



Great Expectations for Even Greater Customer Experiences

What 5,000 Customers Really Think About Your Customer Service



Everywhere you look, businesses are undergoing digital transformations, from virtual storefronts to artificially intelligent shopping assistants—all driven by a desire to improve the customer experience. In fact, in a 2017 Mitel-commissioned global survey of 2,500 IT decision makers, 59 percent of businesses reported being more than halfway through their customer experience improvements. We wondered if their customers agreed, so we asked 5,000 consumers around the world to rate their customer experiences across different industries. The results, captured here in this research paper, present an eye-opening midterm assessment that reveals many businesses still have a long way to go toward improving the buyer's journey.

The Mitel Global Customer Experience Survey

Most businesses will tell you they deliver good customer service, but what do their customers think? That question and many others were posed to a group of more than 5,000 adults in North America, Europe and Australia as part of the Mitel Global Customer Experience Survey conducted by Regina Corso Consulting. Participants were divided equally across five countries: Australia (1,006), France (1,004), Germany (1,003), the United Kingdom (1,006) and the United States (1,005). Survey results were weighted to reflect the age/gender mix of each country. In all, a total of twenty questions were posed to participants, with special attention given to how those answers mapped across key industries including banking/financial services, healthcare, hospitality, retail, sports/entertainment and utilities.

Connecting the Dots That Make Us Different

If you want to connect with customers—and of course you do—you first need to connect a lot of different dots. Where do your customers shop: online, in store, on a mobile app? What are they shopping for? Do they know what they're looking for, or do they need help? These factors drive different behaviors and expectations. Our survey uncovered important trends in the way people in different regions shop for products and services:

- *Younger consumers (age 18-34) place a higher premium on the quality of the mobile (e.g., smartphone) shopping experience than older consumers;*
- *Customers in the UK and U.S. place significantly less importance on human interaction during the online and in-store shopping experience than other regions;*
- *Consumers want both in-store and online shopping experiences, but have different expectations for them;*
- *Bringing new technology into the shopping experience can improve customer satisfaction or literally drive customers away—depending on where, when and how it's used.*

The Gap Between Customer Expectations and Reality

As a technology provider, the role that technology plays in improving customer experience is of keen interest to Mitel—and to our customers, too. In an earlier survey commissioned by Mitel in August 2017, more than 2,500 IT executives were asked to report on their digital transformation strategies and challenges as they related to improving the customer experience. Respondents overwhelmingly stated that improving the customer experience was a key part of their digital transformation efforts. Ninety percent also optimistically reported progress in improving customer experience through technology.

This prompts an interesting question: If efforts to improve the customer experience are more than halfway underway, what kind of midterm grade do consumers give them? Perhaps not the high marks businesses are expecting.

Based on our survey data, a measurable disconnect exists between the advancements organizations think they are making to deliver exceptional customer experience and how customers view their commercial interactions.

While a clear sign of the growing pains associated with digital transformation initiatives in progress globally, the new survey also uncovers an opportunity for technology to play a key role in defining and keeping pace with changing buyer behavior and preferences.

As an example, more than half of those surveyed believe machine-to-people interactions will positively transform the customer experience, and this number climbs to 60 percent among 18 to 34-year-olds.

How Technology Shapes the Customer Experience

If you want to see the biggest impact technology has had on the customer experience, look at your own shopping habits. Chances are you do some of your shopping online, particularly during the holidays. Like many consumers, you may conduct product research and comparisons on your smartphone even when you're shopping in a store. And no doubt, you've noticed advertisers have become a lot savvier about the types of ads you see online and in your social media apps.

In our survey, three out of four consumers worldwide believe technology has improved the shopping experience, both online and in stores. But the mere presence of technology alone doesn't create a better experience. A closer look at our survey data reveals businesses need to align the right kinds of technology with the right opportunities to move the happiness dial higher. Choose the wrong kind of technology, and businesses can actually drive customers away.



42%

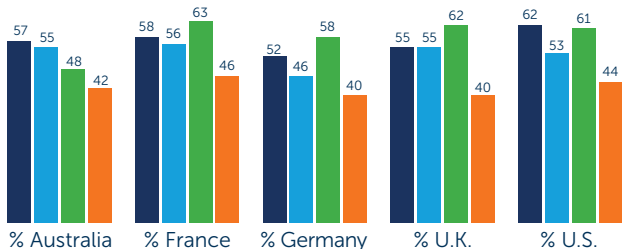
Less than half of our survey respondents, for example, believe the technology needed to deliver the perfect online buying experience is available.

Some highlights from our customer survey reveal:

- Most shopping is still done in physical stores. The mix of online and retail shopping varies from region to region. British survey respondents report 40 percent of their shopping is done online while, at the other extreme, Australians still do 74 percent of their shopping in a physical store.
- But nearly all regions are trending toward more online shopping, a number no doubt driven by the fact that **70 percent of customers find shopping online more convenient.**
- Everyone shops online differently. One of the most surprising revelations from the study was how age, sex and region affect online shopping preferences. It may come as no surprise that **most millennials prefer to shop from their smartphones, but did you know adults over 55 prefer tablets over smartphones by a 2-to-1 ratio?** Or that men are nearly 50 percent more likely to shop online from their desktop than women?

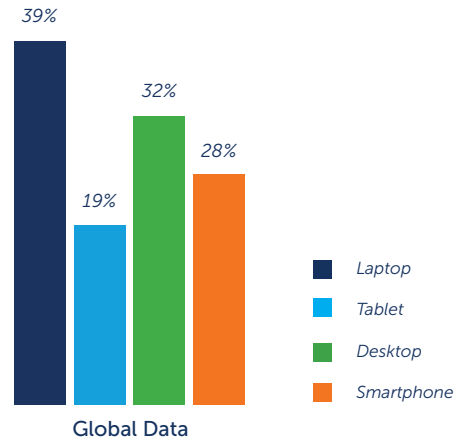
The survey statistics bear out the wisdom of using omnichannel engagement with your customers to make sure you can personalize the shopping experience anywhere, on any device and move seamlessly across channels. The numbers also point to the importance of aligning technology initiatives with target customer groups. As we'll see in the following pages, customer values can shift significantly according to industry and region. Similarly, improving customer experiences for younger consumers can have a greater impact on a business' bottom line than catering to older consumers who are less likely to switch brands.

How much do you agree with the following statements?



- My life is chaotic enough, shopping needs to be easier
- I shop because I have to, not because I like to
- I find myself shopping less in a physical location and more online
- I want to shop even more online, but the experience is still not that good

When shopping online, which device are you most likely to use?



- 49 percent of French consumers use laptop all/most of the time, versus only 33 percent of Australians
- 40 percent of U.S. consumers use a smartphone all/most of the time, twice that of France (19 percent) and Germany (16 percent)
- BIG generational divide here: 53 percent of 18-34 yo use a smartphone most of the time, 28 percent of 35-53 yo and 7 percent of 55+ yo
- 27 percent of UK consumers use a tablet all/most of the time, twice that of Germany (12 percent)
- 2X as many 55+ yo prefer tablet (14 percent) to smartphone

"In order to truly connect with customers on their own terms, organizations must look for new ways to balance technology investments with personalized customer service. Those organizations that are able to achieve this balance will go on to build strong brand loyalty with their customers."

Regina Corso, Regina Corso Consulting



Customer Insights: What Makes a Great Experience?

If you're looking for the one thing that drives great customer experiences, the answer would be *everything*. In other words, there are few "universal truths" when it comes to understanding your customers. While the majority of customers may agree that online shopping is convenient, for example, they can diverge widely on what makes it convenient: better product selection, 24/7 service, not having to find a parking spot, etc. The same challenges emerge when defining great customer service. For some, human interaction and live shopping assistance is a benefit; for others, it's a barrier. The takeaway from all this is that businesses need to be tuned in to the needs of their customers and give them choices. If some customers prefer not to see a pop-up chat box when they enter a site, a well-placed click-to-call button could be a better. Customized experiences like these will allow businesses to engage customers across broad demographics without alienating young or old, male or female, national or international.

You're underestimating how important customer experience really is

When asked what prevented companies from delivering a great customer experience, survey respondents said repeatedly and consistently that companies didn't realize the importance of customer experiences and the impact those experiences had on their buying behavior. That said, it became clear during the survey that some industries were further along the experiential curve than others. For example, 37 percent of global customers believe their financial services companies are already delivering great experiences, followed by the hospitality industry with a 30 percent rate for greatness.

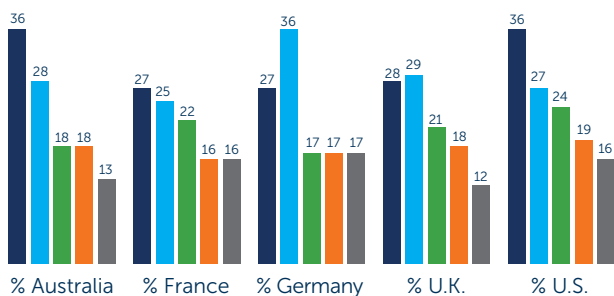
How can you improve those experiences? Respondents gave companies very specific and actionable feedback in their answers.

- *U.S. and French companies need to focus more on the customer experience, period. Nearly two out of three U.S. consumers (63 percent) believe companies simply aren't aware great experiences matter, while 44 percent of French consumers share that opinion.*
- *Hospitality companies are winning over older adults, but losing millennials. Thirty-seven percent of older consumers (age 55+) say hospitality companies are delivering great experiences today, but only 19 percent of millennials agree. The problem? One in five millennials believe hospitality companies aren't focusing enough on the mobile experience.*
- *U.S. financial companies could take a lesson from their Australian counterparts. Forty-two percent of Australian respondents believe their banks are delivering great experiences today, versus only 29 percent in the U.S. Here again, older consumers report much higher levels of satisfaction than younger, a trend that all financial companies should take to heart.*

- *Utilities companies are alienating younger buyers. Only 15 percent of millennials feel utilities companies don't need to change anything, while 27 percent believe utilities need to focus more on the customer experiences they deliver and less on the products and services they offer.*
- *Sports and entertainment companies need to make mobile experiences a priority. Millennials and U.S. buyers, two important constituencies, believe the industry needs to deliver better mobile experiences.*
- *Utilities and healthcare companies could win back consumer hearts with technology. The biggest barrier to great healthcare experiences, according to U.S. respondents, is the industry's inability to invest in the right technology. The French also cite a lack of technology as the main reason utilities companies fail to deliver a great customer experience.*

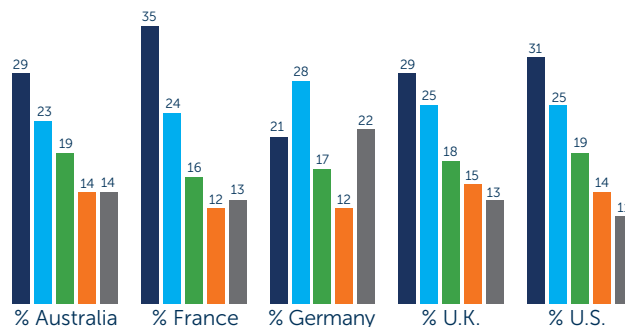
Companies would do well to take these insights to heart, as customers report great experiences have a direct impact on brand loyalty, customer satisfaction, brand recommendation and, particularly in the case of younger consumers, the quantity of products and services they buy from a brand.

Brands are not providing a great customer experience because:



- *They do not recognize that I make choices on the experiences they provide and the product/services they offer, in that order*
- *They are not aware of how important it is*
- *They have not yet made the investment in the latest technologies to ensure customer experience is exceptional*
- *They are not willing to*
- *They are not focusing enough on their mobile experiences*

What is the largest impact on a great customer experience?



- *Increases brand loyalty*
- *Increases brand satisfaction*
- *Increases likeliness to recommend them*
- *Buy more products from the brand*
- *No impact*

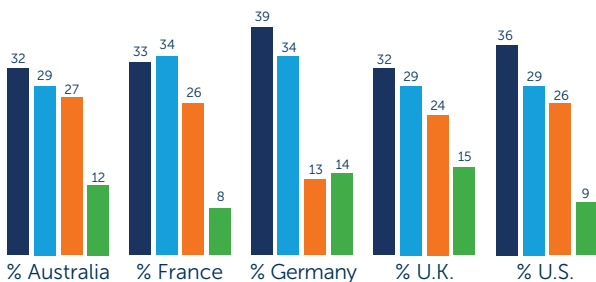
Customers agree online shopping is convenient, but disagree on what makes it convenient

Seventy percent of those surveyed say online shopping is more convenient than shopping in a physical store. Yet those same respondents often disagree as to why online shopping is more convenient. For many, the ability to shop online whenever they want and not simply during "store hours" is the main benefit. For others, it's a simple matter of saving time instead of driving to the store and looking for a parking space. Still others cite the broader product selection they can find online versus store shelves. Hidden in the details are some additional, interesting insights: Millennials are more likely to cite multi-device support as an online shopping benefit; and U.S. and British adults are four times more likely than French consumers to view not having to deal with a human being as a benefit of online shopping.

When done correctly, live customer agents can augment the online shopping experience

While the vast majority of adults surveyed believe human agents have a role to play in online shopping, those roles are very clearly defined in the minds of most customers. Complicated online transactions and lengthy online searches are cited as the two most common scenarios where human assistance is appreciated. Approximately one in three believes businesses should make live assistance available online all the time, with an option to decline if the customer isn't interested in human interaction.

When shopping online, when should a live customer agent be involved?



- All the time, with an option to decline
- When I'm doing something complicated
- When I've been on the site a while and can't find what I need
- Never; if I wanted to deal with a person I wouldn't be shopping online

Emerging technologies offers new ways to deliver on customer "must haves"

Customers generally view technology as an ally in delivering great experiences. Three out of four believe brands are already using technology to improve the customer experience. **Yet nearly as many agree current technology investments still fall short of delivering the perfect online experience.** In leveraging technology to improve the customer experience, companies need to make sure their investments align with what customers really want: more convenience, less human interaction and more personalization.

Growing use of cloud communications and applications, combined with emerging technologies like the Internet of Things (IoT), artificial intelligence, chatbots, and natural language processing, are creating new ways for companies to nurture and build customer relationships. Winning companies will be those that are able to differentiate their brands by delivering seamless experiences across physical and digital environments, devices and channels.

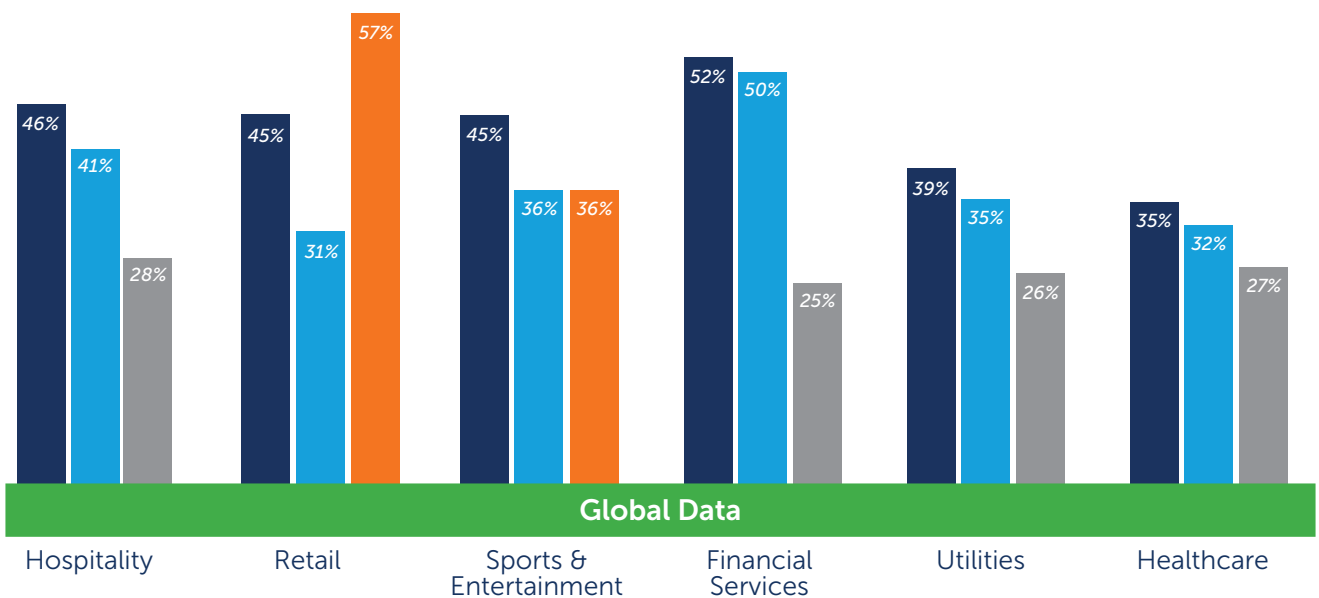


Industry Insights: Understanding How Industry Impacts the Experience

Behind the data lie some surprising insights into how consumer sentiment can shift based on what they're buying. Qualities that make purchasing a toaster pleasurable may not translate when making a bank deposit. Industries also appear to benefit (or suffer) based on regional preferences. Following are some of the highlights from the various vertical industries covered in Mitel's customer experience survey, in order of their overall customer satisfaction.

Which top three qualities are key to creating a great buying experience?

■ *Simplicity & speed* ■ *24/7 availability/service* ■ *Responsiveness (quick answers & delivery)* ■ *Product availability*





The Hospitality Industry

The hospitality industry rated highest in terms of customer satisfaction, with 94 percent of respondents rating their shopping experiences at least somewhat satisfying. In Europe, those numbers trend even higher, with 98 percent of French consumers rating their hospitality shopping experiences as satisfactory, and 57 percent of Germans rating their experiences as very satisfactory. When asked what made for a great hospitality shopping experience, customers pointed to simplicity and speed, 24/7 service, and responsiveness. Digging deeper into the data, some interesting anomalies emerged that hospitality marketers would do well to note:

- *Millennials were much less interested in 24/7 service than other adults, and much more interested in receiving sales assistance, customized experiences and being able to use multiple devices to shop;*
- *Older adults (age 55+) were much less likely to be interested in customized experiences, but placed a high value on quick answers and quick delivery;*
- *German respondents want more choices rather than more communication.*

Recommendation: Continue to earn your five-star rating with technology that streamlines employee workflows and anticipates each customer's desires. Consider using application programming interface integration to link property management, customer relationship management (CRM) and guest services applications for optimal staff productivity.



The Retail Industry

While many brick-and-mortar retailers have visibly struggled to grow revenue in the post-ecommerce environment, one encouraging sign is its performance with millennials, 48 percent of whom report being very satisfied with the retail shopping experience overall. When the focus shifts to just in-store retail experiences, however, the numbers tell a different story. When asked, nearly two out of three adults believe retail stores are struggling more because of poor customer experiences than poor products. Other takeaways for retail marketers include:

- *Millennials were twice as likely as older consumers (age 55+) to view good mobile experiences as important for a great retail shopping experience;*
- *German consumers placed a much higher premium (26 percent) on retail sales assistance than British consumers (15 percent).*

One area where bricks-and-mortar retailers have an opportunity to gain ground is in adding technology and automation to the in-store shopping experience. But beware: some kinds of technology, such as robots to greet visitors and help locate products in the store, can have a polarizing effect on customers. When asked whether more in-store technology would be a boon or bust for retailers, the response was generally negative, discouraging more shoppers (34 percent) than it would encourage (27 percent).

There are, however, several silver linings in the data:

- *Males showed more interest in new technology than women, with 31 percent of men reporting that they would be more likely to visit a store that used technology and automation;*
- *Millennials overwhelmingly see technology as a positive thing, with 42 percent saying they would be more likely to visit a retail store that had these enhancements—while 44 percent age 55+ professed an equally strong aversion to technology in stores;*
- *German consumers are also very cool to the idea of in-store technology, but nearly one in three Americans (32 percent) would shop more often in a technology-enhanced retail store.*

Recommendation: Incorporate a seamless omnichannel approach as part of the buyer journey. Chatbots can be used to manage simple tasks, while IoT and team collaboration tools open up new avenues for communications across media.



The Sports & Entertainment Industry

Sports and entertainment businesses, perhaps not surprisingly, map closely to the hospitality industry in terms of general satisfaction, with the highest levels of satisfaction shown in France and Germany. There are distinctions in how consumers define great experiences in these industries, however, with product availability playing more of a role in determining satisfaction with the overall shopping experience.

Other key takeaways from the survey:

- *Americans skew differently than other regions, placing higher importance on good mobile experiences (23 percent) and help in making their purchasing decisions (22 percent) when shopping for sports/entertainment products and services.*
- *Women are happier with their sports/entertainment shopping experiences than men, with 31 percent of women rating their experiences as "great" versus only 24 percent among males.*

Recommendation: Ensure everyone within the organization can quickly reach each other, from wherever they are. Look to mobile and contact center solutions to support teams, management, and venues, keeping staff connected and enabling ticket office agents to easily access CRM systems.



The Financial Services Industry

For banking and finance companies, there is clearly room for improvement as younger consumers (age 18-34) are twice as likely to be dissatisfied with their experience than older (age 55+) customers. Fast, simple transactions that are easily available 24/7 appear to be the cornerstone to good shopping experiences for this industry. In some regions, such as Australia, mobile experiences are also very important to banking customers.

Recommendation: Replace legacy systems that are constraining communications and collaboration to give workers more flexibility and increase responsiveness to customers. Offer more personalized services to facilitate engagement with customers through the channel of their choice beyond just voice.



The Utilities Industry

This is where sentiment begins to turn, as the utilities and healthcare industries showed significantly higher levels of customer dissatisfaction than other industries. While the majority of adults found the utilities shopping experience to be at least somewhat satisfying, regional differences are very pronounced. At the one extreme, Germans report being very satisfied with the experience most of the time (51 percent), while Australians sit at the other end of the spectrum, rating high levels of satisfaction only 30 percent of the time and dissatisfaction at an alarmingly high rate of 20 percent. Part of the problem may rest with the fact that customers believe utilities companies need to execute on a variety of different fronts to deliver a great experience, including: simplicity/speed, 24/7 availability, responsiveness and good communication.

Other important data points that emerged:

- *Most regions cited speed and simplicity as the #1 criteria for a great utilities shopping experience, but Australians placed higher importance on 24/7 availability;*
- *While having multiple ways to communicate was important to most regions, the French also felt customized experiences were just as important when purchasing utilities services and products.*
- *Americans rated technology as significantly more important than customer assistance when shopping for utilities.*

Recommendation: Offer chatbots as the first line of support to reduce the need to dispatch representatives. Chatbots can diagnose and resolve routine issues without the need to involve a human. Sensors and the IoT also make it possible for machines to dispatch a technician before a customer is even aware of an issue.



The Healthcare Industry

The healthcare industry landed soundly at the bottom of our customer satisfaction survey. Despite this, it's not all gloom and doom. In fact, healthcare organizations scored high marks in many regions, with 92 percent of French adults reporting overall satisfaction with the healthcare experience. Those number dropped sharply in the United States, however, where 21 percent graded healthcare experiences as unsatisfactory. As with the utilities industry, part of the problem may stem from the fact that customers have high expectations for healthcare experiences, with many divided on what constitutes a great healthcare experience: simplicity/speed, 24/7 availability, responsiveness, multiple ways to communicate, customized experiences, good communication, etc.

The data does suggest that healthcare companies can improve performance by better understanding regional and demographic differences:

- *French adults place much higher importance on simplicity and speed than Americans;*
- *Australians are most interested in 24/7 availability when selecting healthcare products and services;*
- *Customized experiences are critical to pleasing Americans and millennials in general.*

Recommendation: Explore new options for patient communications like mobile applications to provide appointment reminders. Enable staff to connect via smartphones and tablets. Integrate communications systems with healthcare information and pair team collaboration solutions with workflow management software to ensure requests are routed to the right person the first time.



Conclusion

Beyond the numbers is a clear mandate and opportunity for businesses to take customer experiences more seriously. More than any other business initiative, improving the customer experience has a direct impact on customer satisfaction and brand loyalty. This truth transcends the medium, whether the experience is in store or online.

How do businesses improve the customer experience? As the data shows, the answer to this question depends largely on the region and the industry. Investing in new technology can improve online experiences—particularly in regions such as France and Germany—but it can have an unintentionally negative consequence on in-store experiences. Likewise, unifying customer contact centers with online channels can improve the shopping experience when done selectively—e.g., offered at the beginning of an online session—or detract from it if done intrusively.

Perhaps the most important insight to consider is the reality that online and in-store experiences are equally valued by respondents, even if for different reasons. Businesses need to find a way to blend these experiences without losing the unique identity of each, whether it's convenience, selection or service. The ability to intelligently and selectively incorporate features such as live online support and machine-to-human communications will decide the winners and losers of the customer experience in the future.



About Mitel

Companies across the globe rely on Mitel to power 2 billion connections every day so they can connect, collaborate and take care of their customers. We help power the customer journey by providing the technology solutions that give customers the flexibility to engage with your business when they choose, from anywhere and through their preferred media. Deliver a personalized customer experience unlike any other with an industry-specific solution from Mitel. To learn more, visit us at mitel.com/solutions/industry