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Understand Communication Channel Needs To Craft Your Customer Service Strategy

by Kate Leggett, March 11, 2013

KEY TAKEAWAYS

The Majority Of Consumers Increasingly Turn To Online Customer Service Channels

Although telephoning a company and speaking to an agent is still the top way customers contact customer service, customers also increasingly leverage online channels and social media. And it's not just the younger generation -- US online adults across generations report greater multichannel service usage.

Companies Must Integrate Existing Channels To Deliver A Relevant And Unified Customer Experience

Siloed and disjointed implementations for different customer service channels simply don't cut it anymore. Companies should look toward integrating and taming disparate information sources in order to provide relevant and undisruptive customer service so customers who interact across multiple channels don't have to repeat themselves.



Understand Communication Channel Needs To Craft Your Customer Service Strategy

by [Kate Leggett](#)

with [Stephen Powers](#), [Zia Daniell Wigder](#), and Shannon Coyne

WHY READ THIS REPORT

Consumers' preferences for customer service channels are rapidly changing. And it's not just the younger generation of consumers — there's disruption and change across all ages and demographics. Adoption of online customer service channels, such as chat with live agents and social media, is exploding as consumers expect relevant and seamless customer service across channels. This report helps eBusiness and channel strategy professionals supporting customer service operations to align communication channels to customer demand and break down the siloed implementations of customer service channels in order to appeal to the majority of today's consumers.

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Forrester analyzed data from Forrester's North American Technographics® Customer Experience Online Survey, Q4 2012 (US).

Related Research Documents

[Assess Customer Service Capabilities To Pinpoint Opportunities For Better Service](#)
December 26, 2012

[Transform The Contact Center For Customer Service Excellence](#)
June 22, 2012



ALL GENERATIONS DEMAND EFFORTLESS CUSTOMER SERVICE

The majority of customers agree: Valuing their time is the most important factor in good customer service. Customers want an accurate, relevant, and complete answer to their question upon first contact with a company, and they want effortless transitions across multiple touchpoints (Web, tablet, in-person, etc.) from the channel of their choice (e.g., voice, chat, email, or social) without having to repeat themselves. Forrester's North American Technographics® Customer Experience Online Survey, Q4 2012 (US) uncovered differences in preferences and adoption rates of customer service channels among generations of customers and over time. The data shows that:

- **Older customers are least tolerant to friction in customer service interactions.** Forty-three percent of Gen Z (ages 18 to 23) online adults agree with the statement “I am very likely to abandon my online purchase if I cannot find a quick answer to my questions,” and 63% agree with the statement “Valuing my time is the most important thing a company can do to provide me with good online customer service” (see Figure 1). Compare this to the 55% of Golden Generation (ages 68 and older) and Older Boomer (ages 57 to 67) online adults who report they are likely to abandon online purchases without a quick answer and the 76% who agree that valuing their time should be the hallmark of good customer service.

While we may stereotypically associate impatience with younger customers, older customers are more likely to abandon a website if it fails to deliver. To provide value-added experience to consumers, customer service professionals should survey their customer base and seek to understand their needs in order to deliver the most personalized service experience possible, instead of relying on preconceived notions.

- **A strong segment of Generations X, Y, and Z prefer online services.** Companies have turned to improving their online customer service as a way to help deflect more costly calls from the contact center. This move also helps move the needle on customer satisfaction. Survey data shows that, on average, 41% of consumers ages 18 to 46 (Generations X, Y, and Z) prefer online customer service to the telephone. Savvy customer service leaders recognize that developing online customer support channels isn't just a tactic to build future relationships with today's younger customers; online customer service is imperative to appeal to the majority of today's online consumers.

However, nearly one-third of online adults are neutral when it comes to using online customer service versus speaking to a live person on the telephone.¹ Continued improvement of online service channels and implementation of online communication channel best practices will help sway this group toward online channels by improving customer satisfaction scores and lowering the cost of customer service for companies.

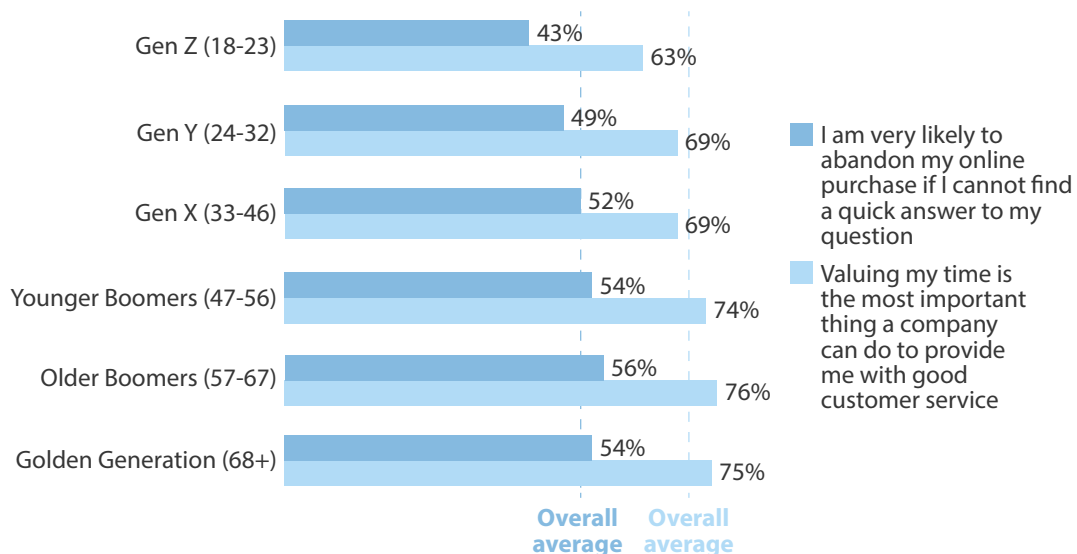
- **Companies shouldn't underestimate Seniors and their online activity.** Seniors ages 68 and older are more likely to use the telephone channel than other channels, but it would be

dangerous to assume that the telephone will satisfy all their needs. Members of this segment are also likely to be impatient and abandon if their questions are not answered online. Meeting these high expectations can pay off. US online Seniors may be less likely than their younger counterparts to purchase online, but don't underestimate their online commerce activity: 65% of customers ages 68 and older have made an online retail purchase in the past three months.²

As Internet adoption rates continue to rise, we predict an increased number of Seniors using online channels to make purchases and interact with companies. Since this group of customers will also use telephone services to fulfill their customer service needs, investing in standardizing the service experience across communication channels and supporting cross-channel communication is crucial to ensure their continued satisfaction.

Figure 1 Consumers Of All Generations Demand Effortless Customer Service

Percent of US online adults by generation who agree with the indicated customer service statements
(4 or 5 on a scale of 1 [disagree completely] to 5 [agree completely])



Base: 7,440 US online adults (18+)

Source: North American Technographics® Customer Experience Online Survey, Q4 2012 (US)

88421

Source: Forrester Research, Inc.

CUSTOMER SERVICE CHANNEL USAGE HAS SHIFTED FROM THREE YEARS AGO

Customer service channel usage has shifted dramatically from three years ago, and there are significant differences in satisfaction between channels, particularly among different generations.

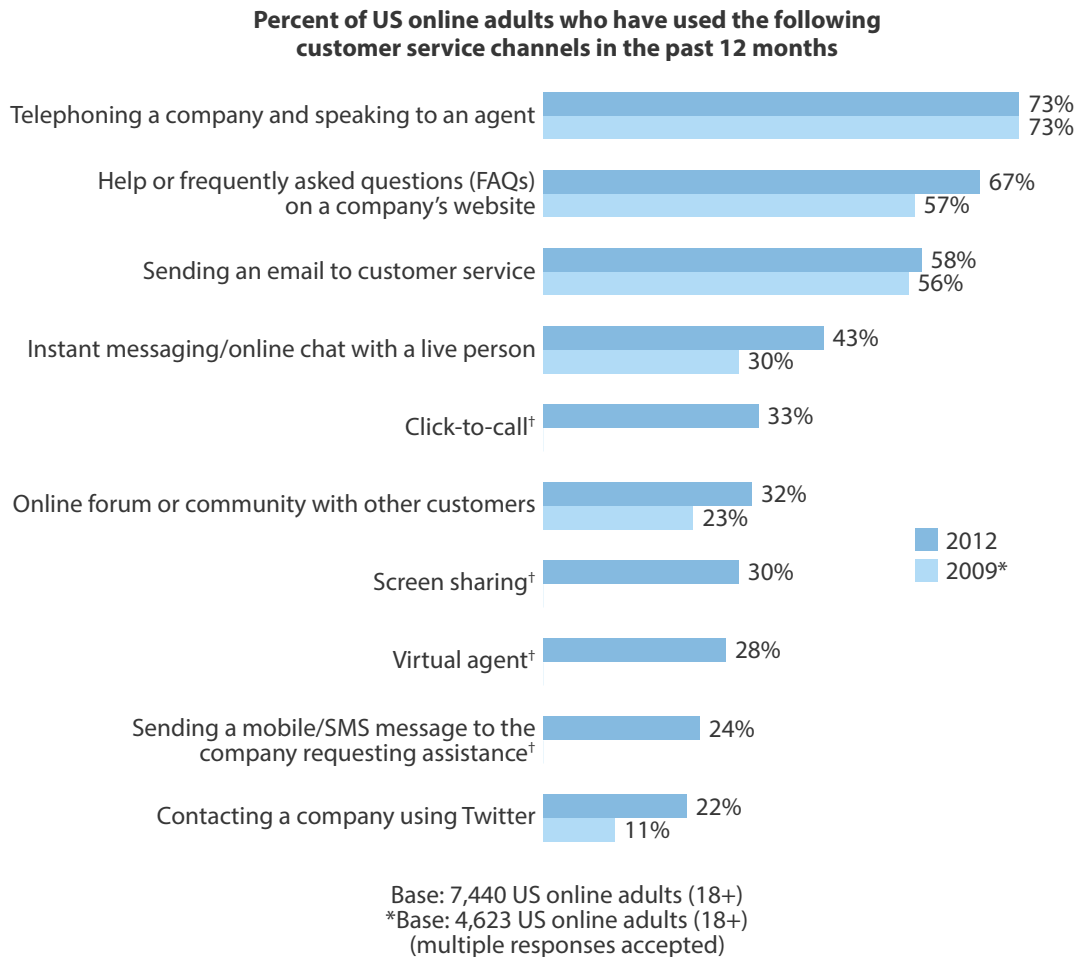
Digital Channels Take Off

Digital channels for customer service are comprised of the traditional channels such as email, chat, and web self-service as well as the newer social channels such as Facebook and Twitter. Some of these channels allow customers to interact with customer service agents, while others, such as web self-service and virtual agents, are purely self-service channels (see Figure 2). Our data shows that:

- **Electronic live-assist channels are increasing in popularity.** Online chat adoption among customers has risen from 30% in 2009 to 43% in 2012. It has a solid average satisfaction rating of 63% across all generations in 2012 (see Figure 3).³ This method is also the closest rival for telephoning an agent in terms of overall customer satisfaction. Use of screen sharing, or co-browsing, has increased 5 percentage points, from 25% to 30%, over last year, with a similarly strong satisfaction rating of 61% across all generations.⁴ Both channels represent efficient electronic methods of interacting in real time with customer service agents and increase the likelihood that customers receive personalized and timely resolutions to their issues. The adoption of electronic live-assist channels is not limited to the younger generation: Almost one in three US online adults ages 68 and older have used chat for customer service, and one in five have used screen sharing over the past year.
- **The perceived demise of email is premature.** Email remains the third most widely used communication channel among US online adults in 2012, and in the past three years, email usage has increased by 2 percentage points, from 56% to 58%. It also remains a channel with reasonably high satisfaction ratings of 60% across all generations in 2012.⁵ This is because email response management processes that enable rapid and personalized answers to questions are very well defined and have been widely adopted across all industries.
- **More consumers use online help sections and FAQs, but fewer are satisfied.** With a 67% overall average adoption rate across generations, help and FAQ sections are the most commonly accessed online customer service channel, and usage of this communication channel has increased by 10 percentage points in the past three years. But with a 58% satisfaction rate, this channel has one of the lowest-reported satisfaction ratings.⁶ This is the result of few companies having solid knowledge management programs in place to optimize content based on content usage data, search term analysis, and customer satisfaction ratings.⁷ Virtual agents have the lowest satisfaction rating, at 55% of all the channels surveyed.⁸ As with online help and FAQs, this is mostly due to the misalignment of content with the types of questions customers are asking.
- **Social support explodes among younger online consumers.** In the past three years, customer adoption of communities for customer service has risen from 23% to 32%. In the same three years, Twitter usage has increased from 11% to 22%. Community support and Twitter are most widely adopted among younger consumers, with an average of 42% of Gen Z, Y, and X online adults using communities and an average of 31% using Twitter as a form of social support. But 33% of US online Gen Xers (ages 33 to 46) and 23% of US online Younger Boomers (ages 47

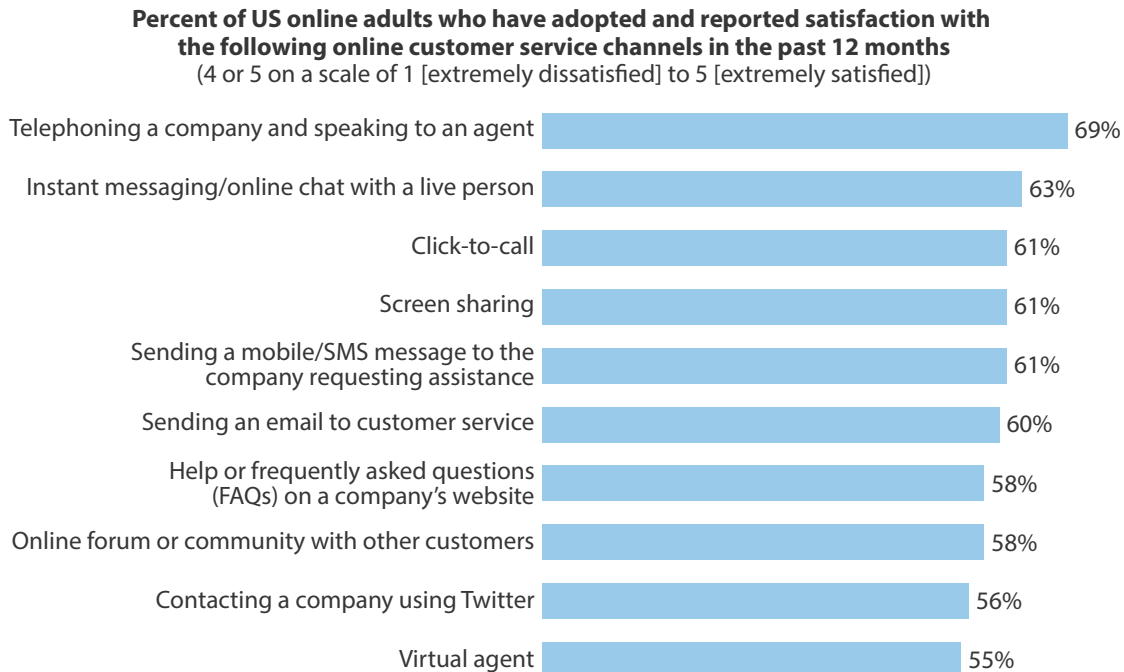
to 56) also use community support. However, many companies don't properly manage social interactions. They may not use the same metrics for social channels as they use for digital and voice channels. Or customer service agents may not have the same customer and product history information as voice and digital agents. As companies refine their social business processes, we predict that the adoption levels of social media as a form of support among customers will continue to rise.

Figure 2 Consumer Adoption Of Communication Channels Has Noticeably Changed In Three Years



Source: North American Technographics® Customer Experience Online Survey, Q4 2012 (US)
 *Source: North American Technographics Customer Experience Online Survey, Q4 2009 (US)
 †Forrester did not ask about this channel in the 2009 survey.

Figure 3 Real-Time Customer Service Channels Have Highest Satisfaction Ratings



Base: US online adults who have used customer service channels in the past 12 months (multiple responses accepted)

Source: North American Technographics® Customer Experience Online Survey, Q4 2012 (US)

88421

Source: Forrester Research, Inc.

Traditional Channels Remain Important

Telephoning a live representative remains the most frequently used customer service channel, and its usage is relatively consistent over time and across generations. This shows that customers are not abandoning the traditional customer service channels in favor of newer ones but are increasing the total number of channels they use when interacting with companies. This channel also has the highest satisfaction rate across all generations. Talking to a live person remains an efficient way to ensure complete resolution of issues, especially when the resolution to a given problem is less than straightforward and requires research or back-and-forth discussions between the customer and the service agent.

WHAT IT MEANS

ADAPT TO YOUR CUSTOMERS' CHANNEL PREFERENCES FOR CUSTOMER SERVICE

Customer service leaders must ensure that consistent experiences are delivered across channels. This means that each interaction must: 1) provide the same data and knowledge; 2) add value to the overall interaction journey that a customer has with a company by providing him with new information that addresses his questions in a timely, accurate, and personalized manner; and 3) reinforce the experience, data, and knowledge delivered in prior interactions. To support a consistent, value-added experience across all communication channels, customer service leaders must:

- **Understand consumer communication channels.** Consumer communication channel preference is rapidly changing. Companies must survey their customer base to understand how their customers want to interact with them. Customer service leaders should use this data to better anticipate the channels that they will need to support in the future.
 - **Architect their infrastructure to support cross-channel communication.** When interacting with companies, customers want to be able to use the channel of their choice, and they want the ability to start an interaction on one channel and continue it in another without having to restart the conversation. To do this, agents need to have an understanding of all interactions across all channels. Ensure that communication channels are not implemented in silos, that the context of an inquiry can be passed from one communication channel to another, and that agents have access to a customer's interaction history across channels.
 - **Invest in adopting communication channel best practices.** Some communication channels — for example, web self-service and virtual agents — have lower-than-expected satisfaction ratings. This is because companies have not invested in best practices to tame content and empower agents with accurate and relevant information about customers. Ensure that customer service organizations adopt channel-specific best practices when deploying new or updating existing communication channel implementations.⁹
 - **Standardize the service experience across communication channels.** A company reinforces its brand perception every time a user interacts with it, both in person and over all of the communication channels that the company offers. Make sure that agents have the support they need to follow consistent business processes across each of these channels, that productivity and quality of service metrics are applied to all channels — voice, self-service, digital, and social — and that you measure the success of interactions for all channels.
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SUPPLEMENTAL MATERIAL

Methodology

Forrester conducted the North American Technographics® Customer Experience Online Survey, Q4 2012 (US), fielded in November 2012 of 7,506 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 7,506), there is 95% confidence that the results have a statistical precision of plus or minus 1.13% of what they would be if the entire population of US online individuals ages 18 and older had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 7,440. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that this was an online survey. Respondents who participate in online surveys have in general more experience with the Internet and feel more comfortable transacting online. The data is weighted to be representative for the total online population on the weighting targets mentioned, but this sample bias may produce results that differ from Forrester's offline benchmark survey. The sample was drawn from members of MarketTools' online panel, and respondents were motivated by receiving points that could be redeemed for a reward. The sample provided by MarketTools is not a random sample. While individuals have been randomly sampled from MarketTools' panel for this particular survey, they have previously chosen to take part in the MarketTools online panel.

ENDNOTES

- ¹ Nearly one-third of online US consumers ages 18 and older report indifference between using online customer service channels and speaking with a live representative on the telephone. Source: North American Technographics Customer Experience Online Survey, Q4 2012 (US).
- ² Roughly 80% of online US consumers ages 18 to 56 have made a retail purchase online in the past three months. Approximately 35% of US consumers ages 68 and older reported that they have not purchased anything online in the past three months. Source: North American Technographics Retail Online Benchmark Recontact Survey, Q3 2012 (US).
- ³ When asked about online chat customer service experiences they've had in the past 12 months, 63% of US online adults who have used online chat indicated 4 or 5 on a scale of 1 (extremely dissatisfied) to 5 (extremely satisfied). Source: North American Technographics Customer Experience Online Survey, Q4 2012 (US).
- ⁴ When asked about screen sharing customer service experiences they've had in the past 12 months, 61% of US online adults who have used screen sharing or co-browsing indicated 4 or 5 on a scale of 1 (extremely dissatisfied) to 5 (extremely satisfied). Source: North American Technographics Customer Experience Online Survey, Q4 2012 (US).

- ⁵ When asked about email customer service experiences they've had in the past 12 months, 60% of US online adults who have emailed customer service indicated 4 or 5 on a scale of 1 (extremely dissatisfied) to 5 (extremely satisfied). Source: North American Technographics Customer Experience Online Survey, Q4 2012 (US).
- ⁶ When asked about company site help and FAQ customer service experiences they've had in the past 12 months, 58% of US online adults who have used help and FAQs on a company's site indicated 4 or 5 on a scale of 1 (extremely dissatisfied) to 5 (extremely satisfied). Source: North American Technographics Customer Experience Online Survey, Q4 2012 (US).
- ⁷ Suboptimal customer service is often the result of deploying technology in a way that is not aligned with best practices. These best practices are robust, field-tested, and well documented. See the December 26, 2012, "[Assess Customer Service Capabilities To Pinpoint Opportunities For Better Service](#)" report.
- ⁸ When asked about virtual agent customer service experiences they've had in the past 12 months, 55% of US online adults who have used virtual agents indicated 4 or 5 on a scale of 1 (extremely dissatisfied) to 5 (extremely satisfied). Source: North American Technographics Customer Experience Online Survey, Q4 2012 (US).
- ⁹ As companies move to improve their online customer experience, many more are using text-based chat to better engage visitors to their site. But the customer service organization, in conjunction with the website designers and customer experience professionals, must address a suite of nontechnical issues to ensure that both the company and the customers benefit from the chat experience. To uncover best practices when implementing online chat, Forrester spoke with all of the major vendors of chat software, approximately a dozen companies that have implemented chat, and reviewed approximately 30 chat implementations available to customers and prospects. We found best practices in four areas: 1) organization and staffing; 2) process design; 3) business integration; and 4) security. See the March 9, 2009, "[Best Practices: Implementing Online Chat](#)" report.

Customer service managers agree that the right knowledge, delivered at the right time in the service resolution process, is critical to a successful interaction. But they struggle to tame the volume of corporate knowledge in disconnected silos. This report defines six key KM strategies for customer service and describes more than 40 tactics to make them stick. Use the self-diagnostic tool in this report to pinpoint your best opportunities for success and determine the pitfalls to avoid. See the March 25, 2011, "[Best Practices: Knowledge Management For Customer Service](#)" report.

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