freshworks

The New Rules of Customer Engagement

A 2019 Survey Report

Contents

Executive Summary

Today's customers have expectations. The well-informed digitally-savvy ones in particular, want to do business with companies that know them, understand their expectations intimately, and design experiences that meet their needs. At Freshworks, we see the customer engagement industry going through rapid change. Not only do we want to understand and anticipate this change, we want to impact it. What do customers really expect? Where, when and how are they communicating with brands of their choice? In the following pages, we share actionable insights from our first multi-country survey on customer engagement, based on the responses of 3000 consumers across 6 countries.

56%

CONSUMERS CONTROL CX

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

67%

OMNICHANNEL GETS NOTICED

of consumers globally use 3 or more channels to engage with a brand and 39% use 5 or more channels.

21%

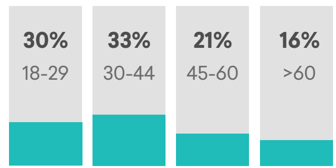
MESSAGING OVERTAKES TRADITIONAL

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

Survey Demographics

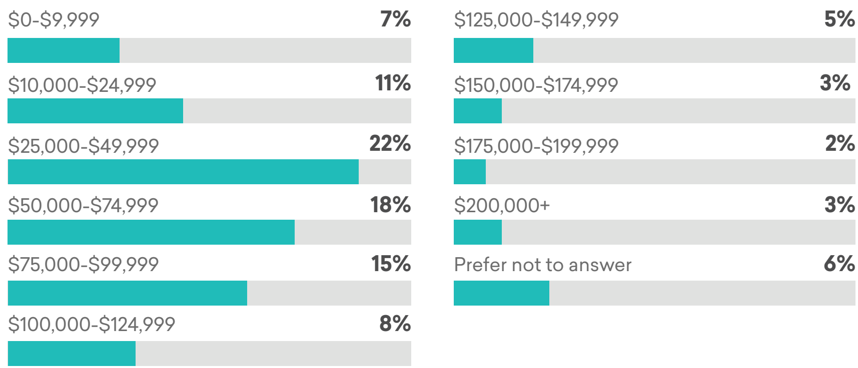
The New Rules of Customer Engagement Survey was conducted online using a third-party opt-in survey tool. Approximately 3,000 consumers across 6 regions and ages 18 and older were surveyed, equally divided between male and female with varying household incomes. The below representations highlight the survey demographics.

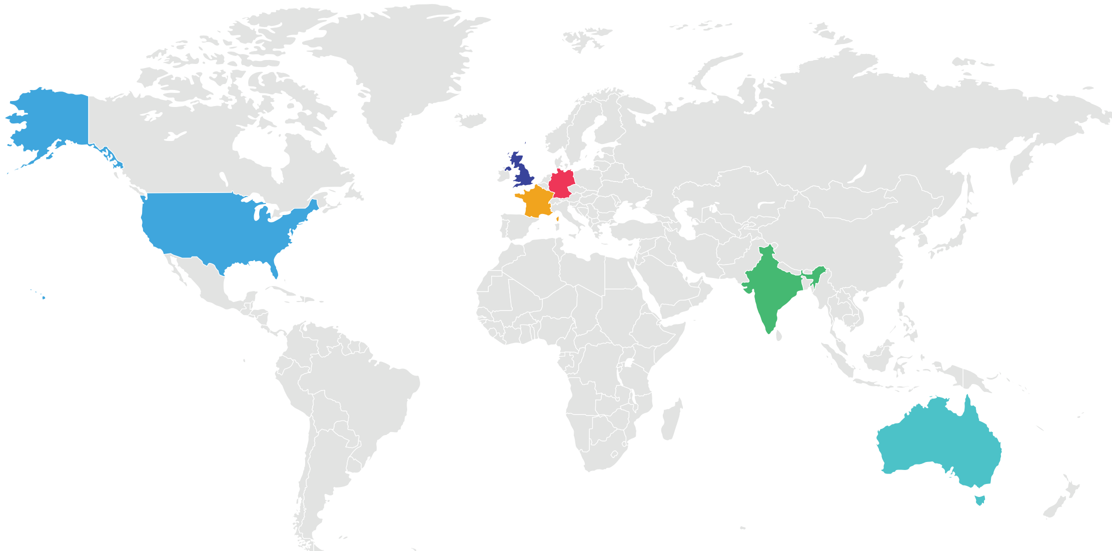
Age



Gender

Household Income





6
Countries

3000
Consumers

United States
1000 Consumers

United Kingdom
500 Consumers

Germany
250 Consumers

France
250 Consumers

India
500 Consumers

Australia
500 Consumers

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

ADRIAN SWINSCOE

Customer Service and Experience
Advisor & Speaker, Forbes Contributor.

Brand Expectations

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

01 Consumer expectations are at an all-time high

02 Consumers are loyal to brands with great experiences

03 Consumers demand contextual support across channels

04 Customers prefer proactive over reactive support

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

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

01

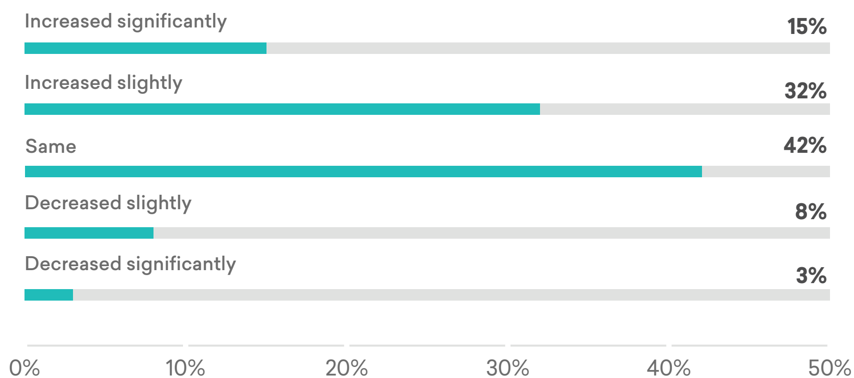
Consumer Expectations are at an All-time High

Consumers expect more than ever from their favourite brands.

47% of consumers globally have higher customer service expectations from their favourite brands, than they had in the last two years.

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

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



REGIONAL SNAPSHOT

India (51%) leads the way in raising the bar for service expectations with significantly higher expectations than the last two years.

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

UNITED STATES

Increased significantly	14%
Increased slightly	31%
Same	41%
Decreased slightly	10%
Decreased significantly	4%

UNITED KINGDOM

Increased significantly	12%
Increased slightly	34%
Same	47%
Decreased slightly	6%
Decreased significantly	1%

INDIA

Increased significantly	51%
Increased slightly	32%
Same	14%
Decreased slightly	2%
Decreased significantly	1%

AUSTRALIA

Increased significantly	12%
Increased slightly	32%
Same	49%
Decreased slightly	5%
Decreased significantly	2%

GERMANY

Increased significantly	16%
Increased slightly	34%
Same	46%
Decreased slightly	2%
Decreased significantly	2%

FRANCE

Increased significantly	18%
Increased slightly	37%
Same	39%
Decreased slightly	4%
Decreased significantly	2%

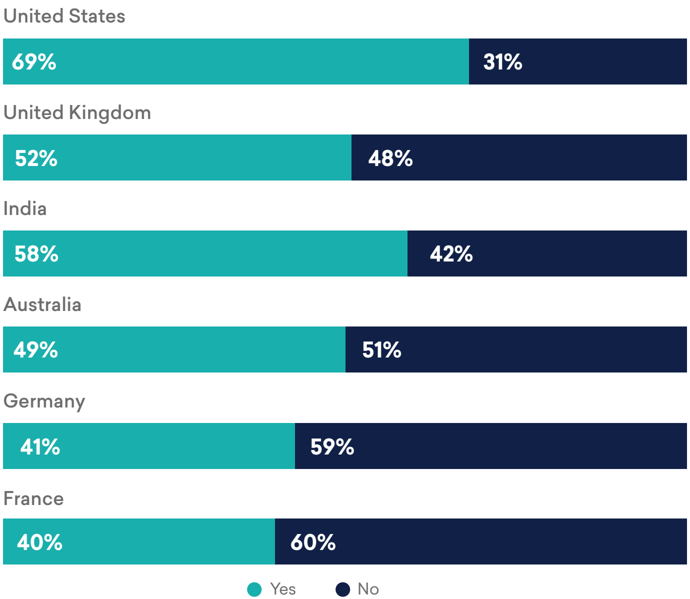
Unhappy consumers act quick and switch fast.

01	Customer churn is just one 'bad service experience' away
02	**60%** of customers globally share bad experiences with others, either in-person, or online on peer sites, review forums and social media.
03	**56%** of consumers globally have stopped doing business with a brand or switched to a competitor due to a single bad customer service experience in the last 12 months.

REGIONAL SNAPSHOT

American consumers (69%) are the quickest to walk away from a brand after one bad service experience.

In the last 12 months, have you ever stopped doing business with a brand or switched to a competitor due to a bad service experience?

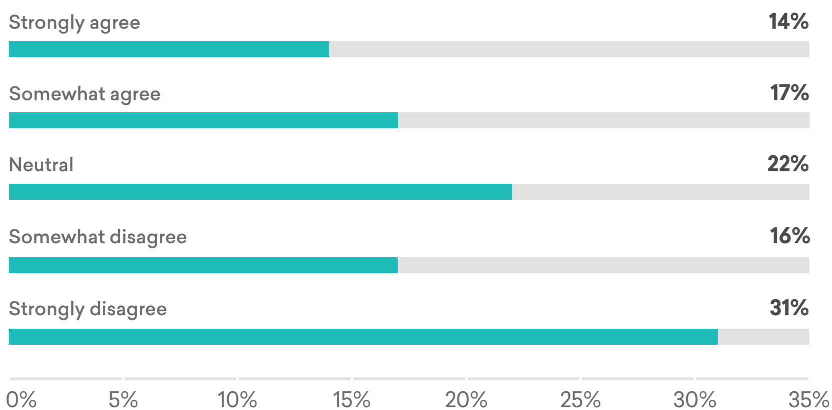


Consumers are willing to pay more for great experiences.

31% of consumers globally are willing to pay more for a great customer service experience.

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

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



02

Consumers are Loyal to Brands with Great Experiences

REGIONAL SNAPSHOT

The payoffs of delivering great experiences are most lucrative in India with 71% of consumers willing to pay more for better service, followed by France (55%) and Germany (50%).

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

UNITED STATES

Strongly agree	5%
Somewhat agree	15%
Neutral	21%
Somewhat disagree	17%
Strongly disagree	42%

UNITED KINGDOM

Strongly agree	8%
Somewhat agree	16%
Neutral	26%
Somewhat disagree	19%
Strongly disagree	31%

INDIA

Strongly agree	46%
Somewhat agree	25%
Neutral	16%
Somewhat disagree	7%
Strongly disagree	6%

AUSTRALIA

Strongly agree	6%
Somewhat agree	12%
Neutral	25%
Somewhat disagree	20%
Strongly disagree	37%

GERMANY

Strongly agree	16%
Somewhat agree	34%
Neutral	46%
Somewhat disagree	2%
Strongly disagree	2%

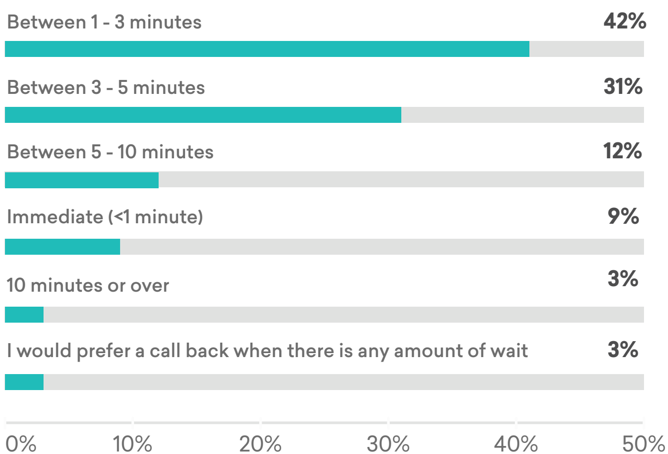
FRANCE

Strongly agree	18%
Somewhat agree	37%
Neutral	39%
Somewhat disagree	4%
Strongly disagree	2%

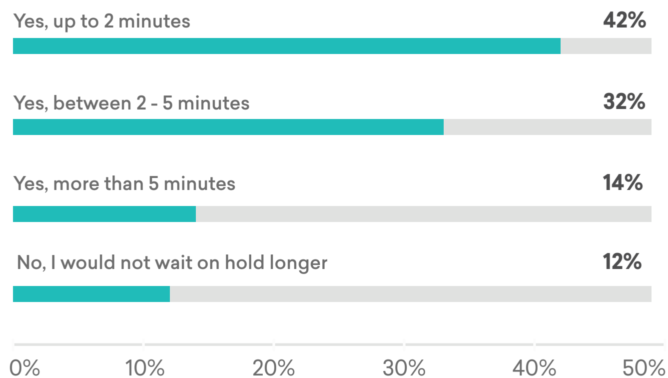
Consumers are willing to wait longer for better service.

- **9%** of consumers believe it's acceptable to wait up to **one minute** to speak with an agent; another **42%** believe a one to three minute wait is acceptable.
- When asked if they would be willing to wait longer for a more knowledgeable representative, **42%** consumers confirmed they'd be willing to wait up to **two minutes** while another **32%** would wait between two to five minutes.

Acceptable wait time to speak to a customer service representative



Willingness to wait longer for a knowledgeable customer service representative



REGIONAL SNAPSHOT

Acceptable wait time to speak to a customer service representative

UNITED STATES

Immediate (<1 minute)	10%
Between 1 - 3 minutes	47%
Between 3 - 5 minutes	30%
Between 5 - 10 minutes	9%
10 minutes or over	1%
Would prefer a call back	3%

UNITED KINGDOM

Immediate (<1 minute)	5%
Between 1 - 3 minutes	39%
Between 3 - 5 minutes	38%
Between 5 - 10 minutes	14%
10 minutes or over	2%
Would prefer a call back	2%

INDIA

Immediate (<1 minute)	15%
Between 1 - 3 minutes	37%
Between 3 - 5 minutes	24%
Between 5 - 10 minutes	15%
10 minutes or over	5%
Would prefer a call back	4%

AUSTRALIA

Immediate (<1 minute)	8%
Between 1 - 3 minutes	41%
Between 3 - 5 minutes	31%
Between 5 - 10 minutes	14%
10 minutes or over	2%
Would prefer a call back	4%

GERMANY

Immediate (<1 minute)	7%
Between 1 - 3 minutes	39%
Between 3 - 5 minutes	38%
Between 5 - 10 minutes	12%
10 minutes or over	2%
Would prefer a call back	2%

FRANCE

Immediate (<1 minute)	12%
Between 1 - 3 minutes	37%
Between 3 - 5 minutes	29%
Between 5 - 10 minutes	14%
10 minutes or over	4%
Would prefer a call back	4%

REGIONAL SNAPSHOT

Willingness to wait longer for a knowledgeable customer service representative

UNITED STATES

No, I would not wait on hold longer	8%
Yes, up to 2 minutes	40%
Yes, between 2 - 5 minutes	37%
Yes, more than 5 minutes	15%

UNITED KINGDOM

No, I would not wait on hold longer	12%
Yes, up to 2 minutes	46%
Yes, between 2 - 5 minutes	28%
Yes, more than 5 minutes	14%

INDIA

No, I would not wait on hold longer	16%
Yes, up to 2 minutes	43%
Yes, between 2 - 5 minutes	28%
Yes, more than 5 minutes	13%

AUSTRALIA

No, I would not wait on hold longer	12%
Yes, up to 2 minutes	36%
Yes, between 2 - 5 minutes	36%
Yes, more than 5 minutes	16%

GERMANY

No, I would not wait on hold longer	16%
Yes, up to 2 minutes	47%
Yes, between 2 - 5 minutes	29%
Yes, more than 5 minutes	8%

FRANCE

No, I would not wait on hold longer	13%
Yes, up to 2 minutes	46%
Yes, between 2 - 5 minutes	30%
Yes, more than 5 minutes	11%

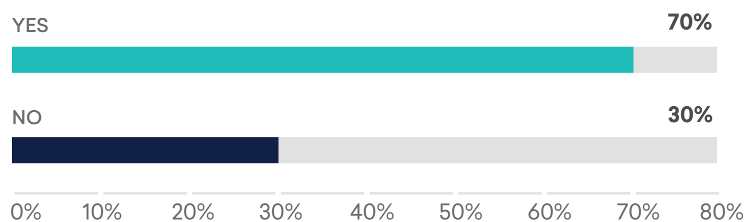
03

Consumers want Contextual Support Across Channels

Consumers prefer brands that engage across multiple channels.

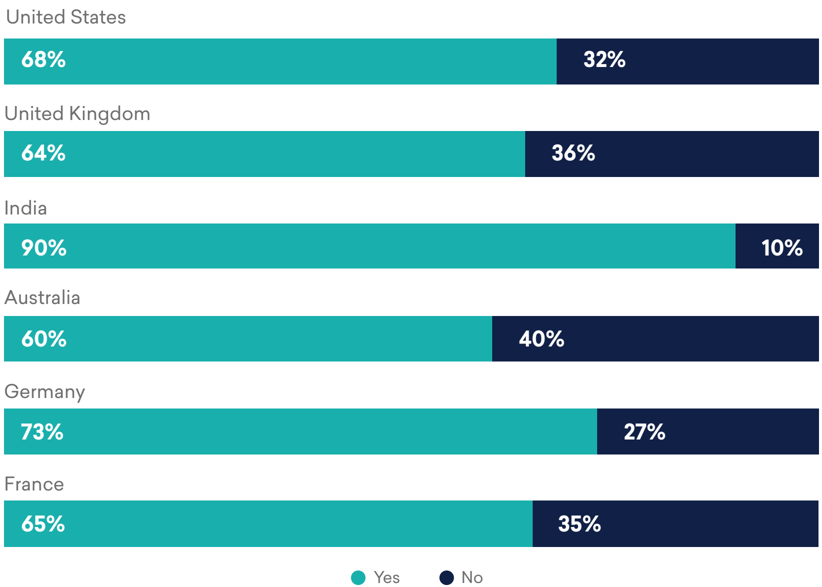
70% of customers globally prefer brands that provide service across multiple channels (email, chat, social, etc.).

Do you have a preference for brands that offer customer service across multiple channels (email, chat, social, etc.)?



REGIONAL SNAPSHOT

Do you have a preference for brands that offer customer service across multiple channels (email, chat, social, etc.)?



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

JEANNE BLISS, CCXP
President CustomerBliss, CX Pioneer, Advisor & Author

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

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

REGIONAL SNAPSHOT

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

UNITED STATES

Difficulty in locating and contacting a service rep	14%
Waiting long before receiving any resolution	13%
Having to repeat myself, over and over	22%
Switching between reps/teams for a resolution	21%
Facing reps who lack the knowledge to solve my issue	17%
Having to follow-up with reps multiple times	5%
Meeting with rude and unfriendly res during an interaction	8%

UNITED KINGDOM

Difficulty in locating and contacting a service rep	12%
Waiting long before receiving any resolution	24%
Having to repeat myself, over and over	33%
Switching between reps/teams for a resolution	14%
Facing reps who lack the knowledge to solve my issue	8%
Having to follow-up with reps multiple times	5%
Meeting with rude and unfriendly res during an interaction	4%

INDIA

Difficulty in locating and contacting a service rep	26%
Waiting long before receiving any resolution	31%
Having to repeat myself, over and over	18%
Switching between reps/teams for a resolution	10%
Facing reps who lack the knowledge to solve my issue	9%
Having to follow-up with reps multiple times	4%
Meeting with rude and unfriendly res during an interaction	2%

AUSTRALIA

Difficulty in locating and contacting a service rep	14%
Waiting long before receiving any resolution	21%
Having to repeat myself, over and over	30%
Switching between reps/teams for a resolution	18%
Facing reps who lack the knowledge to solve my issue	7%
Having to follow-up with reps multiple times	4%
Meeting with rude and unfriendly res during an interaction	6%

GERMANY

Difficulty in locating and contacting a service rep	26%
Waiting long before receiving any resolution	24%
Having to repeat myself, over and over	16%
Switching between reps/teams for a resolution	16%
Facing reps who lack the knowledge to solve my issue	14%
Having to follow-up with reps multiple times	1%
Meeting with rude and unfriendly res during an interaction	3%

FRANCE

Difficulty in locating and contacting a service rep	14%
Waiting long before receiving any resolution	24%
Having to repeat myself, over and over	37%
Switching between reps/teams for a resolution	12%
Facing reps who lack the knowledge to solve my issue	6%
Having to follow-up with reps multiple times	3%
Meeting with rude and unfriendly res during an interaction	4%

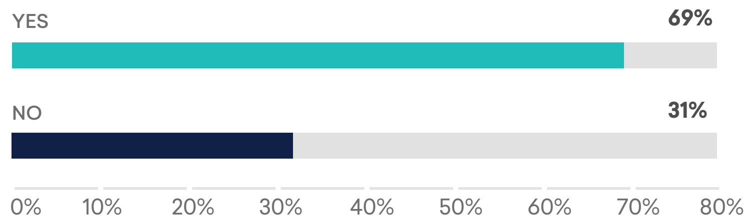
04

Customers prefer Proactive over Reactive Support

69% of consumers globally have a clear preference for brands that offer proactive notifications and service to them.

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

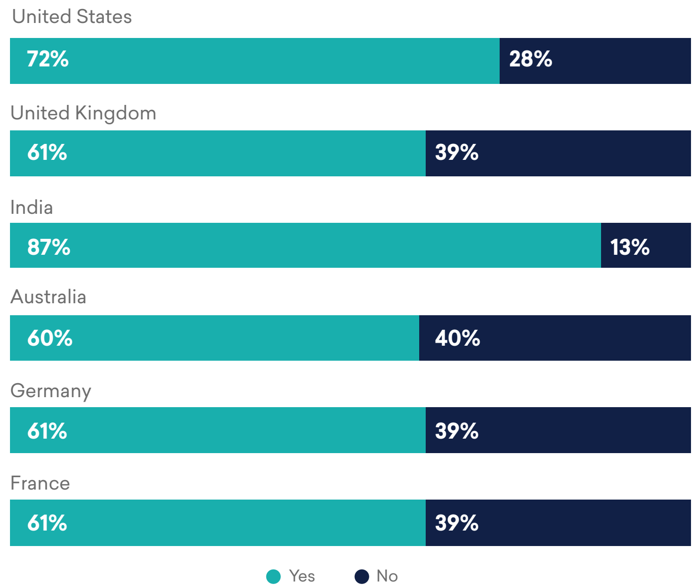
Do you have a preference for brands that offer proactive notifications and customer service to you?



REGIONAL SNAPSHOT

Globally, Indian consumers (87%) have a clear preference for brands that proactively engage.

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



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

JIM TINCHER, CCXP
CX Speaker & Advisor,
Mapper-in-Chief at 'Heart of the Customer'

Channels of Engagement

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

01	**The Growth of Multichannel Touchpoints**
02	**The Rise of Live Chat & Messaging**
03	**The Surge in Self Service & Social Channels**

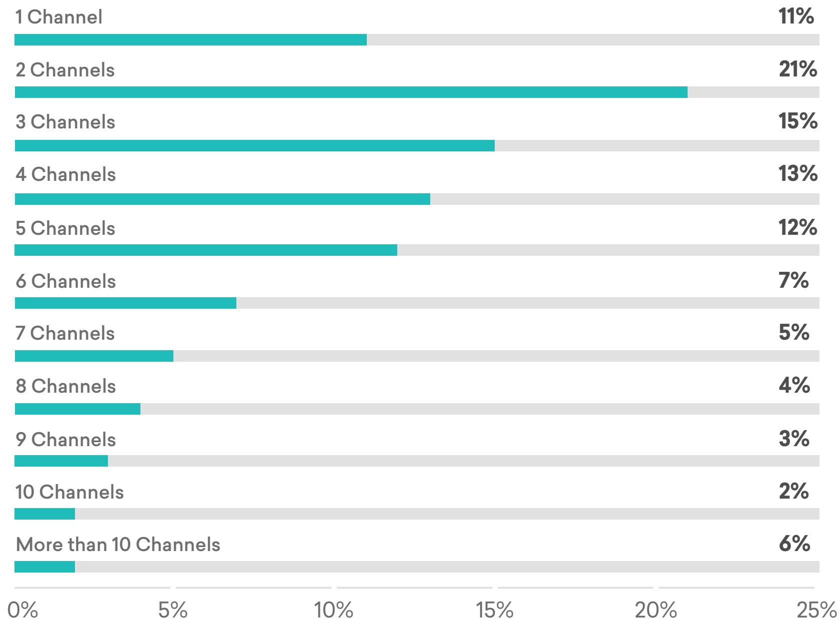
In recent years, the proliferation of mobile devices and social media forever changed the way we communicate, allowing customers to choose from an even wider array of channels to interact with brands and companies. The customer journey is now often a mish-mash of non-linear engagement opportunities,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

01

The Growth of Multichannel Touchpoints

67% of consumers globally use 3 or more channels regularly to engage with a brand today.

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



REGIONAL SNAPSHOT

UNITED STATES

1 Channel	9%
2 Channels	20%
3 Channels	16%
4 Channels	14%
5 Channels	13%
More than 5 Channels	28%

UNITED KINGDOM

1 Channel	14%
2 Channels	26%
3 Channels	18%
4 Channels	11%
5 Channels	12%
More than 5 Channels	19%

INDIA

1 Channel	5%
2 Channels	6%
3 Channels	10%
4 Channels	11%
5 Channels	14%
More than 5 Channels	54%

AUSTRALIA

1 Channel	15%
2 Channels	25%
3 Channels	15%
4 Channels	14%
5 Channels	11%
More than 5 Channels	20%

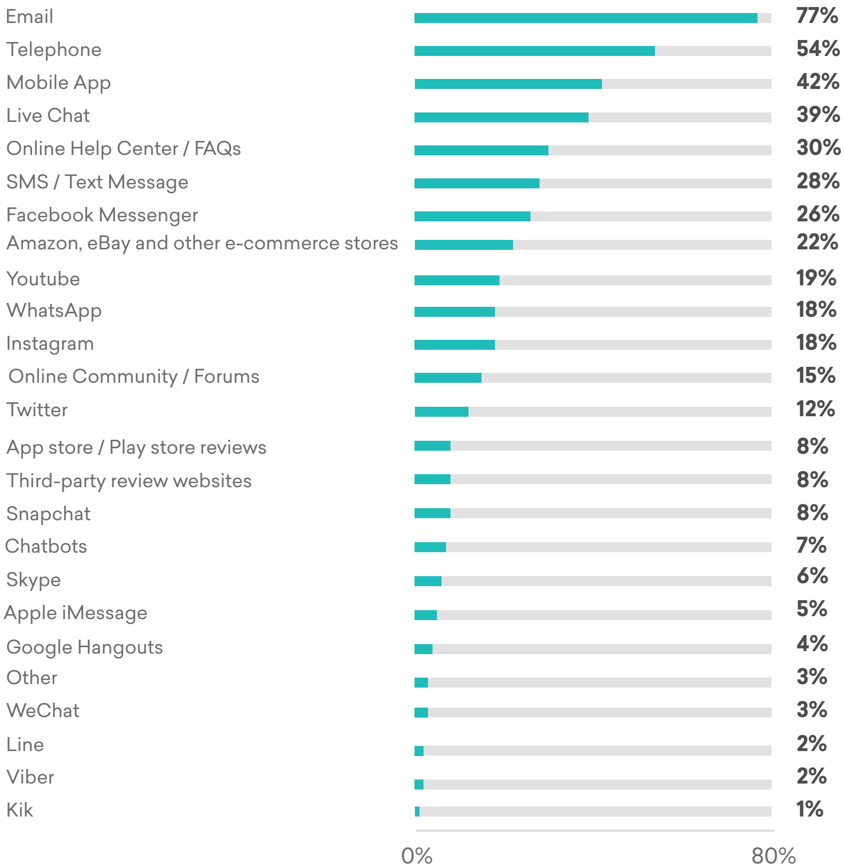
GERMANY

1 Channel	16%
2 Channels	32%
3 Channels	17%
4 Channels	10%
5 Channels	10%
More than 5 Channels	15%

FRANCE

1 Channel	16%
2 Channels	29%
3 Channels	14%
4 Channels	12%
5 Channels	12%
More than 5 Channels	17%

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

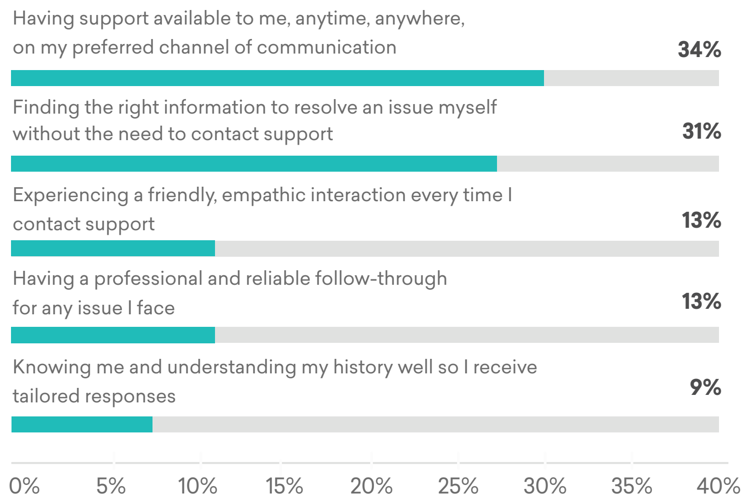


In most cases, the difference between an ordinary and an exceptional experience lies in the ability to engage customers on their terms and provide consistent, meaningful journeys across all engagement channels. The rise in multichannel touchpoints has greatly complicated the end-to-end customer journey,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

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

77% Email	**66%** Live Chat	**54%** Telephone

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

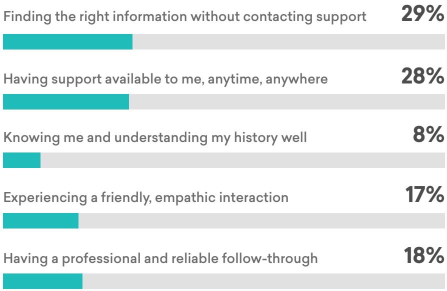


34% of the consumers globally rank having support available, anytime, anywhere, on their preferred channel of communication, as the most valued aspect of a service interaction.

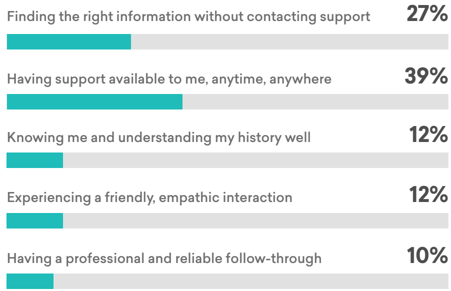
REGIONAL SNAPSHOT

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

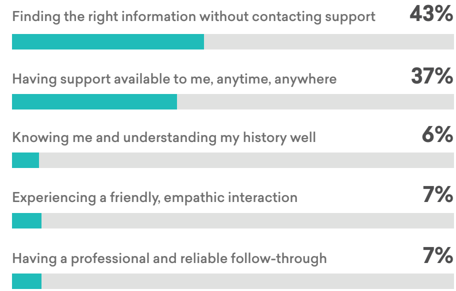
UNITED STATES



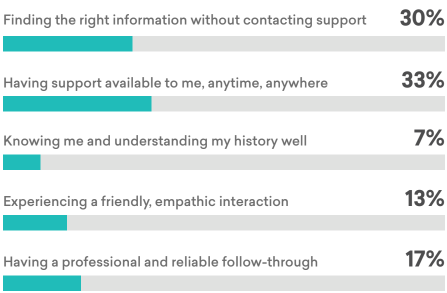
UNITED KINGDOM



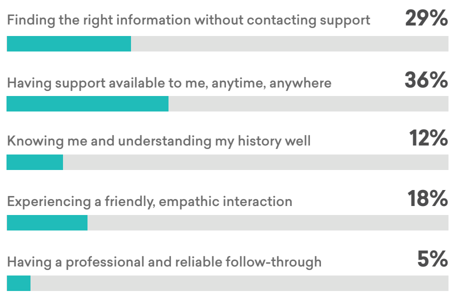
INDIA



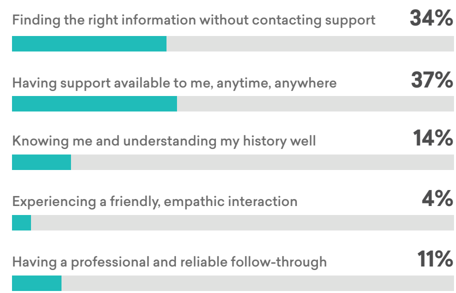
AUSTRALIA



GERMANY



FRANCE



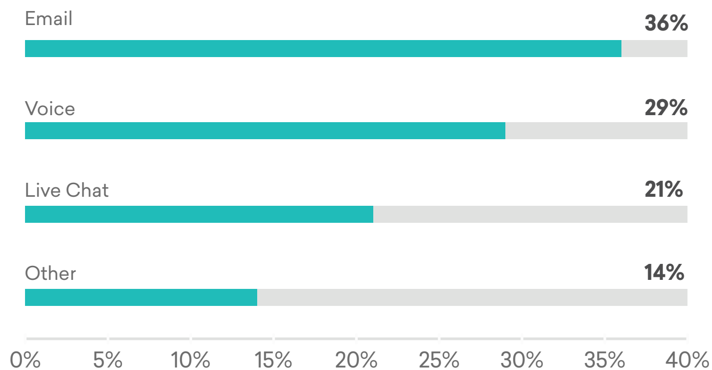
02

The Rise of Live Chat & Messaging

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

While **email (36%)** and **voice (29%)** will continue to be the two most preferred channels globally for service interactions, **live chat (21%)** is fast emerging as the next most preferred engagement channel.

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



REGIONAL SNAPSHOT

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

UNITED STATES

Email	35%
Voice	28%
Live Chat	26%
Self service	6%
Social	4%
Video	1%

UNITED KINGDOM

Email	44%
Live Chat	26%
Voice	19%
Social	5%
Video	3%
Self service	3%

INDIA

Voice	30%
Email	25%
Live Chat	20%
Social	14%
Video	9%
Self service	2%

AUSTRALIA

Email	36%
Voice	26%
Live Chat	22%
Self service	7%
Social	6%
Video	3%

GERMANY

Voice	49%
Email	38%
Live Chat	7%
Video	4%
Social	1%
Self service	1%

FRANCE

Email	42%
Voice	33%
Live Chat	8%
Social	8%
Self service	5%
Video	4%

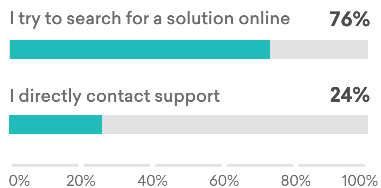
03

The Surge in Self Service & Social

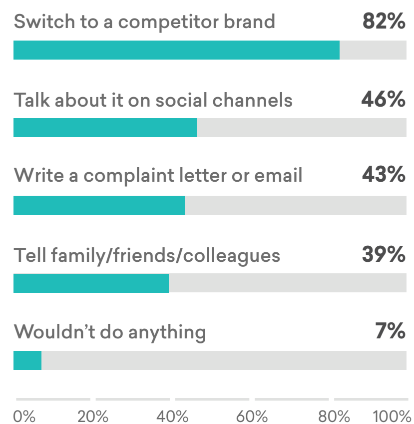
76% of consumers globally prefer to first try to solve issues on their own before contacting support.

No longer just an important option for millennials, social channels are also gradually becoming a standard for all demographics. Infact, **46%** of consumers globally currently use social networks to rant or rave about their recent service experiences.

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



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



REGIONAL SNAPSHOT

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

UNITED STATES

I try to search for a solution online	72%
I directly contact support	28%

UNITED KINGDOM

I try to search for a solution online	78%
I directly contact support	22%

INDIA

I try to search for a solution online	77%
I directly contact support	23%

AUSTRALIA

I try to search for a solution online	71%
I directly contact support	29%

GERMANY

I try to search for a solution online	92%
I directly contact support	8%

FRANCE

I try to search for a solution online	77%
I directly contact support	23%

REGIONAL SNAPSHOT

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

UNITED STATES

Write a complaint letter or email	39%
Never do business with the brand again	46%
Switch to a competitor brand	50%
Post a negative online review	30%
Complain via social networks	18%
Tell family/friends/colleagues	50%
Wouldn't do anything	7%

UNITED KINGDOM

Write a complaint letter or email	45%
Never do business with the brand again	34%
Switch to a competitor brand	41%
Post a negative online review	29%
Complain via social networks	16%
Tell family/friends/colleagues	33%
Wouldn't do anything	4%

INDIA

Write a complaint letter or email	60%
Never do business with the brand again	30%
Switch to a competitor brand	42%
Post a negative online review	31%
Complain via social networks	32%
Tell family/friends/colleagues	30%
Wouldn't do anything	6%

AUSTRALIA

Write a complaint letter or email	39%
Never do business with the brand again	39%
Switch to a competitor brand	41%
Post a negative online review	21%
Complain via social networks	14%
Tell family/friends/colleagues	43%
Wouldn't do anything	9%

GERMANY

Write a complaint letter or email	37%
Never do business with the brand again	32%
Switch to a competitor brand	23%
Post a negative online review	23%
Complain via social networks	5%
Tell family/friends/colleagues	28%
Wouldn't do anything	11%

FRANCE

Write a complaint letter or email	29%
Never do business with the brand again	50%
Switch to a competitor brand	46%
Post a negative online review	37%
Complain via social networks	18%
Tell family/friends/colleagues	27%
Wouldn't do anything	3%

Key Takeaways

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

Create a Unified 360-degree Customer View

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

Deliver Seamless, Integrated Omnichannel Engagement

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

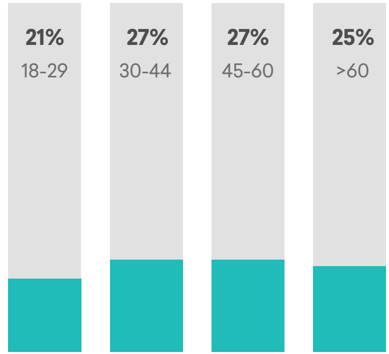
Shift to Personalized Proactive Support

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

Annexures

COUNTRY PROFILE:
United States
(1000 Consumers)

Age



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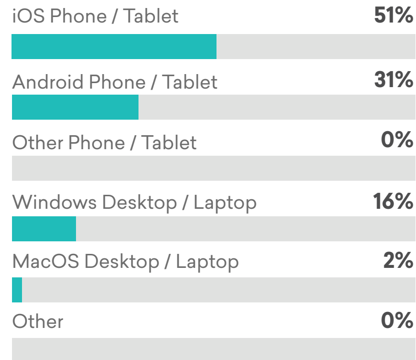
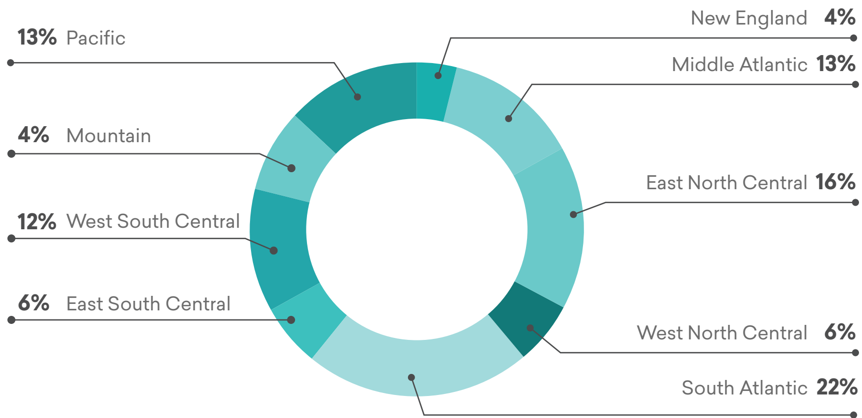


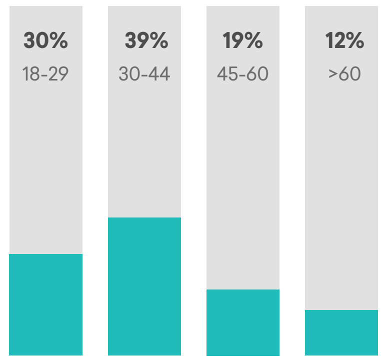


COUNTRY PROFILE:

United Kingdom

(500 Consumers)

Age



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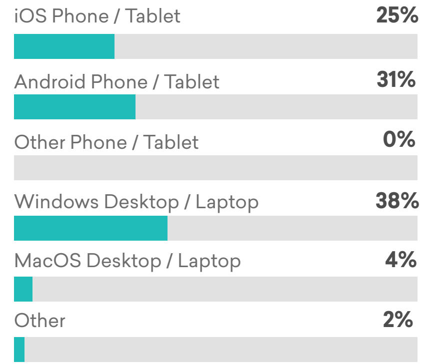
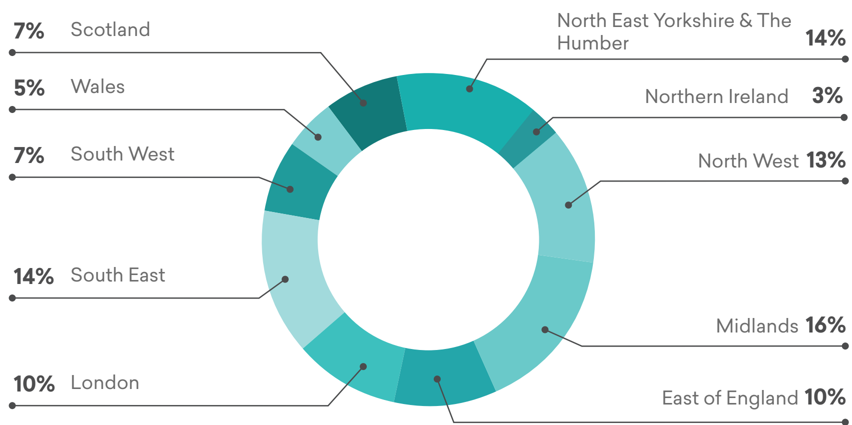


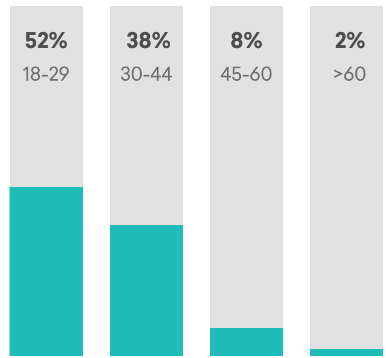


COUNTRY PROFILE:

India

(500 Consumers)

Age



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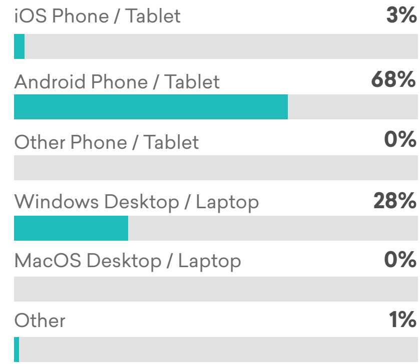
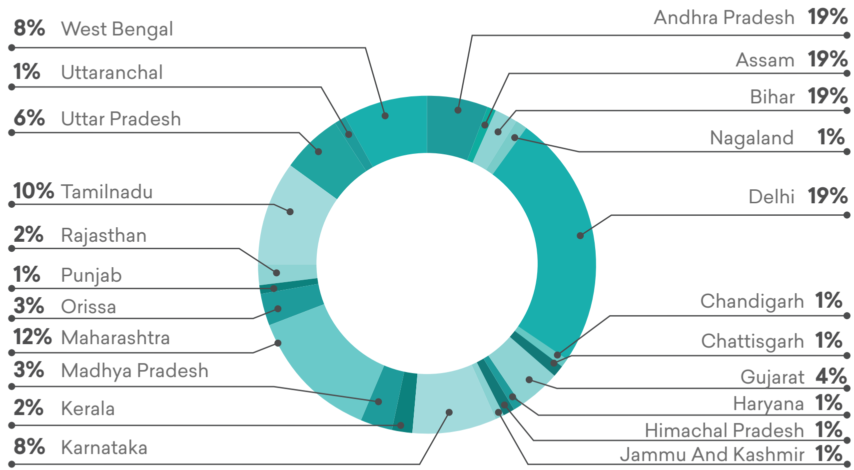


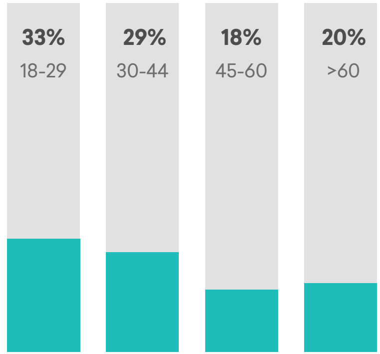


COUNTRY PROFILE:

Australia

(500 Consumers)

Age



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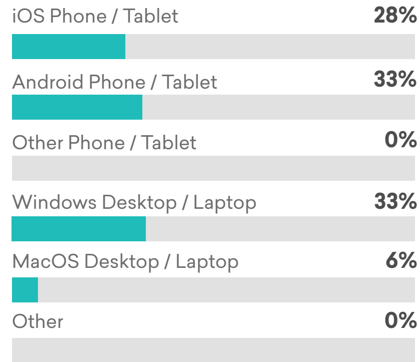
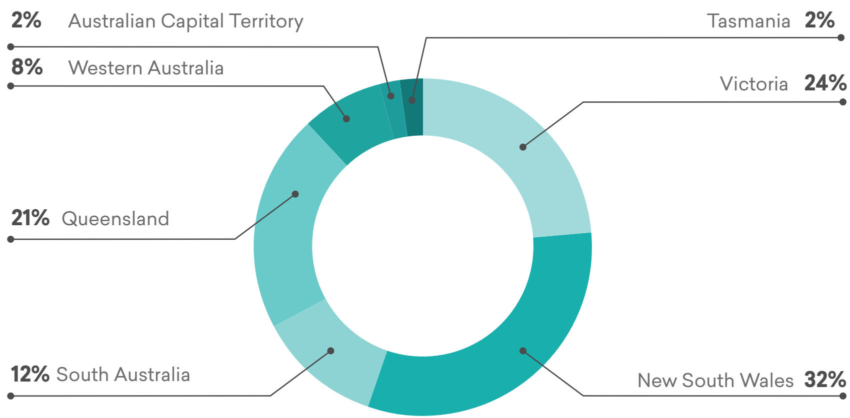


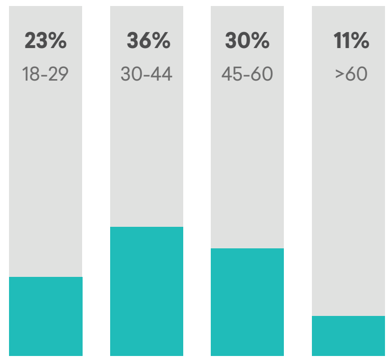


COUNTRY PROFILE:

Germany

(250 Consumers)

Age



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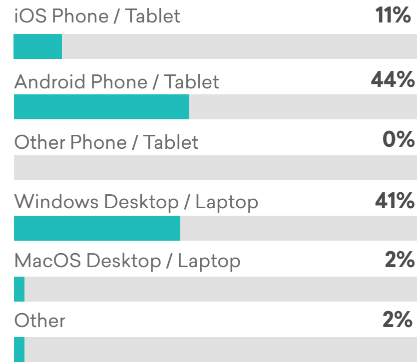
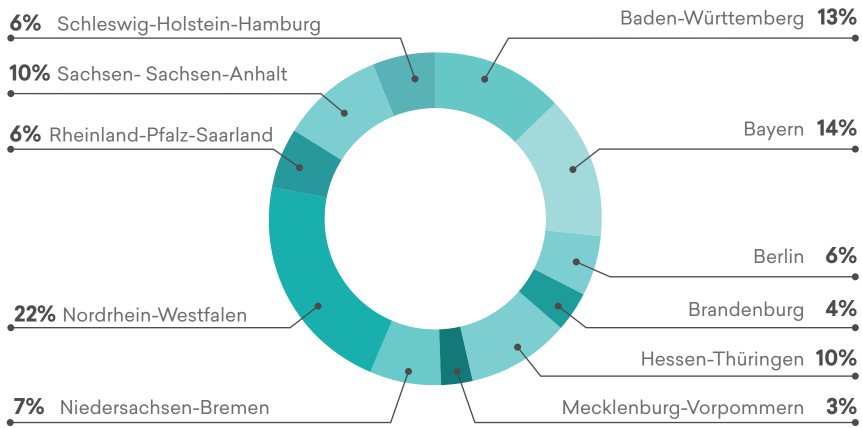


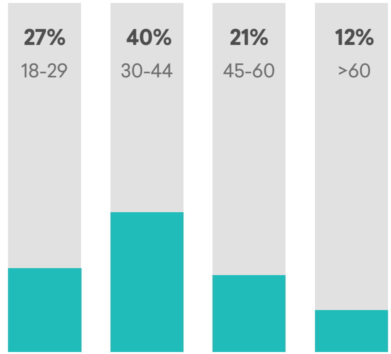


COUNTRY PROFILE:

France

(250 Consumers)

Age



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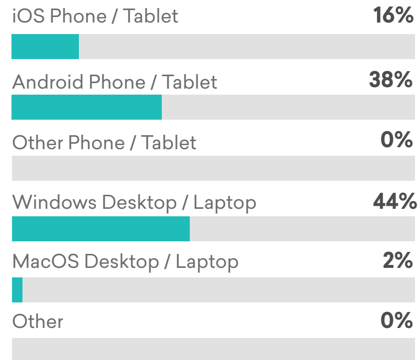

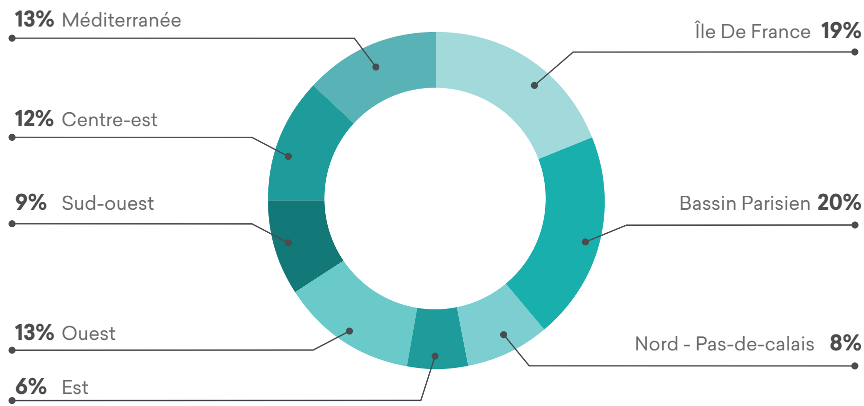

freshworks

About

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

Founded in October 2010, Freshworks Inc., is backed by Accel, Tiger Global Management, CapitalG and Sequoia Capital India. Freshworks is a 1,800 + team headquartered in San Mateo, California, with global offices in India, UK, Australia and Germany. The company's cloud-based suite is widely used by over 150,000 businesses around the world including the NHS, Honda, Rightmove, Hugo Boss, Citizens Advice, Toshiba and Cisco.

For more information, please visit www.freshworks.com