

Q4) Think back to the time immediately before you reached out to this company. How were you feeling prior to contacting the company? Please select the answer that best describes how you felt.

- ○ Content (Calm, Satisfied)
- ○ Frustrated, Annoyed
- ○ Anxious, Nervous
- ○ None of the Above

Q5) Which, if any, of the following methods did you use to research your issue before contacting the company? Please select all that apply.

- ○ Read company FAQs
- ○ Reviewed online forums or communities
- ○ Performed an online search
- ○ Searched company's social media pages
- ○ None of the above
- ○ Other, please specify

Q6) What was the initial method that you used to reach out to the company?

- ○ Telephone
- ○ Email
- ○ Contact form on website
- ○ Posted on company's social media page
- ○ Chat application on website
- ○ Texting
- ○ Mobile app
- ○ Social media messenger (ex. Facebook messenger)
- ○ Other, please specify

Q7a) Did you use more than one method to try and contact the company?

- ○ Yes
- ○ No

[For Q7a = Yes]

Q7b) After contacting the company via {initial method from Q7a}, which method did you use next to try and resolve your issue?

- ○ Telephone
- ○ Email
- ○ Contact form on website
- ○ Posted on company's social media page
- ○ Chat application on website
- ○ Texting
- ○ Mobile app
- ○ Social media messenger (ex. Facebook messenger)
- ○ Other, please specify

[For Q7a = Yes]

Q7c) How many contact methods did you use, in total, to resolve this issue?

- ○ 2
- ○ 3
- ○ 4
- ○ 5 or more

Q8a) How would you best rate the amount of effort you spent getting your issue resolved?

- ○ Less than expected
- ○ Just the right amount
- ○ Too much

Q8b) How would you best rate the amount of time you spent getting your issue resolved?

- ○ Less than expected
- ○ Just the right amount
- ○ Too much

Q9) Please indicate the degree to which you agree or disagree with the following statements:

	Disagree	Somewhat disagree	Somewhat agree	Agree
I felt like the business valued me as a customer				
I felt like the business appreciated me as a customer				
I felt like the business put my needs and interests as a top priority				
I felt like the business cared about resolving my issue quickly				
I felt like the business was trying to prevent me from talking to a human				

Q10a) Please indicate the degree to which you agree or disagree with the following statements:

	Disagree	Somewhat disagree	Somewhat agree	Agree
The company made it easy for me to resolve my issue				
I knew where to go to find the information I needed to resolve my issue				
The time it took to resolve my issue was appropriate for the complexity of the issue				
There were too many steps involved in resolving my issue				
I was satisfied with my overall customer service experience				
My issue was resolved				

[For Q10a, "I was satisfied with my overall customer service experience" = Disagree, Somewhat Disagree]

Q10b) How has your most recent customer service experience impacted your decision to purchase from this company in the future?

- ○ It has not impacted my decision, I will continue to purchase from this company as usual
- ○ In the future, I will carefully consider whether to purchase from this company again
- ○ I will not purchase from this company again

Q11) Regardless of whether or not your issue was resolved, please describe how you felt immediately after your customer service interaction was complete:

- ○ Content (Calm, Satisfied)
- ○ Frustrated, Annoyed
- ○ Anxious, Nervous
- ○ None of the Above

Q12) When answering the following questions, please think about experiences you have had in the past, in general, not relating to any one specific experience.

The following are events that typically occur during a routing customer service experience. Please rate the following:

	Disagree	Somewhat disagree	Somewhat agree	Agree
Waiting on hold				
Not being able to find a company's contact information				
Having FAQs repeated to you on the phone by a robot				
Encountering an automated system (robot) on the phone				
Having to repeat the same information multiple times				
Being confused about which menu option to select				
Only being able to use certain contact methods (such as the phone) during specific times of the day				
Uncertainty about the best way to contact a company for a particular issue				
Not being given an option for a callback or an estimated wait time				

Q13) Please rank the following from most to least frustrating:

__ Waiting on hold
__ Not being able to find a company's contact information
__ Having FAQs repeated to you on the phone by a robot
__ Encountering an automated system (robot) on the phone
__ Having to repeat the same information multiple times
__ Being confused about which menu option to select

__ Only being able to use certain contact methods (such as the phone) during specific times of the day
__ Uncertainty about the best way to contact a company for a particular issue
__ Not being given an option for a callback or an estimated wait time

Q14) When it comes to contacting customer service, how much time are you willing to spend resolving an issue?

	Up to 5 minutes	Up to 10 minutes	Up to 20 minutes	Up to 30 minutes	More than 30 minutes
Simple issue (resetting a password, updating personal info)					
Moderate issue (changing a reservation, making a return)					
Complex issue (canceling and rebooking a flight)					

Q15) When it comes to contacting customer service, how much time are you willing to spend resolving an issue for each of the following types of companies?
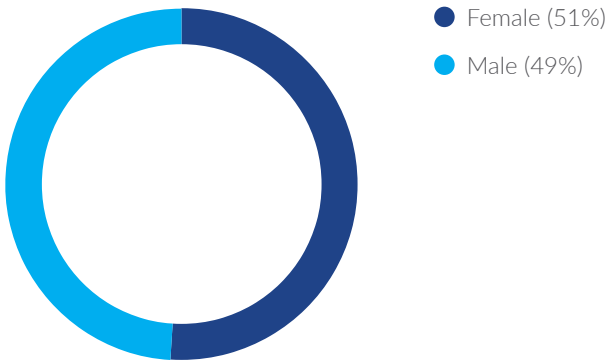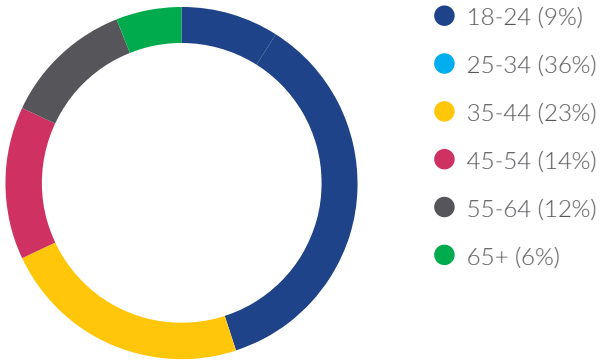
	Up to 5 minutes	Up to 10 minutes	Up to 20 minutes	Up to 30 minutes	More than 30 minutes
Retail company					
Hotel, car rental, airline, or other travel company					
Utilities provider					
Cable or wireless service provider					
Healthcare provider					
Insurance company					
Financial institution					

APPENDIX B: DEMOGRAPHICS

Gender

- Female (51%)
- Male (49%)

Age

- 18-24 (9%)
- 25-34 (36%)
- 35-44 (23%)
- 45-54 (14%)
- 55-64 (12%)
- 65+ (6%)

APPENDIX C: WHY DO CUSTOMERS REACH OUT?

Communications

- Technical support (31%)
- Service question (incl. billing) (26%)
- Change service (14%)
- Report outage (9%)
- Upgrade phone (7%)
- Request service (5%)
- Move request (4%)
- Other (4%)

Technology, Retail

- Technical support (35%)
- Make a purchase (17%)
- Check order status (13%)
- Return, refund (11%)
- Check rewards balance (6%)
- Change existing order (5%)
- Redeem rewards (4%)
- Cancel order (3%)
- Other (6%)

Travel

- Make reservation (37%)
- Change existing reservation (16%)
- Questions about reservation (14%)
- Check rewards (10%)
- Cancel reservation (8%)
- Billing issue (5%)
- Other (10%)