Conversocial

Fourth Edition:

The State of Customer Experience Trends Report 2020

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Overview

Welcome to the Conversocial State of Customer Experience Trends Report 2020. Now in its fourth edition, our report analyzes the changing customer preferences and behaviors that will impact your brand's customer engagement. It is here to provide a comprehensive overview of how consumers communicate, or at least want to communicate, with your brand in this new messaging and automation era.

The data was gathered by polling over 2,000 people of all age groups, genders, and income brackets from the United States and the United Kingdom to provide as rich a data set as possible. Throughout, we explore how high-performing companies provide experiences that keep customers returning and the best practices that separate the industry leaders from the rest.

Modern Customer Experience

noun

from Social Media -> Messaging Channels
from Care -> Care, Engagement and Commerce

"Brands who wish to differentiate themselves must be present on messaging channels, building unique touchpoints that span the customer lifecycle."

2020 CX Expectations

The first few months of 2020 have redefined every aspect of consumer-facing businesses. Within that time period, Conversocial has handled an increase of over 100% in private messaging channel volume alone. Customers have gone digital, ditching traditional channels and moving to messaging. This is the new normal.

Success, therefore, requires a different approach that embraces the unique nature of messaging and adaptive automation. Pouring billions into expensive IVR systems, frustrating support and ineffective community forums, will unsurprisingly result in brands continuing to see declines in consumer engagement, satisfaction, and loyalty – having reduced their customers to clicks, data points, and chat sessions.

In 2020, the biggest winners and losers will be determined by those brands that can successfully build meaningful 1:1 relationships with customers on their preferred communication channels – private messaging apps. But delivering customer experience over messaging channels is hard to do right, and brands that get it wrong can undermine the brand-customer relationship. Treating messaging like live-chat, deploying fixed-script bots, or awkwardly handing off a bot-led conversation to a human agent with no context can frustrate the consumer even more than a poorly-designed phone tree, and in turn irrevocably erode their trust.

2019 saw messaging burst onto the customer support scene and matured to the preferred service channel for many; bots & AI evolved beyond their hype-cycle and actually became useful (when done right); consumers embraced private service channels over public venting and brand bashing. All these developments, powered by platform providers and customer preferences alike, resulted in customer engagement undergoing a transformation: becoming more centered on messaging channels and moving away from 'care-only' to encompass the holistic customer experience as we know it — Care, Engagement and Commerce. Put simply, it's time brands moved to messaging.

Conversocial Data: The Metrics of Moving to Messaging

How did we get here?
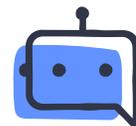Our Key Messaging and Automation Stats from 2019

In 2019, Conversocial clients sent **54%** more responses over private messaging channels than in 2018.
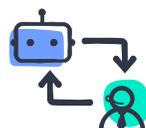
Private messages replied to on messaging channels grew by **58%** in 2019 compared to 2018.

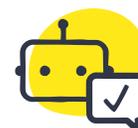Inbound Instagram messages shot up by **27%** and WhatsApp messages skyrocketed by **21,906%** in 2019!

Conversocial Bots sent over **60 million** outbound messages in 2019.

Switchboard successfully handed-off **150k** customer conversations between bots and humans in 2019.

Conversocial Bots, through natural language processing (NLP), understood and handled **82%** of customer conversations attributed to them.

Trend One: Customers Have Made the Move to Messaging, Brands Lag Behind

Have you used a digital messaging channel (such as Facebook Messenger, Twitter DM, WhatsApp, SMS, etc) for customer service or to engage with a brand?

Yes **56%** No **44%**
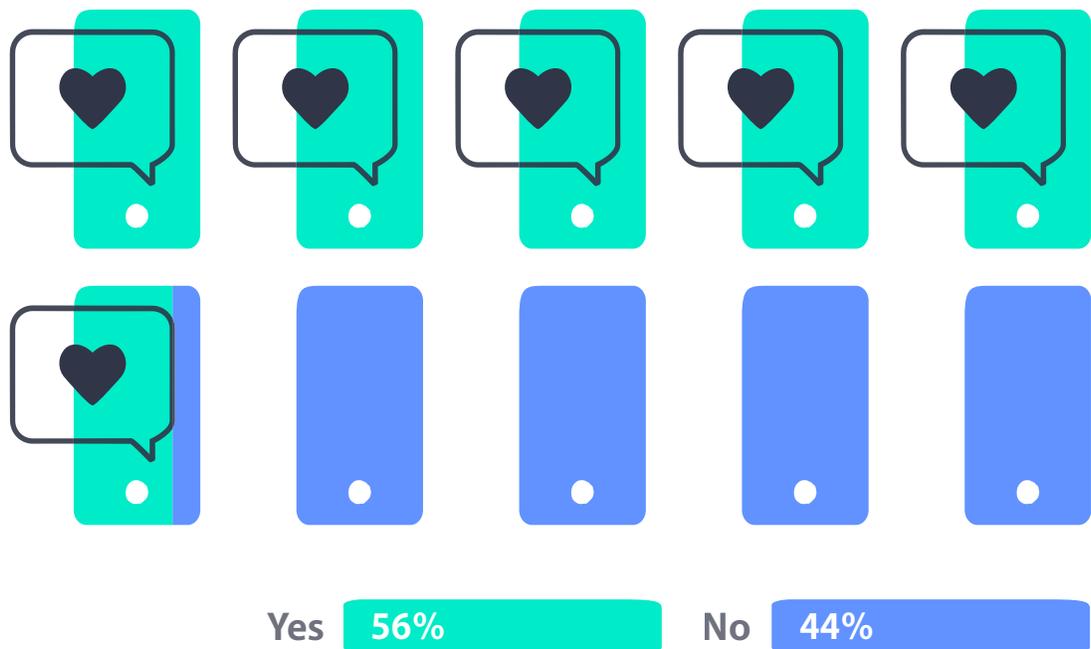
Over half **(56%)** of respondents have used messaging channels for customer service or brand engagement.

Do you expect brands to offer customer support over messaging channels?

No
29%

Yes
71%
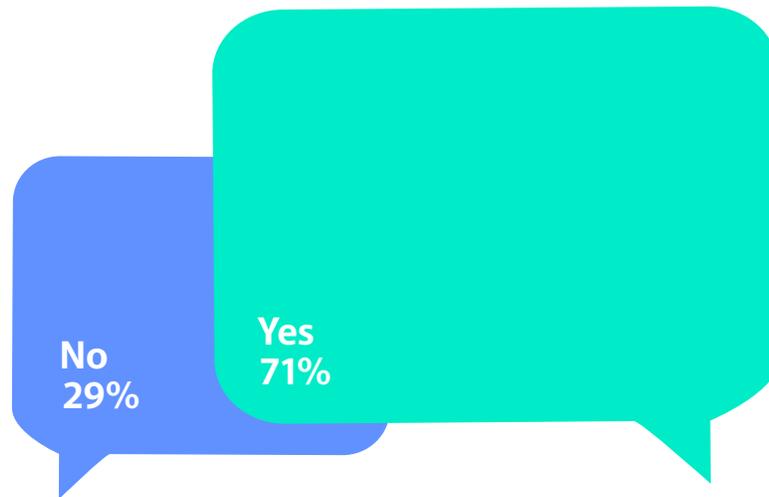
71% of customers already expect brands to offer customer support over messaging channels.

Do you expect brands to offer personalized customer experiences over messaging channels?

No
34%

Yes
66%
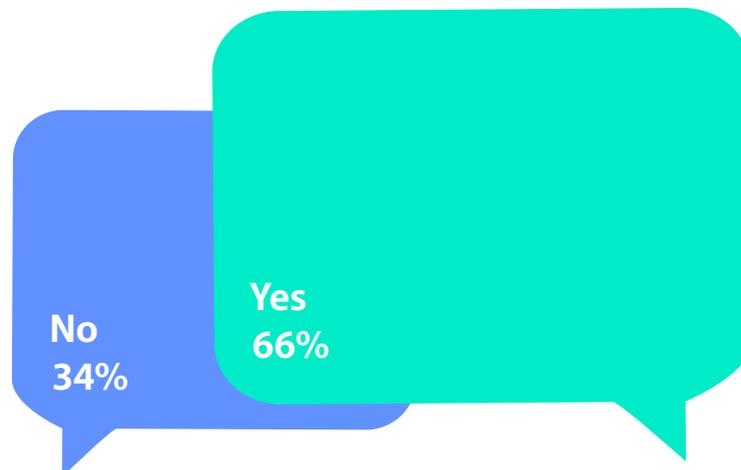
66% expect brands to offer personalized customer experiences also.

How important is a good customer experience on messaging channels in your choice of, or loyalty to, a brand?

Very Important 59%

Somewhat Important 37%
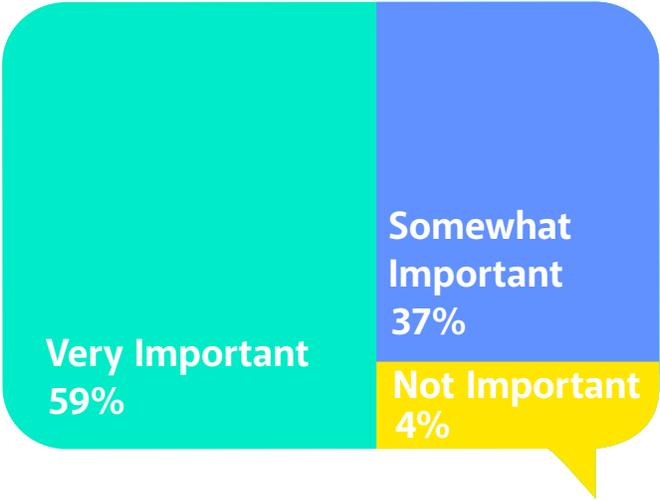
Not Important 4%

96% of respondents said a good customer experience over messaging channels was at least somewhat important to their brand loyalty.

Are you more likely to be a repeat customer of a brand that delivers great customer experience over messaging channels (Messenger, iMessage, etc)?

Very Likely 56%

Somewhat Likely 38%

Not Likely 6%
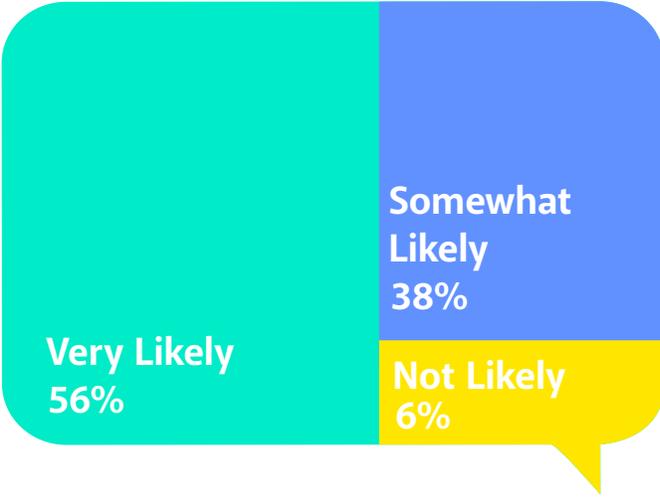
Brands who deliver great customer experience over messaging channels are more likely to have repeat customers, with **94%** of those surveyed testifying so.

Key Finding: Customers want to communicate with companies over the same familiar channels they use to talk with family and friends.

56% of consumers have used a messaging channel to engage with a brand before; **71%** of those customers expect brands to offer customer engagement over messaging channels, and **66%** expect for this engagement to be a personalized customer experience. In 2020, these rising consumer expectations will have long and lasting implications for brand-consumer relationship management.

An overwhelming **96%** of respondents say a good customer experience over messaging channels is at least somewhat important to their brand loyalty. And **94%** of those surveyed are more likely to be repeat customers of brands who deliver a great customer experience over messaging channels

Messaging allows brands to offer seamless customer experiences.
All conversations are stored in a thread that allows bots and humans to pick up where they left off without asking the customer to repeat themselves.
All retention modeling must be centered on this common goal.

Centered around real-time private messaging apps — like WhatsApp Business, Messenger Customer Chat, and Apple Business Chat — messaging channels provide a continuous conversation between consumer and brand. As platform providers evolve at breakneck speed and brands leverage messaging channels to create personalized, value-add experiences that are available anytime and anywhere, customers carry increasingly elevated expectations for every interaction.

Trend Two:
Bots Continue to Play an Increasingly Important Role in CX Delivery

Would you use a bot if it improved your customer experience or answered your support questions quicker?

71% Yes

29% No

71% of consumers would happily use a bot if it improved their customer experience.

Do you think that AI and bots have the potential to provide a better, more efficient customer experience?

41% Yes

59% No

But only **41%** actually believe bots have the potential to drive better customer experiences.

How important is the human element versus a programmatic response (AI) that resolves the same problem in digital service?

64% Very Important

31% Somewhat Important

5% Not Important

The majority (**95%**) of customers still believe having a human element is important when it comes to CX delivery.

Do you feel comfortable with customer experience interactions, and customer support questions, driven/answered by automation?

48% Yes

52% No

Yet, **48%** of consumers feel comfortable with customer experience interactions driven by a bot.

Key Findings: Artificial intelligence drives success among high performing teams - but there is still some consumer mistrust.

We're starting to see brands figure out how to use bots & AI in a way that adds real value for customers. When asked if they are comfortable with an entirely non-human customer service interaction, consumers are almost perfectly divided — **48%** said yes, and **52%** said no. The results were similar when consumers were asked if they thought bots & AI had the potential to enhance their customer experience — **41%** thinking yes and **59%** thinking not. Fundamentally though, **71%** of consumers would happily use a bot if it improved their customer experience.

This data conveys that half of our surveyed consumers still harbor an element of mistrust in the ongoing role bots and AI will play in customer experience management. But it does not need to be this way. Many customers, unknowingly in many cases it seems, interact with a bot in some form. In fact, many Conversocial clients have implemented our Navigator product offering to help route issues to the right team or collect a layer of case information to inform the agent prior to issue handoff. In 2020, brands should allocate some focus on better educating their customers of the experience benefits of bot-augmented issue resolution.

Done right, bot-augmented interactions have a clear and positive business impact:

- **Bots help brands drive better customer experiences:** Either through offering scalability for common inbound inquiries, or creating unique digital experiences that span the customer's lifecycle, bots are a CX game changer.

- **Bots help brands drive a revenue:** Bot-ready platforms that combine both bot and agent-assisted services result in fewer inquiries needing a human response, allowing for a smaller highly-skilled team of human agents assisted by automation. The future of CX is here, it's bots and humans working together in harmony.

Trend 3:
Brands Can
Still Generate
Brand Loyalty,
But They Must
Differentiate
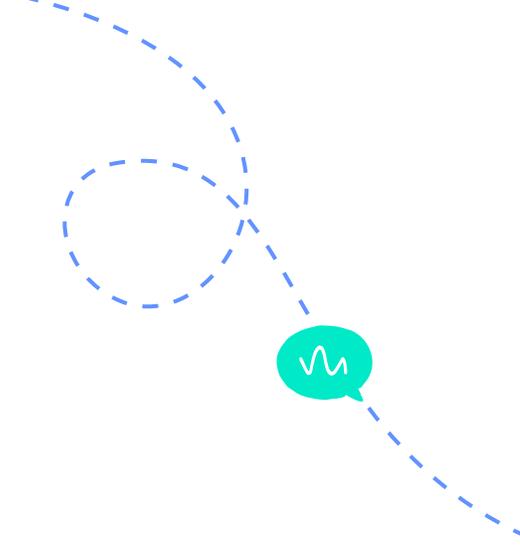
How loyal do you feel towards your favorite brands(s)?

Very Loyal `33%` **Loyal** `55%` **Indifferent** `10%` **No Loyalty** `2%`
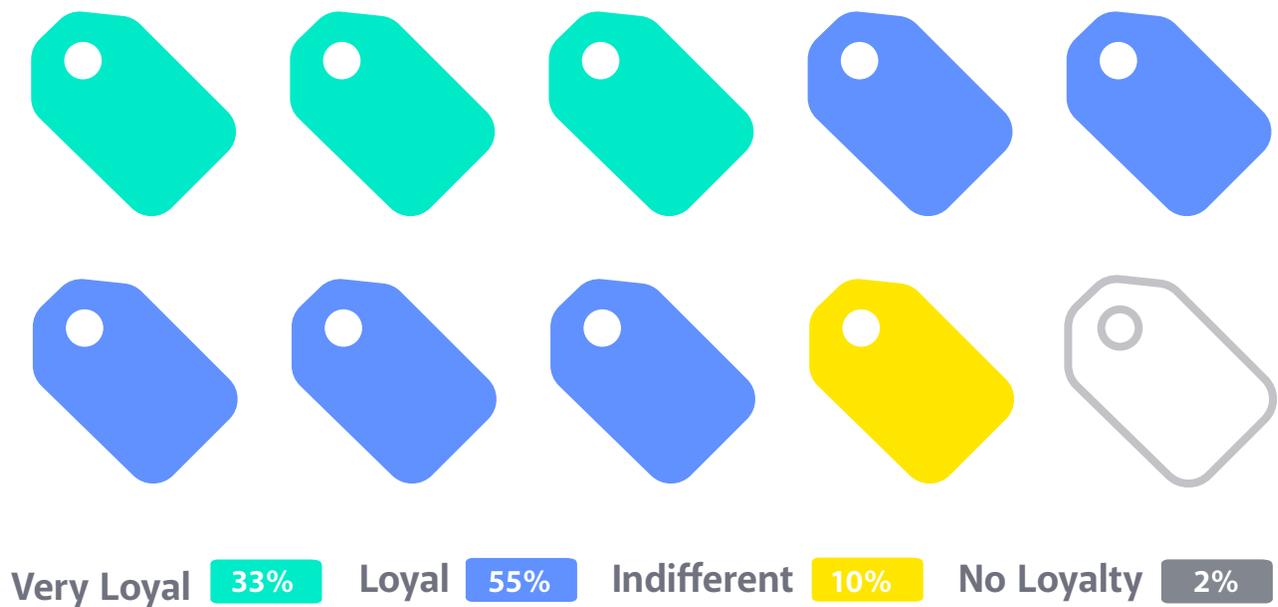
Most consumers — **88%** — are loyal to their favorite brand(s).

What main characteristic makes you feel loyal?

25%

Great Customer Service Experiences

22%

Competitive Pricing

29%

Product/Service Offering

15%

Brand Reputation

3%

Socially Aware

6%

Personalization of Experience

While product/service offering (**29%**) is still the most important characteristic of brand loyalty, customer experience (**25%**) came a close second.

Do you have higher customer experience expectations now than you did a year ago?
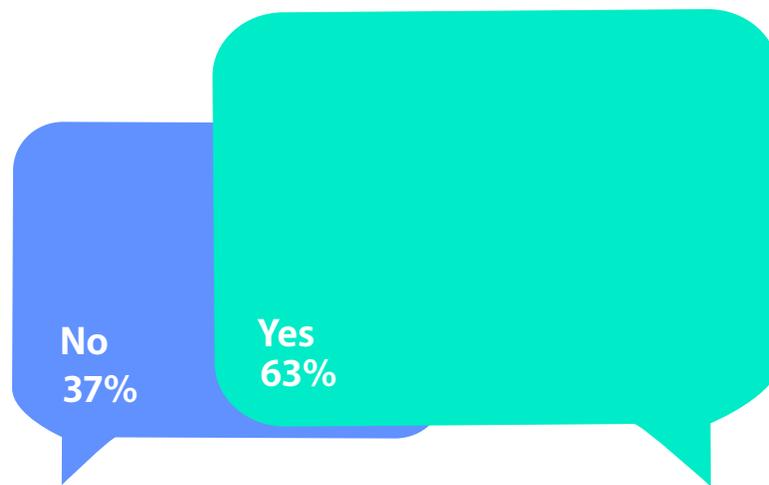
No
37%

Yes
63%

63% of customers have higher customer experience expectations today than they did a year ago.

Have you ever stopped doing business with a brand due to a poor customer experience?

No
16%

Yes
84%
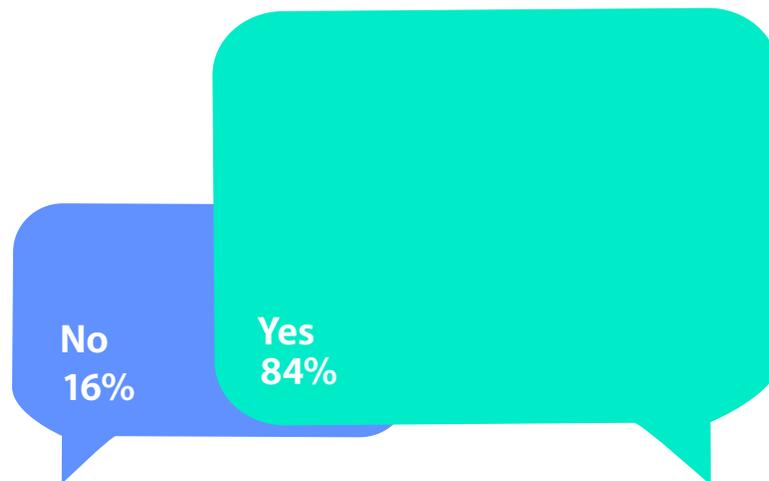
And **84%** have stopped doing business with a brand due to a poor customer experience.

It's vital to get it right.

What is the most important aspect of a good customer service experience?

Representation of 10

Support is offered in real-time with my issue resolved effortlessly — 43%

Support is available through my desired contact channels — 18%

The company proactively reached out to offer support — 12%

The support agent is friendly and knowledgeable — 21%

The brand knows who I am, I don't need to repeat myself — 6%

Support being offered in real-time, and issues resolved effortlessly, is the most important factor of a good customer service experience.

What is the most infuriating aspect of a bad customer service experience?

Representation of 10

Long automated phone hold/ wait times that make it hard to connect with an agent — 39%

My issue can't be resolved in my preferred channel (told to email instead) — 14%

Support is not in real-time and sometimes takes days to resolve — 13%

An unsupportive agent who lacks the knowledge or ability to resolve my issue — 25%

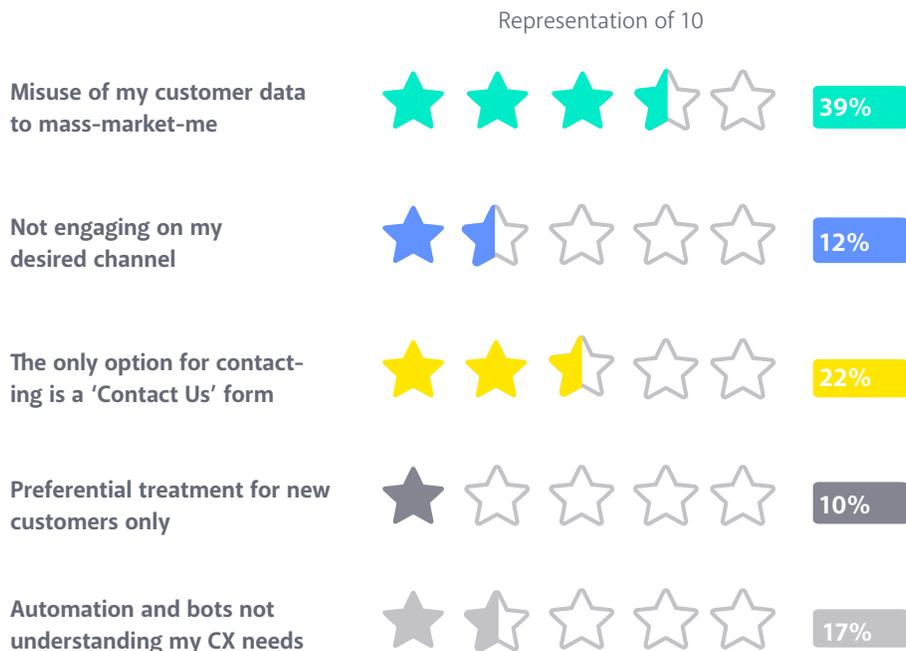**Having to repeat or provide my information multiple times** — 9%

Whereas long automated phone hold/wait times are the most infuriating aspect of a bad service experience.

What is the most important aspect of a good customer experience?

Representation of 10

Engagement over my preferred contact channel — 49%

Offers and product recommendations based on my purchase history — 16%

Facilitation of in-channel payments for easier checkout — 12%

A unique and customized online experience — 15%

New experiences that are interactive and immersive — 8%

Engagement with consumers on their preferred contact channel is the most important factor of a good customer experience.

What is the most infuriating aspect of a bad customer experience?

Representation of 10

Misuse of my customer data to mass-market-me — 39%

Not engaging on my desired channel — 12%

The only option for contacting is a 'Contact Us' form — 22%

Preferential treatment for new customers only — 10%

Automation and bots not understanding my CX needs — 17%

Whereas mass-marketing was our surveyed respondents' most infuriating aspect of a bad customer experience. Messaging platforms actually prohibit this.

Key Findings: Great customer experiences drive brand loyalty among customers, but driving unique customer experiences is challenging

The significant majority of surveyed consumers — **(89%)** — say they are loyal to their favorite brand(s). While price (**29%**) is paramount to this customer loyalty, experience (**25%**) ranked as a close second. **84%** of consumers have stopped doing business with a brand due to a poor customer experience — and **63%** of customers have higher customer experience expectations today than they did a year ago. Harnessing loyalty is getting more important and more challenging at the same time.

For our respondents, support that is offered in real-time — with their issue resolved effortlessly — is the most important factor of a good customer service experience. Whereas long automated phone hold/wait times were identified as the most infuriating aspect of a bad service experience. Consumers also stated that engagement on their preferred contact channel, rapidly becoming messaging channels, is the most important factor of a good customer experience. Whereas mass-marketing was our surveyed respondents'most infuriating aspect of a bad customer experience. Enabling automation and humans to work seamlessly together on messaging channels allows brands to solve these challenges and to harness the opportunities.

The data is clear, when you lose a customer's loyalty they stop doing business with your brand. Creating brand loyalty through better customer experiences is business-critical. As markets get more crowded, and competition more fierce, one thing remains a constant; customer retention through loyalty is the key driver of business success. In this year's findings, we've found insight into what constitutes good experiences versus bad ones. Customer expectations are clear; they want an effortless experience on the channel of their choice, that doesn't make them wait on hold or direct them to an endless phone-tree of "Press 5 to speak to an agent". What's more, they crave unique, personalized experiences, with no time for mass marketing.

Customers care about having issues resolved in real-time.
Messaging & automation allows agents to handle 5x more conversations concurrently meaning they can provide an answer quicker.

Brand Differentiators

Our three trends demonstrate that:

1. Messaging channels have matured as the desired experience channel for consumers.
2. Bots have moved beyond their hype phase but still garner consumer trust issues.
3. Loyalty is won by good customer experiences, but also easily lost through bad ones.

Brands that harness the power of messaging & automation to differentiate win customer loyalty.

Do you have a more favorable view of brands that offer or contact you with proactive customer service notifications?
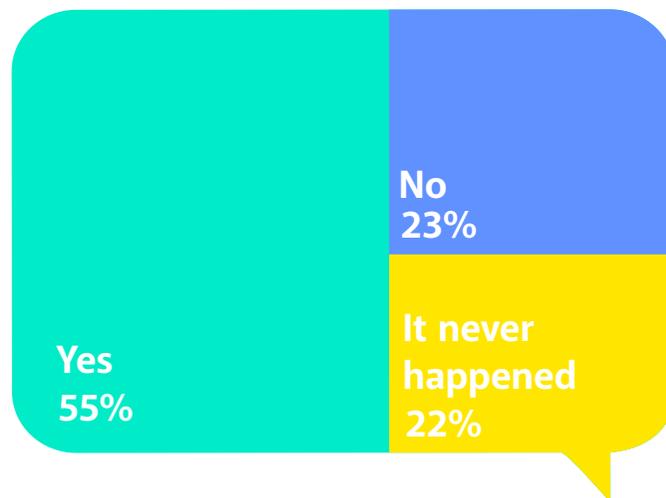
Be proactive: 55% of consumers would be more favorable to a brand if they notified them of a service issue proactively, and **22%** have never experienced this before.

Automation allows for brands to be proactive with their customers. Let's take the airline industry as an example. Say a customer's flight is delayed. Sending a notification first over a messaging channel, i.e."Flight delayed?", and immediately allowing the user to effortlessly change their flight within the same thread saves both parties time and energy. Imagine the amount of stress that can be alleviated for the consumer, as well as the airline, when they don't have to show up at the airport and realize they now have to deal with a slew of cancellation problems last minute. By reaching out to the consumer before an aggravating situation occurs and enabling them to make necessary changes in-channel, or seamlessly transferring them to a live-agent, can prove to your consumer that you as a brand care, and that they are more to you than just a dollar sign. After all, happy customers are return customers.

Do you expect a customer service representative to know your prior serivce information/history?

Yes 68%	No 32%
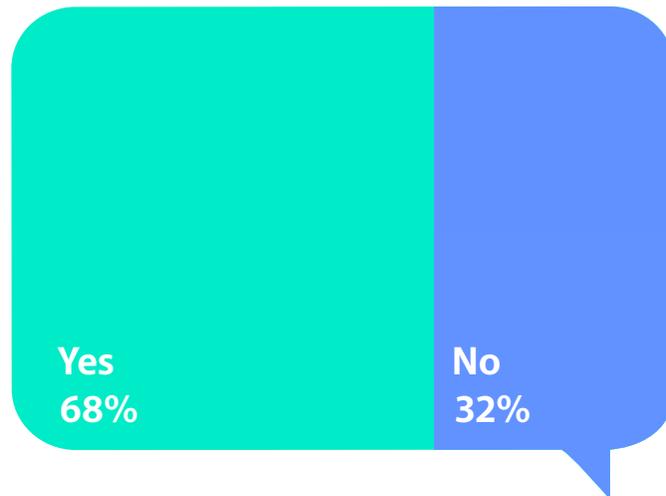
Integrate your CRM stack: 68% of consumers feel that brands should know their prior service history in all interactions.

Connecting the customer experience dots are critical for differentiating a service offering. APIs must be utilized to allow customer experience teams to create a fully unified and integrated customer experience hub via tight integration between best-of-breed messaging and existing CRM platforms, creating a 360° view of your customers with context. At present, customer interactions are often ticket-based. These isolated incidents are great for resolving single issues but they don't allow agents to look at the bigger picture. The future of CRM is connecting these incidents into one continuous customer conversation. Having access to a thread of previous customer communication is paramount to building long-lasting relationships that nurture brand loyalty.

Do you feel the process of getting your customer service questions answered is getting easier?
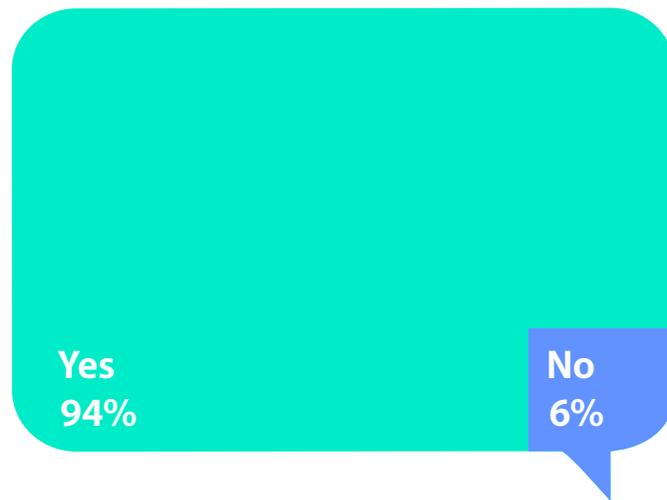

No, it's harder
30%

Yes
37%
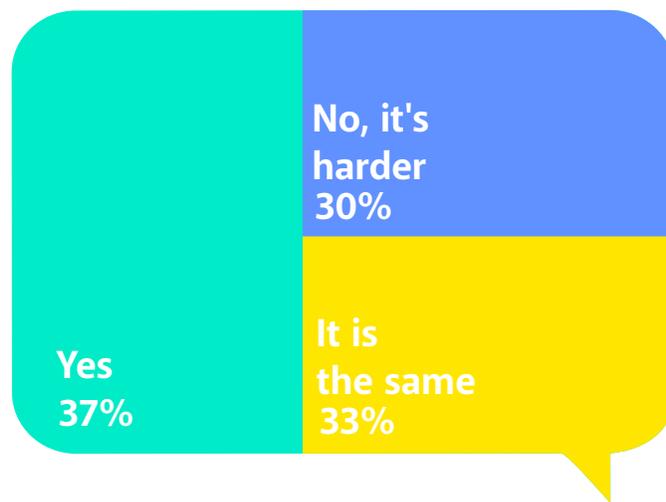
It is the same
33%

Move to messaging: 66% of consumers said getting their issue resolved was the same if not harder.

With the shift to digital, brands have lost touch with consumers. There is now a disruptive opportunity to build real 1:1 relationships with consumers by tapping into the unique nature of messaging channels to build frictionless customer experiences, powered by automation. Customers want fast replies to their questions, on the channel of their choice.

Messaging channels are particularly valuable for driving greater customer experiences, enabling brands to provide a single, seamless continuous conversation — that customers demand — across all their devices, for the first time. Unlike traditional live-chat that lives only in a specific browser session, consumers can now connect with a brand on both their website and messaging channels (across web, mobile, or tablet), and transition back and forth between them all seamlessly without losing the conversation's history and context.

Should organizations give you the opportunity to provide feedback on your customer experience?

Yes
94%

No
6%

Create continious feedback loops: 94% of respondents feel brands should allow for customers to provide feedback on their experience.

How can you improve if you don't know where you're f***ing up? Continuous feedback loops in business — and especially in customer experience management — are critical to continuous success. Messaging channels offer a full suite of reporting tools to gauge CSAT & NPS — report on quantitative and qualitative insights like satisfaction & sentiment — all whilst giving the customer the ability to provide feedback on their experience. What's more, messaging channels have a higher completion rate than traditional CX when it comes to surveys. Some Conversocial partners report a 3x survey response rate on messaging than that of traditional channels. This feedback can then be used to improve future customer experience management strategies.

Key Recommendations and Conclusion

It's clear from our analysis that expectations for customer experience are on the rise. Brands must adapt by harnessing messaging and automation to their advantage. Doing so will result in greater brand loyalty and repeat business.

A Conversocial brand partner has seen a 122% increase of in-store appointment bookings made online with a +15% increase in average order value per appointment via Messenger.

Messaging channels and automation are key to the future of relationship management. Through the combination of human agents and bots, brands are able to scale their customer-facing operations to meet the increasing demands for attentive customer engagement — facilitating two-way unique customer engagement at scale.

The future is two-way customer communication, driven by Conversational CX.

Two-way brand-consumer communication that is effortless and unique will be the cornerstone to harnessing customer loyalty. But loyalty is not a given. It must be earned and nurtured, and without the right care, it's easily lost. Loyalty is influenced by each step of the experience that customers have with your brand. From care, to engagement and commerce — throughout their customer journey.

To harness loyalty successfully, you need to think about Conversational CX differently than before, applying artificial intelligence to conversational experiences in a unique way:

- **NLU (Natural Language Understanding):** Traditionally, automation companies only leverage NLU to understand customer intent. We believe a two-fold approach is needed. NLU should not only be used to understand the customer intent, but to also help route and improve the agent's ability to assist customers at scale also. AI needs to go beyond just building bots. It should extend to augmenting the relationship between, brand to customer, agent to the user, human to human.

- **Memory:** Memory plays a key role here too, again, augmenting the capacity of the agent. Why have a human remember everything about a customer when the bot can collect and retain that trove of conversational interactions. This enables informed conversations driven by data.

- **Brand APIs/Data:** Lastly, with regards to talking to brand APIs, agents shouldn't have to spend time looking through a CRM or user data or inputting information into a system to complete a payment. An agent should spend their time helping the customer while the bot handles the aforementioned. Essentially, humans should talk to humans, while machines talk to machines.

There is still a lot we don't know about the future of customer experience management. We don't prophecize to know it all. But, we do know that brands that have moved to messaging and layered automation into their experience management are seeing increasingly higher revenue and customer loyalty by creating two-way communication channels.

Delivering two-way communication, driven by Conversational CX, is made easier by having a single platform to do so.