SUPPORTING THE CONNECTED CONSUMER IN A MULTI-CHANNEL ENVIRONMENT:

A COMPREHENSIVE SURVEY

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PREFACE

The 2014 Corporate Edition of the Customer Experience Management Benchmark Series is the fifth in the wider collection, and the third of the Corporate Edition reports. As with previous releases, the objective of this report is to cultivate a deep understanding of industry norms and best practices, while simultaneously providing customer experience professionals with a baseline to measure their organization's own strategies and activities against.

The framework of this Corporate Edition report continues to be shaped by the individual channels of care: Traditional Care, Interactive Care, Social Media Care and Mobile Care. These channels were defined to survey participants in the following way:

Traditional Care: Phone, Email and In-Person
Interactive Care: Online/Video Chat, FAQ and Self-Help
Social Media Care: Twitter, Facebook, Forums, etc.
Mobile Care: Apps, Text/SMS and Mobile Chat

In addition to the each of individual channel sections, this year's report also includes a "Customer Management Overview" section, with subsections of "Operations" and "Strategic Insights." The content of this additional section is focused on findings that are not specific to any single channel, but rather tell a much larger story as it relates to Customer Experience.

Also new for this report is the extent to which individual findings can now be trended, year-over-year. While new questions are added, and some old questions are removed, a solid core of persistent questions provide a strong platform for directional understanding in a number of key areas. This year, we explore those areas in detail.

We hope readers of this year's report will find the survey results — and subsequent conclusions — to be of great value as they work to develop future strategies and tactics for their own operations.

A NOTE FROM THE STUDY'S AUTHORS

Our sincerest appreciation goes out to the individuals and brands that took the time to participate in and provide support for the development of this year's report. As always, without their generous donation of time and energy, this pursuit would simply not be possible.

We'd also like to direct a very special "Thank You" to Lisa Oswald, Senior Vice President of Customer Service at Travelzoo. In addition to providing this release with a wonderful commentary highlighting her organization's exciting chat activities, Lisa has been a prized member of the Execs In The Know community for many years. A part of the 2015 Advisory Board, Lisa's talents and contributions cannot be overstated.

As 2015 continues to roll ahead, we look forward to bringing you the learnings and insights that will be discovered in the next report in the CXMB Series — the 2015 Consumer Report. If you or your organization has a specific area of interest where you'd like to see greater exploration and more in-depth consumer surveying, please reach out and we'll make every attempt to explore those interests. We also encourage you to participate in the 2015 Corporate Edition report. Collection of survey responses will begin in early fall 2015.

Once again, a huge amount of thanks goes out to everyone who helped contribute to the release of this report. We're honored to be in a position to continue to share this exciting story.
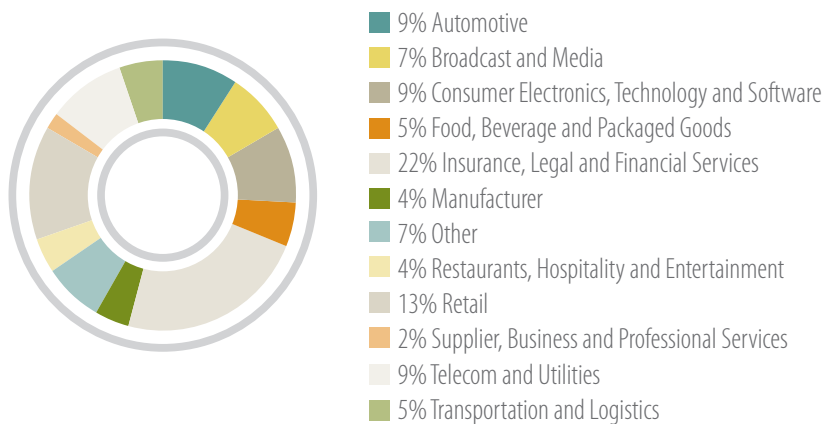

— Execs In The Know & Digital Roots

ABOUT THE SURVEY'S PARTICIPANTS

As with previous years, participation in the 2014 Corporate Edition of the CXMB Series was spread across a wide range of industries and companies of differing sizes. Twenty-five percent of this year's survey participants are counted among the 2014 Fortune 500 U.S. and/or Fortune 500 Global lists, and 41% of this year's participating brands also took part in last year's CXMB Corporate Edition survey.

Regarding individuals who completed this year's survey, 85% were at the Vice President level or higher, and nearly 70% indicated they have been in their current role for two or more years. We are very grateful for their participation, and excited to be able to share these results.

Participating Industries

- 9% Automotive
- 7% Broadcast and Media
- 9% Consumer Electronics, Technology and Software
- 5% Food, Beverage and Packaged Goods
- 22% Insurance, Legal and Financial Services
- 4% Manufacturer
- 7% Other
- 4% Restaurants, Hospitality and Entertainment
- 13% Retail
- 2% Supplier, Business and Professional Services
- 9% Telecom and Utilities
- 5% Transportation and Logistics

Breakdown of Participant Revenues:
$1B or Less — 24%
$1B to $10B — 42%
$10B to $50B — 13%
$50B or More — 13%
Don't Know — 8%

Types of Participating Businesses:
B2B — 7%
B2C — 25%
B2C and B2B — 68%

A very special thank you to these and the many other brands that helped make this year's benchmark survey a huge success:

FedEx®   SONY   COSTCO WHOLESALE   TXU energy

LIONEL SINCE 1900®   The Washington Post   UPS™

WELLPOINT®   CIBC   TRAVELZOO®   RBC™

SURVEY RESULTS

CUSTOMER
MANAGEMENT OVERVIEW

OPERATIONS

Most of the Operations data gathered in this year's survey pertained to program traffic. Traditional Care continues to dominate the conversation, but indications of traffic changes within individual channels show that growth is more widespread across Interactive and Social Media Care channels.

We asked the question at right to each participant and averaged their responses by channel. Not surprisingly, the bulk of consumer interactions continue to occur within the Traditional Care channel. Among emerging channels, Interactive volumes more than double the combined volumes of both the Social Media and Mobile Care channels.

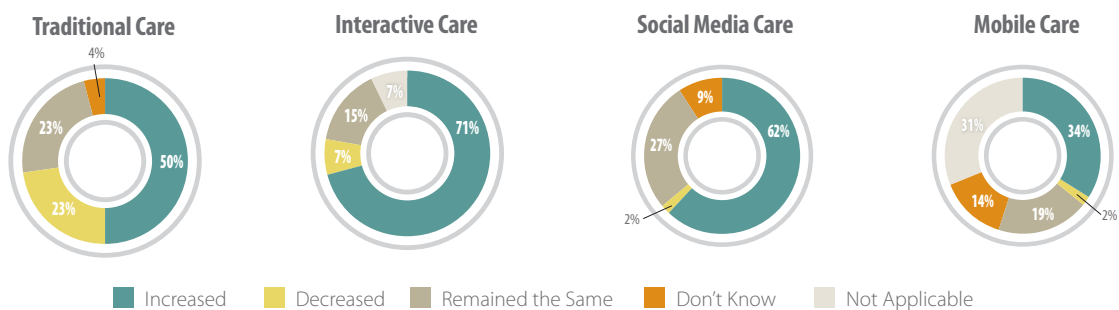### What percentage of total consumer interactions occur in each specific channel of care?
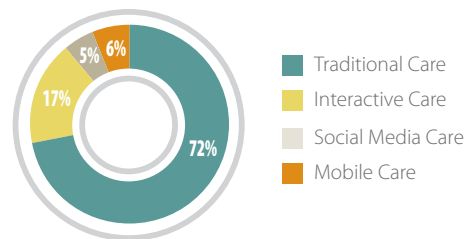
- 6%
- 5%
- 17%
- 72%

- Traditional Care
- Interactive Care
- Social Media Care
- Mobile Care

In which customer care channel have you seen the most growth during the past 12 months?

- 21%
- 31%
- 25%
- 23%

- Traditional Care
- Interactive Care
- Social Media Care
- Mobile Care
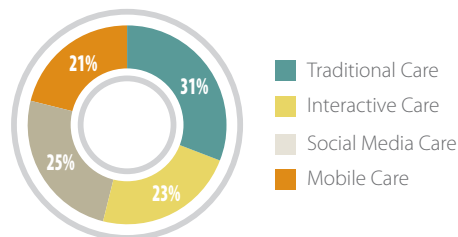
For the first time in three years of surveying, the indication of "most growth" was nearly uniform across all channels. This could be due, in large part, to the initial launch of programs within the emerging channels. In last year's survey, Mobile Care dominated the other two emerging channels, whereas this year, Mobile was the least indicated channel of "most growth."

While Traditional Care edged out the other channels in terms of "the most growth," a higher percentage of companies saw an increase in traffic in Interactive and Social Media Care channels. This could indicate that these channels are growing more broadly, albeit at a slower pace than Traditional. These channels also experienced little to no decrease in traffic, unlike Traditional Care, which experienced a decrease in traffic among a very significant 23% of respondents.

Traffic changes within individual channels over the previous 12 months:

Traditional Care
- 4%
- 23%
- 50%
- 23%

Interactive Care
- 7%
- 15%
- 7%
- 71%

Social Media Care
- 9%
- 27%
- 62%
- 2%

Mobile Care
- 31%
- 34%
- 14%
- 19%
- 2%

- Increased
- Decreased
- Remained the Same
- Don't Know
- Not Applicable

Weekly engagements of 10K or more across all channels covered 63% of respondents. While this is the first time this data has been surveyed, it will be worth trending in the future. It also serves to characterize the program size and scope of individual survey participants.

In a given week, how many unique customer care interactions does your organization engage in?

- 2%
- 6%
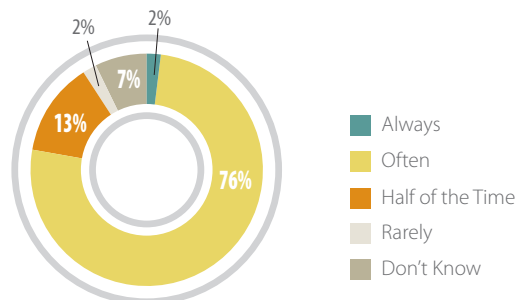- 20%
- 9%
- 17%
- 46%

Legend:
- Less than a thousand
- 1,000 to 5,000
- 5,000 to 10,000
- 10,000 to 30,000
- 30,000+
- Don't Know
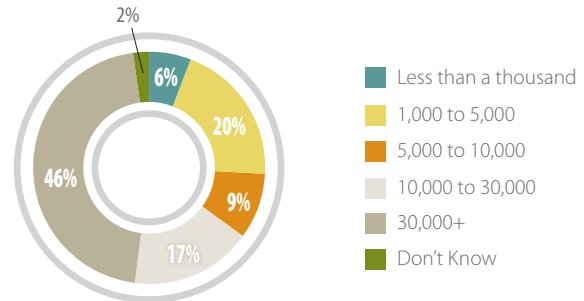
How often does your organization resolve an issue during the first instance of contact?

- 2%
- 2%
- 7%
- 13%
- 76%

Legend:
- Always
- Often
- Half of the Time
- Rarely
- Don't Know

Another first for our survey this year was to ask questions about First Contact Resolution. A full 78% of respondents indicated that FCR occurred more often than not. While this is good news at face value, it greatly contrasts with what was learned in the 2014 Consumer Edition survey, where only 36% of consumers indicated experiencing FCR more often than not. More on these results in the *Connected Consumer Comparisons* section of this report.

Surprising Change

We asked survey participants the following question: **Has there been a substantial change in any channel that has taken you by surprise?**

Roughly 20% of respondents indicated that there had, in fact, been a change that took them by surprise. Aside from organization-specific issues, the two areas most cited in a follow-up question were growth in Social Media and Chat.

Leadership Training

We asked survey participants the following question: **Do you feel you need more training and development on emerging channels and the strategies to support them?**
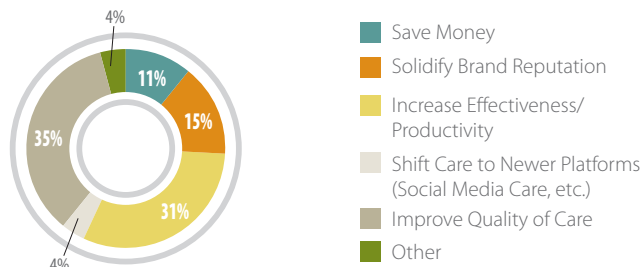
Roughly 70% of respondents said Yes. When we asked in which areas in a follow-up question, the most common answer was Mobile (SMS specifically), followed by Chat, Social Media and emerging technologies.

STRATEGIC INSIGHTS

There were a variety of questions that provided strategic insight into the customer care programs of this year's participating brands. A number of these questions pertained to program priorities and perceived preferences among consumers. These results were especially enlightening when compared with previous years' responses.

In a question we've been asking since 2012, we asked survey participants to identify their leadership's top priority for customer management. Unlike previous years, we also included "Improve Quality of Care" as an option. Not surprisingly, this has become the leading answer. At the same time, "Increase Effectiveness/Productivity" has gained significant favor, while "Save Money" and "Solidify Brand Reputation" have both dropped off to varying degrees. The reason for the drop in "Solidify Brand Reputation" could be due to the fact that participants see improved quality of care as a top driver of improving brand reputation. Here are the specific results:

What was the top priority of your company's leadership regarding customer experience management over the past 12 months?

- 4%
- 11% Save Money
- 15% Solidify Brand Reputation
- 31% Increase Effectiveness/Productivity
- 35% Improve Quality of Care
- 4% Shift Care to Newer Platforms (Social Media Care, etc.)
- Other

Legend:
- Save Money
- Solidify Brand Reputation
- Increase Effectiveness/Productivity
- Shift Care to Newer Platforms (Social Media Care, etc.)
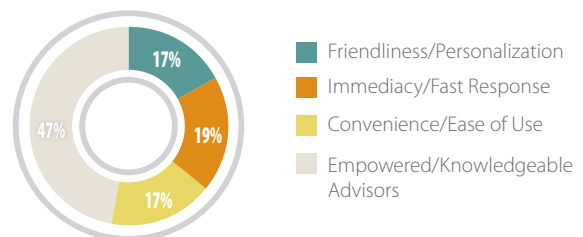- Improve Quality of Care
- Other

Top 3 Results (2013):

Solidify Brand Reputation: 53%
Increase Effectiveness/Prod.: 29%
Save Money: 13%

Top 3 Results (2012):

Solidify Brand Reputation: 41%
Increase Effectiveness/Prod.: 24%
Save Money: 19%

Empowerment for advisors has been a hot topic as of late, and nearly half of corporate survey participants confirmed this trend. When these results are compared to a similar question asked in the 2014 Consumer Edition, 35% of consumers indicated "Shorter Response Time" as the most significant driver of CSAT, followed by "Friendlier Service" at 23%. "Greater Empowerment for Advisors" was indicated as the top driver of CSAT by only 18% of consumers.

Aside from resolving the issue, what factor do you feel most drives customer service satisfaction?
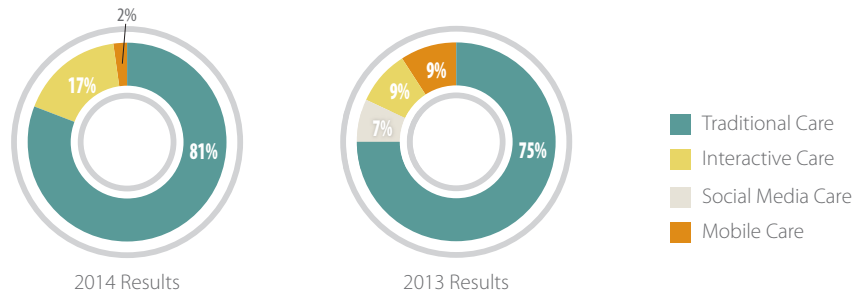
- 17% Friendliness/Personalization
- 19% Immediacy/Fast Response
- 17% Convenience/Ease of Use
- 47% Empowered/Knowledgeable Advisors

Do you feel your customer care organization is generally meeting the needs and expectations of your customers?

2014 Result — Yes: 88%

Much confidence was shown when we asked whether or not participants thought their care organizations were meeting expectations. While the results were positive, they differ greatly with findings from the 2014 Consumer Edition. For more details, see the *Connected Consumer Comparisons* section of this report.

STRATEGIC INSIGHTS

Which channel do you feel your customers prefer to use to engage your brand?

2% | 17% | 81% — 2014 Results

9% | 9% | 7% | 75% — 2013 Results

- Traditional Care
- Interactive Care
- Social Media Care
- Mobile Care

Traditional and Interactive channels of care stole the show when we asked participants about perceived channel preferences. However, this appears to be a case in which perception and reality are mismatched. In a similar question asked in the 2014 Consumer Edition, only 50% of consumers said they'd prefer to use Traditional channels of customer care if they knew their issue would be resolved. For more details on how consumer preferences compare to corporate perceptions, see the *Connected Consumer Comparisons* section of this report.

Do the demographics (age, income, etc.) of your customer base factor into your customer experience strategy?

2014 Results — Yes: 70%
2013 Results — Yes: 84%

Demographic information continues to have broad influence on customer experience strategy, which makes good sense. This is especially true as it relates to age and technology, where younger consumers demonstrate strong preferences toward online chat, SMS and social media solutions.

Does your company have any plans to shift customer care away from its existing strategy and/or setup?

2014 Results — Yes: 28%
2013 Results — Yes: 22%

A follow-up question for the above asked participants to describe the planned changes; the answers provided some great insight into where program managers were headed. Some of the areas that received multiple mentions include:

- Increasing self-serve options
- More insourcing of agent resources
- Moving to omni-channel agents
- Reducing Traditional Care volume
- Pushing consumers to emerging channels

Has your company ever worked with another brand to learn new methods for managing customer experience?

2014 Results — Yes: 65%
2013 Results — Yes: 64%

The basis of a strong Customer Management industry is shared innovation. So it was reassuring to see that the majority of organizations are continuing to work together in an effort to better serve their respective customers.

In a follow-up question to the above, participants were asked to briefly explain how they worked with other organizations. Following, in order of prevalence, are some of the responses:

- Benchmarking
- Sharing of best practices
- Direct consultation
- Vendor support
- Conference interactions
- Policy audits
- Site tours
- Pilot programs/shared analysis

TEAM COMPOSITION

Team Composition contains both new cross-channel questions that help define the size and scope of Corporate Edition participants, as well as previous questions that are just now revealing interesting trends. Similarly, channel-specific information can also be found in the *Budget and Staffing* sections of each respective channel, located channel-by-channel in the *Channel-Specific Results* portion of the report.

How many Full-Time Employees (FTEs), both internal and external, are employed by your company's customer care organization?

- 1 to 50
- 51 to 100
- 101 to 500
- 501 to 1000
- 1000+
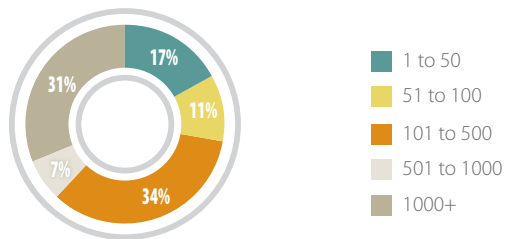
This question, like the question concerning the total number of customer engagements in the *Operations* section, covers all channels of care; and it is entirely new for this year's report. Similar to the engagement question, this question serves as a strong depicter of this year's pool of participating companies. With nearly 40% of participating brands boasting 500+ customer care FTEs (31% at 1,000+), large companies have very good representation in this year's survey.

Are the bulk of your customer care engagements carried out by company employees or an outside provider?

Company Employees: 63%
Outside Provider: 37%

Has your customer care team been staffed in the same way in the past five years or has it changed (ex.: internal staffing to outsourced or vice-versa)?

	2014	2013
From Internal to Outsourced:	20%	13%
From Outsourced to Internal:	15%	13%
Same (unchanged):	65%	73%

While the vast majority of survey participants still use internal employees to carry out the majority of customer care engagements (63%), there was a noticeable uptick in outsourcing in 2014. A full 20% of respondents indicated a change in staffing that favors more outsourcing. While 20% is still a minority of companies, this is a departure from 2013 results to this same question, when only 13% said any staffing changes involved greater outsourcing.

Has your company created any new customer care leadership roles within the past twelve months?

2014 Results — Yes: 55%
2013 Results — Yes: 47%
2012 Results — Yes: 41%

As more and more companies prioritize the customer experience and expend resources to either develop or evolve their Customer Management programs, it should follow that many new leadership roles will be created among the brands that want to best serve their customers. It should come as no surprise, then, that the Corporate Edition of the CXMB has revealed such a powerful trend regarding the development of new customer care leadership roles. This trend culminates in the 2014 result that shows more than half of survey participants acknowledging the creation of new customer care leadership roles within the past twelve months.

CHANNEL-SPECIFIC RESULTS

TRADITIONAL CUSTOMER CARE

The most utilized channel among consumers, Traditional Care continues to be a focal point for many customer care operations. This channel of care includes service solutions like phone, email, snail mail and in-person.

TRADITIONAL CARE – CHANNEL OVERVIEW

Traditional Care remains at the forefront of many of today's customer care organizations. This concept is reinforced by the sheer volume of contacts that occur within the Traditional Care channel. But what does the future of Traditional Care look like as businesses and consumers gain confidence in the conveniences and efficiencies offered by alternative channels?

What currently is your company's top priority for the Traditional Care channel?

Improving Customer Satisfaction continued to monopolize the priorities for Traditional Care channel managers in 2014, dipping only slightly from 49% to 46% when compared to the results from 2013. With regard to improving CSAT, a number of brands have discussed the notion of "decreasing consumer effort." The emphasis on the consumer journey is likely to continue into 2015, especially as incidents of solutioning across channels continues to increase in frequency. The challenge customer care managers face is making that shift between channels as seamless and effortless as possible.
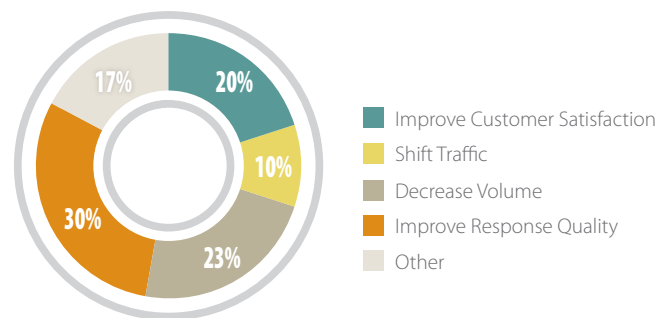
2014 Results
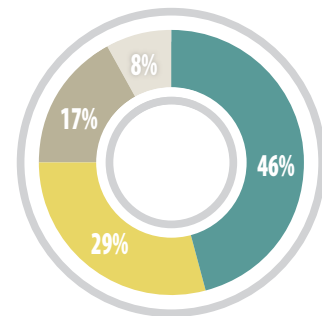
8%
17%
46%
29%

- Improve Customer Satisfaction
- Shift Traffic/Decrease Volume
- Lower Costs
- Other

2013 Results

22%
49%
22%
7%
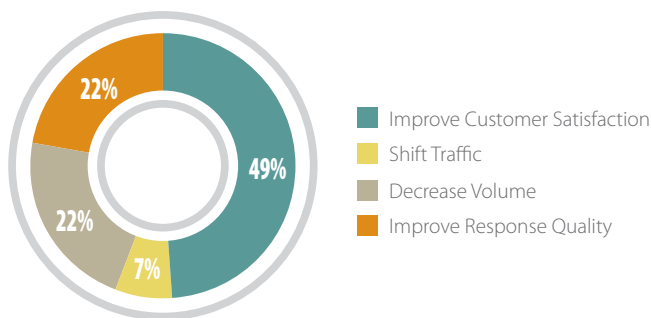
- Improve Customer Satisfaction
- Shift Traffic
- Decrease Volume
- Improve Response Quality

2012 Results

17%
20%
10%
30%
23%

- Improve Customer Satisfaction
- Shift Traffic
- Decrease Volume
- Improve Response Quality
- Other

What is your level of satisfaction with your company's current support of the Traditional Care channel, including phone, email and in-person support?

Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
4%	10%	15%	58%	13%
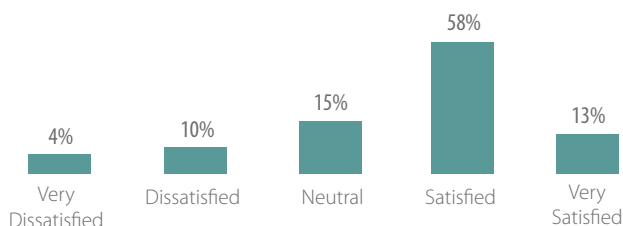
Among all channels, satisfaction levels for the Traditional Care channel were by far the highest, with a combined 71% of respondents indicating "Satisfied" or "Very Satisfied." At the opposite end of the spectrum, only 16% of respondents indicated the same for the Mobile Care channel.

In the past year, how has traffic to your Traditional Care channel (phone, in-store, direct mail, etc.) changed?

■ 2014 ■ 2013 ■ 2012

Increased: 50% / 44% / 49%
Decreased: 23% / 22% / 14%
Same: 23% / 24% / 33%
Don't Know: 4% / 9% / 4%
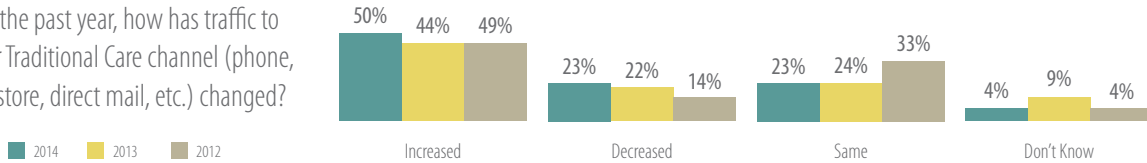
While the overall growth story in the Traditional Care channel remains positive (half of the companies indicated an increase in channel traffic), it's worth noting that nearly one in four participants indicated a drop in channel traffic over the previous 12 months — a number that has grown year after year. To put the one-in-four number in perspective, fewer than one in ten participants indicated a drop in traffic within the Interactive Care channel. In addition, with 50% of participants indicating an increase in traffic, Traditional Care shows significantly less growth compared to the emerging channels where, as a whole, 68% of participants indicated an increase in channel traffic over the previous 12 months.

Where does your company stand on integrating emerging channels into the Traditional Care channel?

- 2%
- 16%
- 20%
- 62%

■ No Plans for Integration
■ Has Already Integrated
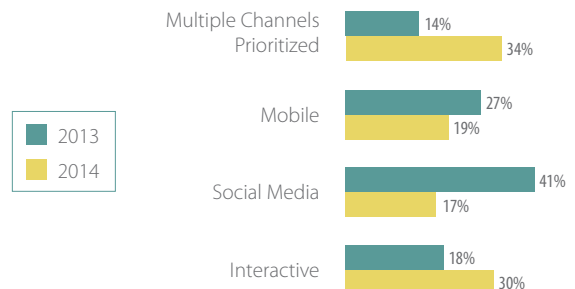■ Currently Integrating
■ Don't Know
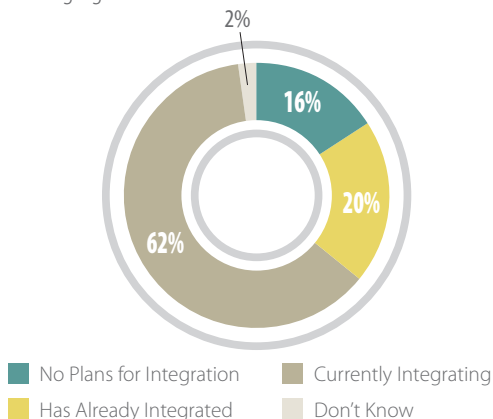
At this stage, channel integration is universally accepted as the critical first step in realizing an effective multi-channel environment. With only 20% of survey participants indicating completion of integration, it's clear that many organizations are continuing to struggle with disassociated databases, clunky channel transfers and a less-than-ideal consumer journey. With such a large number of companies in mid-integration, 2015 is poised to be a critical year in the integration storyline.

Percentage integrated or making an effort to integrate one or more emerging channels:

2012: **29%** | 2013: **89%**

Which emerging channel does your company prioritize when it comes to integration with the Traditional Care channel?

■ 2013
■ 2014

Multiple Channels Prioritized: 14% / 34%
Mobile: 27% / 19%
Social Media: 41% / 17%
**Interactive:** 18% / 30%

TRADITIONAL CARE – BUDGET AND STAFFING

More than any other channel of care, the Traditional Care channel experienced the greatest amount of change in terms of budget and staffing. Here are the specifics:

In the coming year, what changes are expected to occur to the budget dedicated to your company's Traditional Care channel?

In keeping with the discoveries about Traditional Care channel growth, 33% of survey respondents anticipated a budget decrease coming in 2015. Despite the fact that about half of those expecting a budget cut also saw a decrease in channel traffic, these cuts will still put pressure on channel managers who continue to see increased traffic while having to deal with the complexities of channel integration. This suggests that the majority of companies expect to see even greater volume growth within emerging channels, further alleviating the demands placed on the Traditional Care channel.

2015 Budget Forecast

- Increase
- Decrease
- Remain the Same
- Don't Know
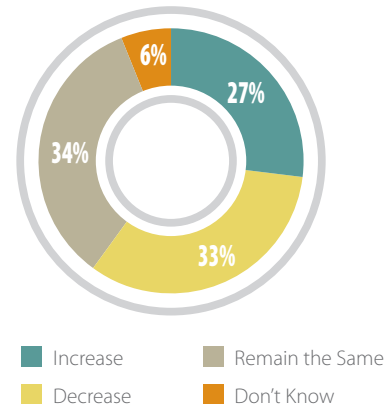
Accuracy of Budget Forecasting

Last year's survey participants were virtually spot-on with their budget forecasting, adding a great deal of weight to their 2015 forecasts. The same cannot be said of the budget forecasting accuracy of the other care channels.

	2013 Forecast	2014 Outcome
Increased:	31%	31%
Decreased:	20%	21%
Remain the Same:	40%	42%
Don't Know:	9%	6%

The two biggest stories to emerge from the Traditional Care staffing questions are the move away from mixed staffing (mostly toward internal-only staffing), and increased availability of work-from-home options for agents. Whether or not these two storylines are directly related, companies are eager to provide more options for internal agents as opposed to external agents. It will be interesting to see if third-party providers begin to innovate in some of the same ways.

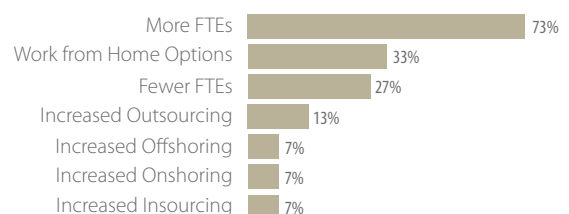**How is your Traditional Care channel (phone, email, etc.) primarily staffed?**

	2014	2013
Internally:	49%	38%
Externally:	27%	22%
Mix:	24%	40%

More than any other care channel, survey participants saw significant staffing changes occurring with the Traditional Care channel. Interestingly, WFH options were evenly split between organizations that both increased and reduced FTEs over the previous 12 months.

Has the staffing of your Traditional Care channel changed significantly over the past twelve months?

YES: 31%

If yes, in what ways has it changed? (Check All)

- More FTEs — 73%
- Work from Home Options — 33%
- Fewer FTEs — 27%
- Increased Outsourcing — 13%
- Increased Offshoring — 7%
- Increased Onshoring — 7%
- Increased Insourcing — 7%

INTERACTIVE CUSTOMER CARE

Already the most widely utilized of the emerging channels, 2014 proved to be the Year of Interactive Care with continued expansion planned for 2015. Specific solutions within this channel include online chat, video chat and a variety of online self-help tools such as FAQs and consumer-accessible knowledge databases.
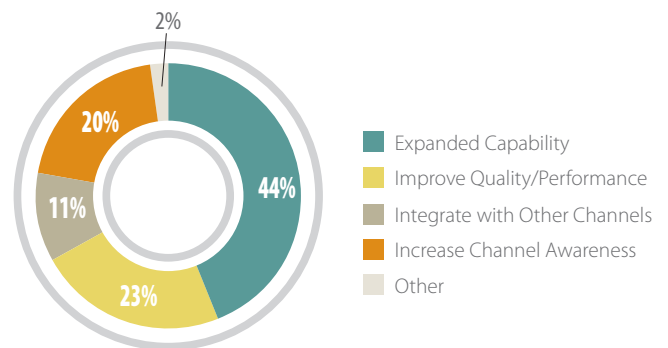
INTERACTIVE – CHANNEL OVERVIEW

Among all customer care channels, Interactive Care underwent the greatest amount of change in year-over-year growth, budget increases and staffing movement. Interactive Care is also the mostly widely adopted of all the emerging channels of care at 88%, compared to 64% for Social Media Care and 55% for Mobile Care.

What is currently your company's top priority for the Interactive Care channel?

In 2014, nearly half of respondents indicated "Expand Capability" as a top priority for the Interactive Care channel. Not surprisingly, this priority is well reflected in the "channel solutions offering" question (next page) that saw huge gains in the availability of Self-Help Tools and Online FAQs. Additionally, about one in four respondents indicated "Improve Quality/Performance" as a top priority; and these responses aligned nearly exclusively with those companies that offer an Interactive Care solution that involves live human assistance, like Online Chat.

- 2%
- 20%
- 11%
- 23%
- 44%

■ Expanded Capability
■ Improve Quality/Performance
■ Integrate with Other Channels
■ Increase Channel Awareness
■ Other

Survey participants show very similar levels of satisfaction between Interactive Care and Social Media Care, both of which lag behind Traditional Care in a very significant way. It will be interesting to note whether or not greater human interaction within the channel will impact future satisfaction levels.

What is your level of satisfaction with your company's current support of the Interactive Care channel, including online/video chat, FAQs and self-help options?

- 5% Very Dissatisfied
- 14% Dissatisfied
- 41% Neutral
- 39% Satisfied
- 2% Very Satisfied
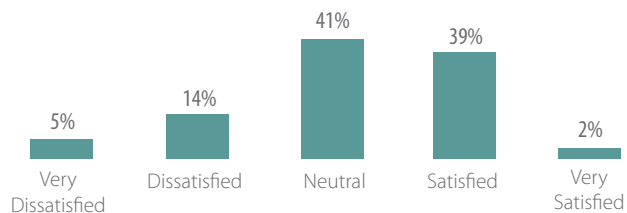
In the past year, how has traffic to your Interactive Care channels that require human assistance (such as online or video chat) changed?

- 70% Increased
- 15% Remained the Same
- 7% Decreased
- 7% Not Applicable
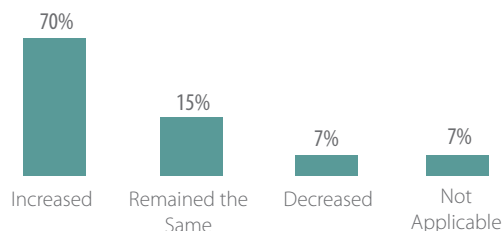
At 70%, more respondents indicated increased channel traffic within the Interactive Care channel versus any other care channel. Considering the increased availability of channel solutions, and the strong consumer preference for self-service options, one can only expect Interactive Care engagements to continue this trend of tremendous growth in 2015.

Does your company provide Interactive Care support?

Yes
No

2014
88%
12%

2013
76%
24%

2012
48%
52%
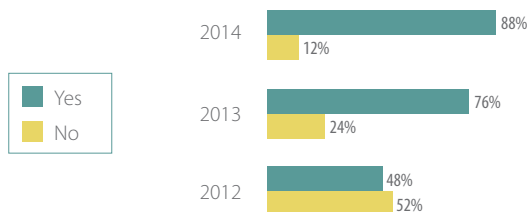
Does your company provide Interactive Care support that requires human assistance?

YES: 59%
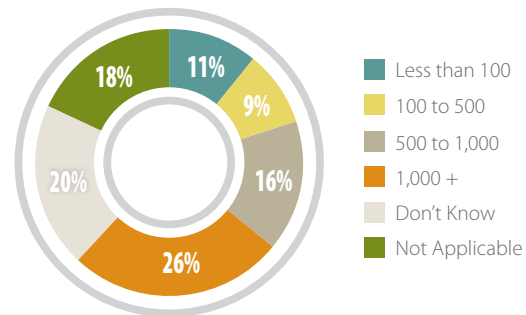
For Interactive Care solutions that require human assistance, how many unique engagements occur per week?

As mentioned previously, Interactive Care is the most widely adopted of all the emerging channels of care. New for 2014, we tracked the percentage of companies offering a solution that involves live human assistance, which currently stands at 59%.

11%
9%
16%
26%
20%
18%

Less than 100
100 to 500
500 to 1,000
1,000 +
Don't Know
Not Applicable

Solutions offered within the Interactive channel:

2014 Complete Offering
2013 Investment Priority
2012 Primary Offering

Online FAQs
90%
20%
4%

Online Self-Help Tools
86%
40%
5%

Online Chat (CLick-to-Chat)
63%
36%
71%

Other
12%
0%
11%

Video Chat
0%
4%
9%

While questions around Interactive Care solution offerings have been phrased in different ways over the years, ranging from "Which channel solution is your primary offering?" to "Which channel solution is your top investment priority?", what's clear is that there has been a huge uptick in self-service options in the past three years. Consumers indicated a preference for these types of solutions, and care providers have responded to the point where Online FAQs are practically a standard offering. Also worth watching is the availability of Video Chat solutions, which went missing among this year's survey participants.

INTERACTIVE – CHANNEL OVERVIEW

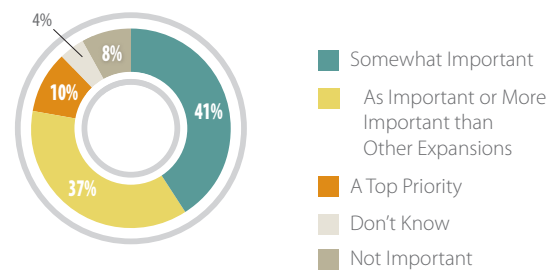Reasons for development/expansion within the Interactive Care channel, as well as the levels of importance for such change, remained unchanged year after year. Companies still look to consumer demand — a reasonable approach, as demonstrated by the findings of the recently released CXMB Series Consumer Edition report. The report revealed that 25% of consumers prefer the Interactive Care channel over all other care channels, including Traditional Care.

What reason would most compel your organization to develop and/or expand the current Interactive Care channel in the future?
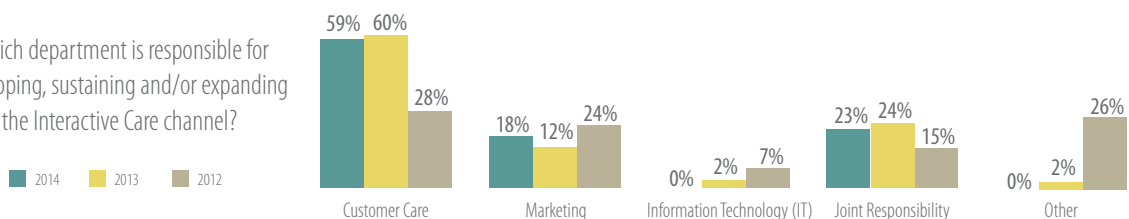
- 66%
- 18%
- 4%
- 12%

- Customer Demand
- Competitor Offers it
- Increased Affordability
- Other
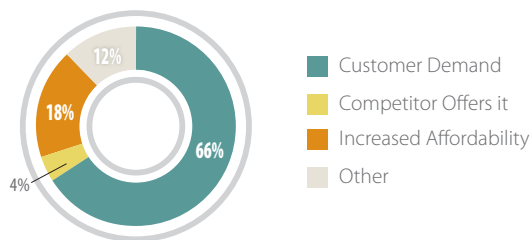
What level of importance does your company place on expanding and/or developing an Interactive Care channel?

- 41%
- 37%
- 10%
- 4%
- 8%

- Somewhat Important
- As Important or More Important than Other Expansions
- A Top Priority
- Don't Know
- Not Important

Unlike what was seen in the Social Media Care channel, Customer Care continues to maintain a strong hold on the management of the Interactive Care channel. Such has been the case since 2013. As centralized and joint responsibility models become the norm in the Social Media Care channel, it will be interesting to see how many organizations include Interactive Care for a truly multichannel experience for consumers.

Which department is responsible for developing, sustaining and/or expanding the Interactive Care channel?

■ 2014 ■ 2013 ■ 2012

	Customer Care	Marketing	Information Technology (IT)	Joint Responsibility	Other
2014	59%	18%	0%	23%	0%
2013	60%	12%	2%	24%	2%
2012	28%	24%	7%	15%	26%

Percentage of companies diverting focus away from Traditional Care into autonomous (self-help) options:

2014: **55%**   2013: **53%**

The majority of companies continue to make efforts to divert traffic into self-help options. This is done in a variety of ways, including improving the self-service journey and/or burying specific contact information that might place consumers into the Traditional Care channel.

INTERACTIVE – BUDGET AND STAFFING

When it comes to the Interactive Care channel in 2014, the story is, "More, More, More!": More budget … more staff … and more engagement. Whether or not this growth continues into 2015 remains to be seen, but consumer demand and budget forecasts seem to presume that will be the case.

In the coming year, what changes are expected to occur to the budget dedicated to your company's Interactive Care channel?

For 2015, the Interactive Care channel is the one most widely expected to see an increased budget, with 44% of participants expecting an increase. In comparison, only 36% see an increase for Mobile Care, 27% for Social Media Care and 27% for Traditional Care. Given the high level of adoption of self-service solutions, one can assume that these budget increases will primarily be used to fund care solutions requiring human assistance, such as Click-to-Chat.

2015 Budget Forecast

11%
44%
11%
34%

■ Increase   ■ Remain the Same
■ Decrease   ■ Don't Know
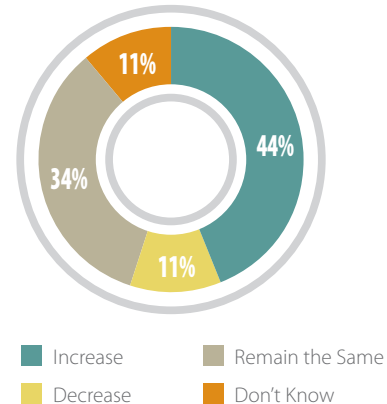
Budgets Surprise To Upside

Unlike Traditional Care budget projects (which were spot-on for 2014), Interactive Care budgets ultimately surprised to the upside. And of all channels, only Interactive saw a higher percentage of companies indicate a budget increase versus an unchanged budget. In financial terms, Interactive Care was the superstar channel for growth in 2014.

	2013 Forecast	2014 Outcome
Increased:	38%	48%
Decreased:	2%	7%
Remain the Same:	53%	36%
Don't Know:	7%	9%

In which Interactive Care solution is your company most heavily invested?

ONLINE CHAT (Click-to-Chat): **43%**
SELF-HELP TOOLS: **43%**
N/A:**14%**

Since Self-Help Tools are primarily a one-time investment — and adoption of these solutions has ramped up greatly over the past 24 months — it will be interesting to track where future dollars flow to in the Interactive Care channel. Currently, greater than 90% of companies offer some version of online Self-Help Tools as opposed to only 50% of companies that offer Click-to-Chat assistance. Could 2015 see a massive expansion of Interactive Solutions that rely on human assistance, such as Click-to-Chat? Continued increases in Interactive Care budgets seem to suggest this might be the case.
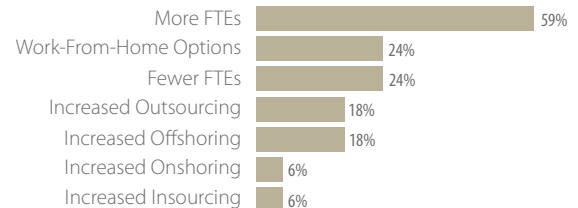
INTERACTIVE – BUDGET AND STAFFING CONTINUED

Has the staffing of your Interactive Care channel changed significantly over the past twelve months?

YES: 39%

The Interactive Care channel saw the highest prevalence of change among all channels, with more FTEs dominating that change. Work-From-Home Options was also an interesting discovery, as Interactive Care and Traditional Care were the only channels to register such a change.
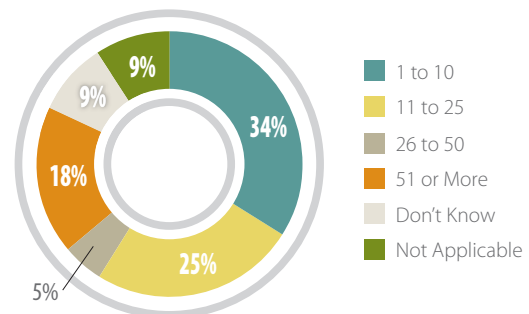
If yes, in what ways has it changed? (Check All)

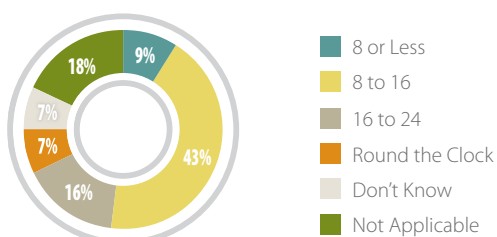|	
More FTEs	59%
Work-From-Home Options	24%
Fewer FTEs	24%
Increased Outsourcing	18%
Increased Offshoring	18%
Increased Onshoring	6%
Increased Insourcing	6%

How many Full-Time Employees (FTEs), both internal and external, are dedicated to your company's Interactive Care channel?

While this was a new question for 2014, it's certainly one to watch, given the potential for the vast expansion of human-assisted solutions in 2015. The FTE counts of Interactive Care programs already weigh more on the larger size (26 or more FTEs) when compared to Social Media Care and Mobile Care.
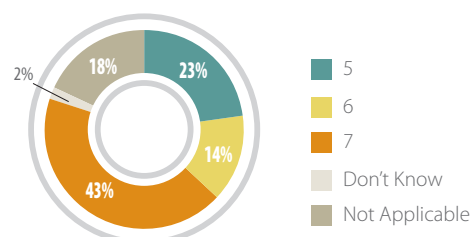
Availability of human assistance for the Interactive Care channel (below) mirrored Social Media Care. On the other hand, Mobile Care saw a slightly heavier weighing toward more hours of availability — about half of all live Mobile Care advisors are available 16+ hours per day compared to only about a third for Interactive Care advisors.

Donut chart:
- 34% (1 to 10)
- 25% (11 to 25)
- 5% (26 to 50)
- 18% (51 or More)
- 9% (Don't Know)
- 9% (Not Applicable)

Legend:
- 1 to 10
- 11 to 25
- 26 to 50
- 51 or More
- Don't Know
- Not Applicable

For Interactive Care solutions that require human assistance, how many hours per day are agents available (on average)?

Donut chart:
- 9% (8 or Less)
- 43% (8 to 16)
- 16% (16 to 24)
- 7% (Round the Clock)
- 7% (Don't Know)
- 18% (Not Applicable)

Legend:
- 8 or Less
- 8 to 16
- 16 to 24
- Round the Clock
- Don't Know
- Not Applicable

For Interactive Care solutions that require human assistance, how many days per week are agents available?

Donut chart:
- 23% (5)
- 14% (6)
- 43% (7)
- 2% (Don't Know)
- 18% (Not Applicable)

Legend:
- 5
- 6
- 7
- Don't Know
- Not Applicable

SOCIAL MEDIA CUSTOMER CARE

Social Media Care operations continued a steady expansion of volume in the past year, while also making improvements in quality and speed of care. While brands engage consumers across literally thousands of sites, some of the most popular communities include Twitter, Facebook, Google+, YouTube, online forums and blogs.

SOCIAL MEDIA – CHANNEL OVERVIEW

Expanding and managing growth without adding cost was the theme of the Social Media Care channel in 2014. While there was not a huge explosion of new social media engagement programs, as seen in previous years, there was significant traffic growth and increased collaboration with minimal changes to staff and budget. This is an exciting development, and one that points to better processes and increased efficiency within the channel.

Percentage of companies with a social media response team specifically for customer care:
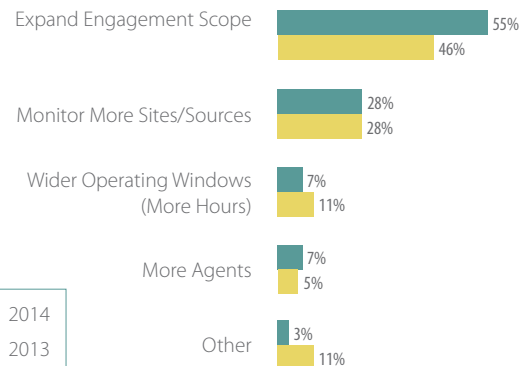
| 2014: **64%** | 2013: **67%** |

Percentage of companies with plans to expand social media customer engagement activities:
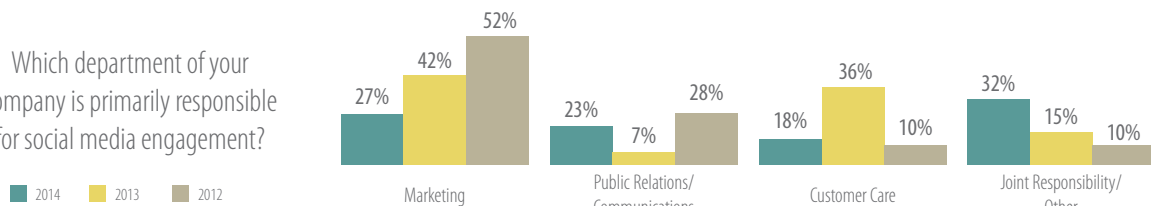
| 2014: **66%** | 2013: **87%** |

In 2013, a large percentage of companies had designs on expanding social media engagement activities. In 2014, while there wasn't necessarily a reversal of these plans, there was perhaps a rethinking of how to best get there. Part of this shift in strategy is reflected in the departmental ownership of the social media engagement space.

What is your company's top priority for expansion of social media engagement?

	2014	2013
Expand Engagement Scope	55%	46%
Monitor More Sites/Sources	28%	28%
Wider Operating Windows (More Hours)	7%	11%
More Agents	7%	5%
Other	3%	11%

Which department of your company is primarily responsible for social media engagement?

|	2014	2013	2012
Marketing	27%	42%	52%
Public Relations/Communications	23%	7%	28%
Customer Care	18%	36%	10%
Joint Responsibility/Other	32%	15%	10%

In three years of surveying about social media engagement responsibility, the only constants have been a decrease of sole ownership by Marketing and an increase in departmental cooperation. By all accounts, this is a good thing — not necessarily Marketing relinquishing ownership, but the part about increase departmental cooperation. This means that the entire organization is taking a stake in the customer experience — an experience now often shaped online and by multiple organizational perspectives.

In a given week, how many unique social media interactions does your organization engage in?

	2014	2013
<100:	38%	56%
100 to 500:	22%	29%
500+:	40%	15%

True to stated priorities, and greater channel acceptance among consumers, a large percentage of survey participants saw increased volumes on weekly engagements. In fact, 62% of respondents indicated an increase in channel traffic — gains second only to the Interactive Channel, where 70% of respondents indicated increased channel traffic volumes over the previous 12 months.
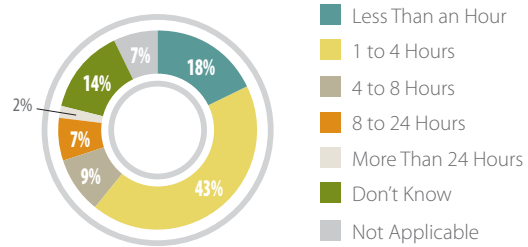
In the past year, how has the volume of interactions on social media changed?

Increased	62%
Decreased	2%
Remained the Same	27%
Don't Know	9%
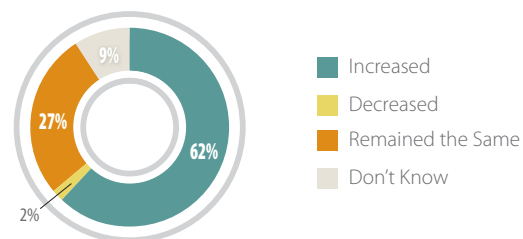
In numerous consumer surveys, speed of response has been among the top drivers of customer satisfaction within the Social Media Care channel. Furthermore, about half of consumers expect a response within one hour. While not necessarily low-hanging fruit, increasing the speed with which consumers are responded to presents some definitive opportunities for driving CSAT for the majority of organizations engaged in the Social Media Care channel.

On average, how long does it take for your organization to respond to a consumer on social media?
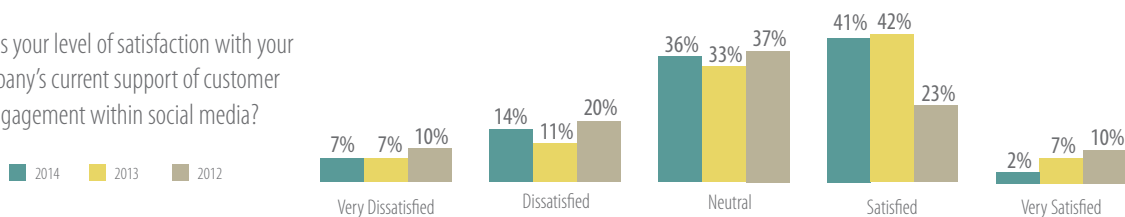
- Less Than an Hour — 18%
- 1 to 4 Hours — 43%
- 4 to 8 Hours — 9%
- 8 to 24 Hours — 7%
- More Than 24 Hours — 2%
- Don't Know — 14%
- Not Applicable — 7%

Does your company currently measure customer satisfaction as it relates to social media engagements?

YES: 14%   NO: 79%   DON'T KNOW: 14%

In a new question for 2014, we were surprised to learn that so few companies measure CSAT within the Social Media Care channel. While it's difficult to speculate exactly why this might be the case, it's certain that CSAT measurement is a critical tool for improving channel experience and understanding what consumers expect.

What is your level of satisfaction with your company's current support of customer engagement within social media?

2014 | 2013 | 2012

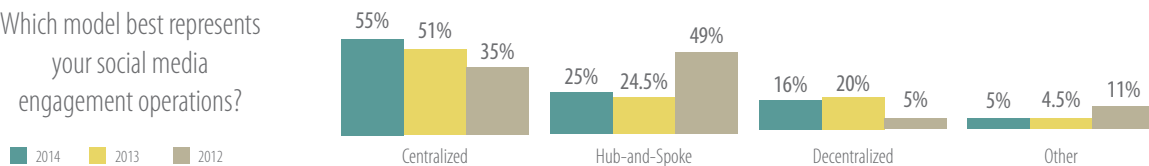|	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
2014	7%	14%	36%	41%	2%
2013	7%	11%	33%	42%	7%
2012	10%	20%	37%	23%	10%

While participant satisfaction levels for the Social Media Care channel have improved markedly since 2012, overall satisfaction still lags behind the satisfaction shown for the Traditional Care channel. This could be due to a number of reasons, including the constant shift in channel ownership or the impression that much more can be accomplished through the channel by expanding the engagement scope and source coverage. Many companies are also taking a close look at how social media engagements can be leveraged to generate revenue through activities like proactive pre-sales engagements. The success of these efforts will go a long way in determining future ownership and satisfaction levels regarding the Social Media Care channel.
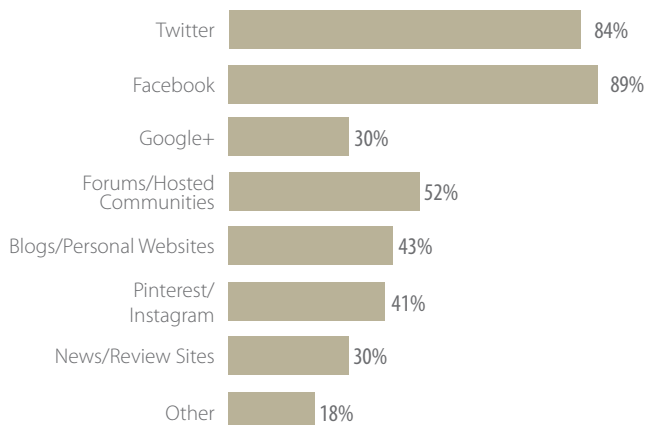
SOCIAL MEDIA – CHANNEL OVERVIEW CONTINUED

As indicated in an earlier question about departmental ownership of social media engagement, about 70% of companies still have single-department ownership of the channel. This accounts for both the Centralized and Hub-and-Spoke models, depending on the level of collaboration occurring within the organization. An emerging model that has been successfully deployed at a number of organizations includes a centralized structure, often around a command center, with resource contributions from both Marketing and Customer Care.

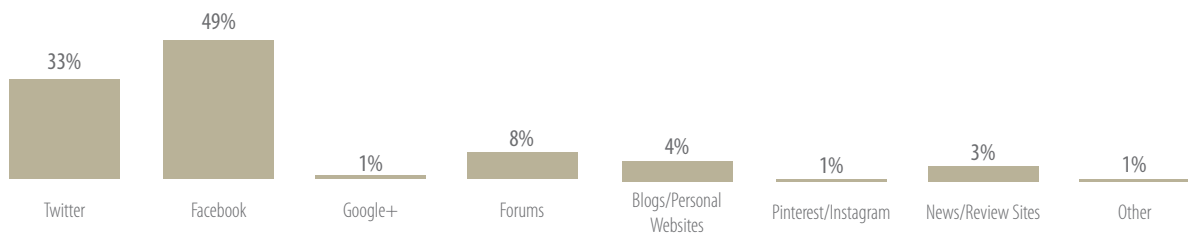## Which model best represents your social media engagement operations?

Legend: 2014 | 2013 | 2012

	Centralized	Hub-and-Spoke	Decentralized	Other
2014	55%	25%	16%	5%
2013	51%	24.5%	20%	4.5%
2012	35%	49%	5%	11%

In which of these social media platforms does your company presently engage with consumers? (Select All That Apply)

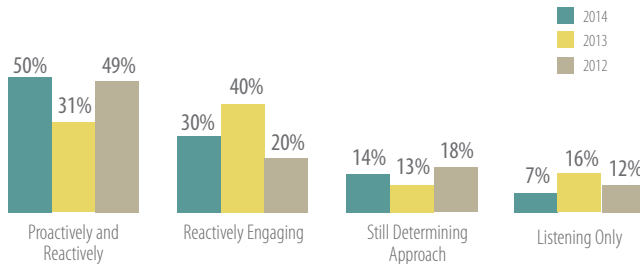| Platform	%
Twitter	84%
Facebook	89%
Google+	30%
Forums/Hosted Communities	52%
Blogs/Personal Websites	43%
Pinterest/Instagram	41%
News/Review Sites	30%
Other	18%

2014 source coverage in the Social Media Care channel was not unlike 2013. Facebook, Twitter and forums/hosted communities continue to dominate coverage, with a second tier of blogs, media sites (like Pinterest and Instagram), Google+ and review sites. And while these second-tier sites have decent program penetration (see below), their impact on program volume is quite negligible.

Please estimate the percentage of total social media engagements that occur within each platform:
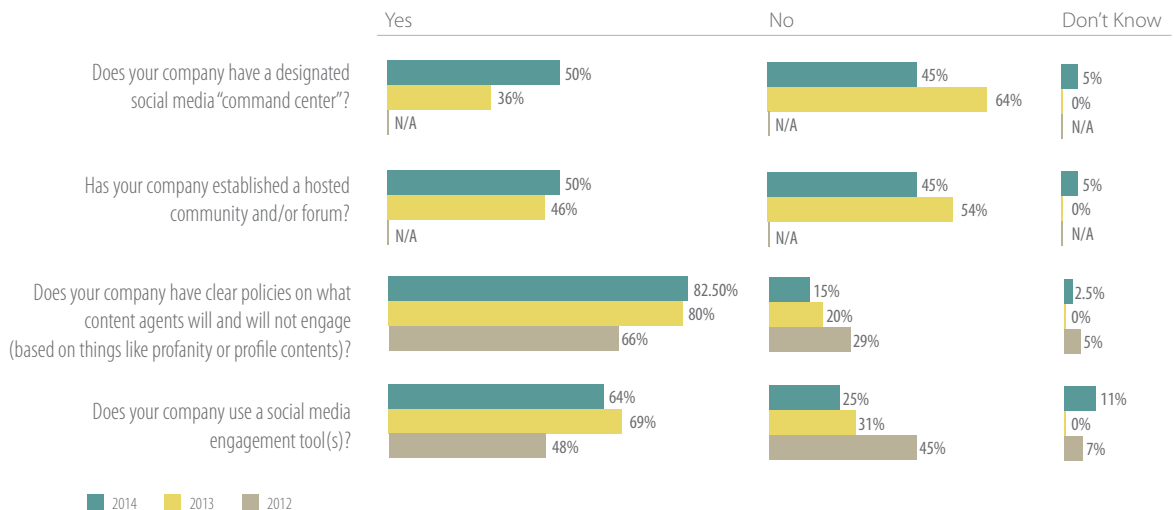
Platform	%
Twitter	33%
Facebook	49%
Google+	1%
Forums	8%
Blogs/Personal Websites	4%
Pinterest/Instagram	1%
News/Review Sites	3%
Other	1%

SOCIAL MEDIA – CHANNEL OVERVIEW CONTINUED

How would you describe your company's overall approach to social media?

Legend: 2014, 2013, 2012

- Proactively and Reactively: 50%, 31%, 49%
- Reactively Engaging: 30%, 40%, 20%
- Still Determining Approach: 14%, 13%, 18%
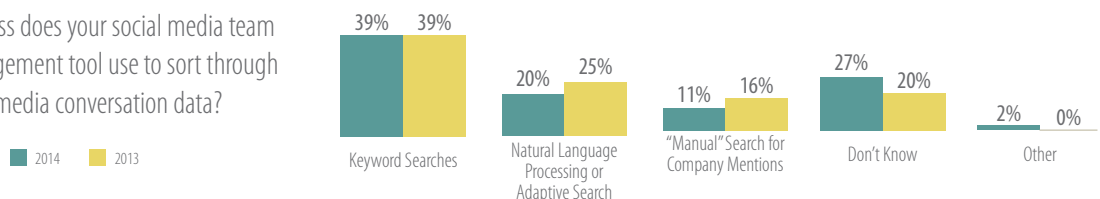- Listening Only: 7%, 16%, 12%

Programs that are inclusive of both the Proactive and Reactive approach returned to dominance in 2014, with a full 50% of programs subscribing to this approach. Also worthy of note is the fact that 2014 saw the fewest percentage of programs (7%) following a "Listening Only" approach. This is a clear indication that, more than ever, brands are ready and willing to engage their customers and prospects within the social sphere.

	Yes	No	Don't Know
Does your company have a designated social media "command center"?	50% / 36% / N/A	45% / 64% / N/A	5% / 0% / N/A
Has your company established a hosted community and/or forum?	50% / 46% / N/A	45% / 54% / N/A	5% / 0% / N/A
Does your company have clear policies on what content agents will and will not engage (based on things like profanity or profile contents)?	82.50% / 80% / 66%	15% / 20% / 29%	2.5% / 0% / 5%
Does your company use a social media engagement tool(s)?	64% / 69% / 48%	25% / 31% / 45%	11% / 0% / 7%

Legend: 2014, 2013, 2012

In a series of questions about program "bells and whistles," the big surprise was the drastic increase in corporate support of the "Social Media Command Center." In a 14% year-over-year move, a full 50% of 2014 survey participants indicated they had a Social Media Command Center in place in 2014.

On the data process side, "Keyword Search" remains the dominate method for discovering actionable content, while "Manual" search registered its lowest result yet at 11%.

Which process does your social media team and/or engagement tool use to sort through social media conversation data?

Legend: 2014, 2013

- Keyword Searches: 39%, 39%
- Natural Language Processing or Adaptive Search: 20%, 25%
- "Manual" Search for Company Mentions: 11%, 16%
- Don't Know: 27%, 20%
- Other: 2%, 0%

SOCIAL MEDIA – BUDGET AND STAFFING

Unique amongst all channels of care, the Social Media Care channel underwent the least amount of year-over-year change in terms of budget and staffing. This was a surprise, considering that only one channel (Interactive Care) saw a more widespread indication of consumer engagement growth.

In the coming year, what changes are expected to occur to the budget dedicated to your company's Interactive Care channel?

When asking about future budget plans, the Social Media Care channel, more than any other channel, was expected to be the most unchanged in the coming year.

What was also surprising about the 2015 Social Media Care channel budget forecast was the percentage of companies that expected to see a budget increase. When "Don't Knows" and "N/As" were removed from the data, 68% of participants saw an increase in Social Media Care channel traffic in the previous 12 months (outdone only by Interactive Care at 76%); yet only 31% expected to see an increase in budgets dedicated to the channel (as compared to 49% for Interactive Care). This indicates either a budget imbalance away from Social Media Care, or that other emerging channels are simply playing a game of budgetary catch-up.
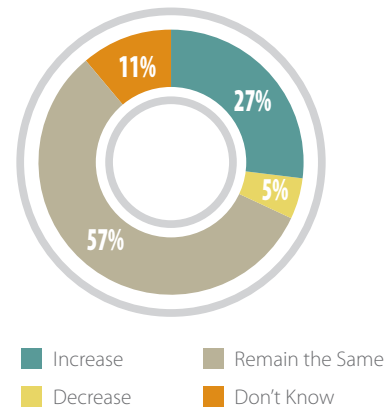
Little Change From Previous Year

The Social Media Care channel budget changes that occurred in 2014 are nearly identical to those projected for 2015. This is supported by the fact that only 20% of programs saw significant staffing changes in 2014, with the majority of those (78%) adding more FTEs.

How many Full-Time Employees (FTEs), both internal and external, are dedicated to your company's social media engagement activities?

While the FTE picture has changed little from previous years, there was a slight elevation in the 26+ FTE range (from 7% to roughly 13%). This change is also reflected in the increase in volume.
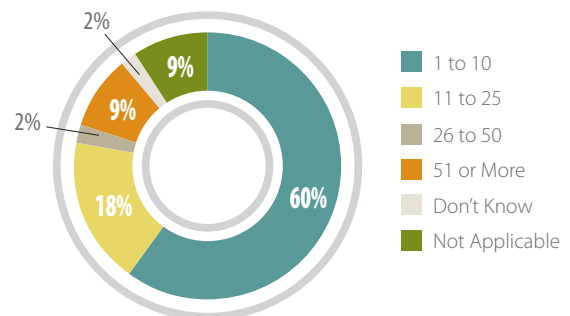
In addition to the slight increase in FTEs, there was also a noticeable move toward greater outsourcing. Of the 20% of companies indicating a "significant" change in staffing for 2014, 44% indicated "outsourcing" as a part of that change, compared to only 22% that indicated "insourcing." What's more, 23% of all 2014 respondents indicated use of a staffing provider for social engagement, as opposed to only 18% in 2013.

2015 Budget Forecast

Increase 27%
Decrease 5%
Remain the Same 57%
Don't Know 11%

- Increase
- Remain the Same
- Decrease
- Don't Know

2014 Budget Changes

Increased:	25%
Decreased:	5%
Remain the Same:	59%
Don't Know:	11%

1 to 10: 60%
11 to 25: 18%
26 to 50: 2%
51 or More: 9%
Don't Know: 2%
Not Applicable: 9%

- 1 to 10
- 11 to 25
- 26 to 50
- 51 or More
- Don't Know
- Not Applicable

Does your company utilize a staffing provider for its social media engagement agents?
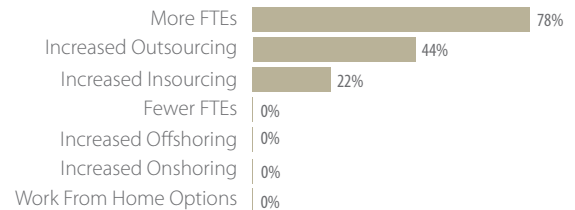
YES: 23%

SOCIAL MEDIA – BUDGET AND STAFFING CONTINUED

Has the staffing of your company's social media engagement team changed in a significant way over the past twelve months?

YES: 20%

At 20%, the Social Media Care channel showed the second least amount of significant change to its staffing in 2014. The majority of this change came in the form of additional FTEs, and not a single company saw a drop in FTEs in 2014.

If yes, in what ways has it changed? (Check All)

More FTEs	78%
Increased Outsourcing	44%
Increased Insourcing	22%
Fewer FTEs	0%
Increased Offshoring	0%
Increased Onshoring	0%
Work From Home Options	0%

Does your company provide social media training for agents?

YES: 52%

**Does your company offer ongoing social media training for agents?**

YES: 65%

How long is that training period?

- 57% Less than 1 Week
- 22% 1-2 Weeks
- 17% 2-4 Weeks
- 4% 1 Month or More
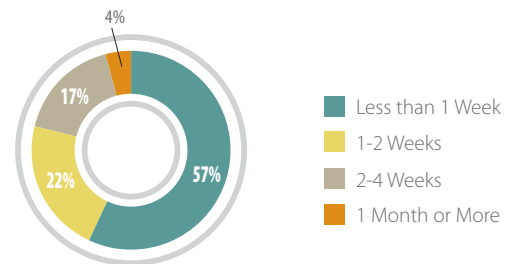
The findings around social media engagement training for agents remained very consistent when compared to what was discovered in last year's study. However, there was a notable shift in operational coverage. In 2014, 64% of organizations provided social media coverage for six or more days a week, as opposed to only 51% in 2013. Furthermore, 25% of companies provided 16 or more hours of coverage per day in 2014, as opposed to only 9% of companies in 2013. This amounts to significantly higher availability for consumers.

On average, how many hours per day does your company offer social media engagement support?

- 16% 8 or Less
- 43% 8 to 16
- 18% 16 to 24
- 7% Round the Clock
- 7% Don't Know
- 9% Not Applicable
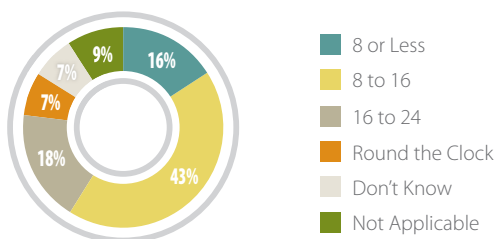
How many days per week does your company have an active social media engagement presence?

- 20% 5
- 16% 6
- 48% 7
- 5% Don't Know
- 11% Not Applicable
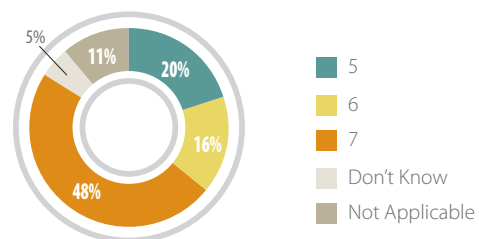
MOBILE CUSTOMER CARE

Mobile Care continues to evolve and grow as companies work toward more satisfying results by better understanding and utilizing channel capabilities. Currently, the most popular vehicles for engaging customer care via a mobile solution include smart apps, mobile chat and SMS/Text.
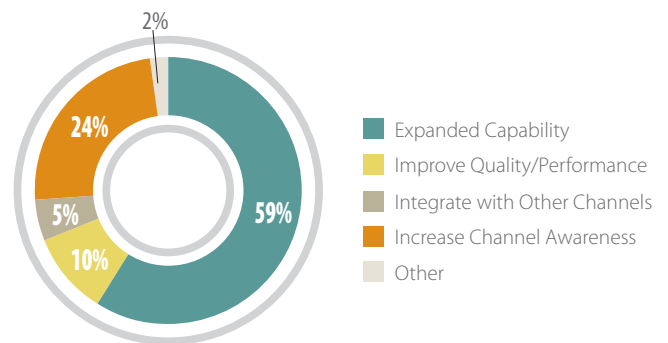
MOBILE – CHANNEL OVERVIEW

Three specific findings dominate the story for the Mobile Care channel: 1) the development of the channel is highly prioritized; 2) survey participants are less satisfied with Mobile Care compared to all other channels; and 3) 100% of all channel staffing changes involved adding FTEs.

What is currently your company's top priority for the Interactive Care channel?

Priorities for the Mobile Care channel fell primarily into two specific buckets: Expand Capability (59%) and Increase Channel Awareness (24%). Some interesting inferences can be made about these priorities. The first is that a significant portion of the capability expansion will focus on SMS and Mobile Chat solutions. This is due to the existing penetration of Mobile App solutions. The second is that the objective of increasing channel awareness will likely require close collaboration between Customer Care and Marketing. Developing the Mobile Care channel has the potential to benefit consumers and organizations by leading to added collaboration in other channels of care.

- 59% Expanded Capability
- Improve Quality/Performance
- Integrate with Other Channels
- 24% Increase Channel Awareness
- Other
- 2%
- 5%
- 10%

Among all channels, only the Mobile Care channel had a negative satisfaction differential (Satisfied and Very Satisfied minus Dissatisfied and Very Dissatisfied). Suffice it to say, the feeling among many channel managers is that much work remains to be done to expand the capabilities and efficiencies of the channel.

What is your level of satisfaction with your company's current support of the Mobile Care channel, including SMS chat, mobile apps and mobile chat?


2%	31%	50%	14%	2%
Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
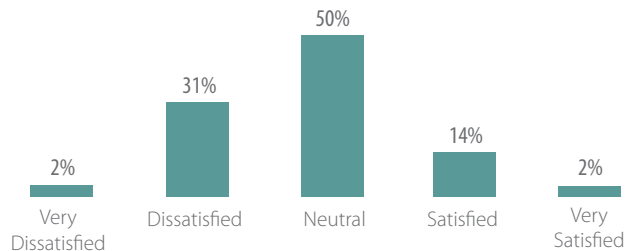
In the past year, how has traffic to Mobile Care channels that require human assistance (such as Mobile Chat) changed?

33%	2%	19%	14%	31%
Increased	Decreased	Remained the Same	Don't Know	Not Applicable
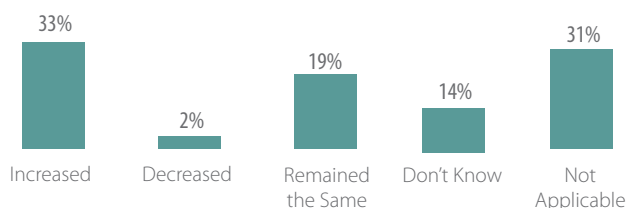
Among all channels of care, only the Social Media Care channel presents a more compelling growth story than the Mobile Care channel. When "N/A" and "Don't Know" responses were removed from the data, 97% of respondents saw no change or an increase in traffic in the Mobile Care channel, compared to 98% for the Social Media Care channel. All indications are that this level of growth will continue into 2015.

Does your company provide Mobile Care support, including mobile apps, SMS text and mobile chat?

- Yes
- No
- Don't Know

2014: 55% / 43% / 2%
2013: 56% / 44% / 0%
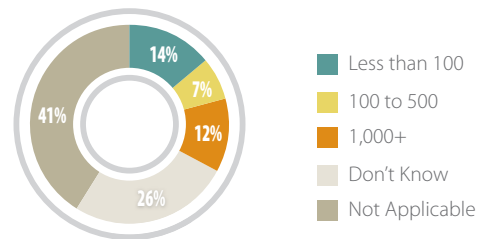**2012:** 27% / 71% / 2%
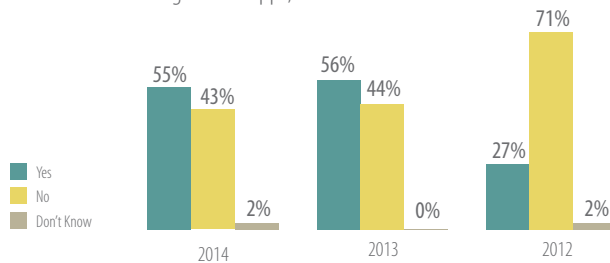
Among all emerging channels, Mobile Care is the least adopted care channel. Only 55% of organizations offer solutions within the channel, and only 27% of these organizations offer solutions that involve human assistance. That said, the Mobile Care channel has experienced the highest rate of growth over the past three years when compared to all other emerging channels.
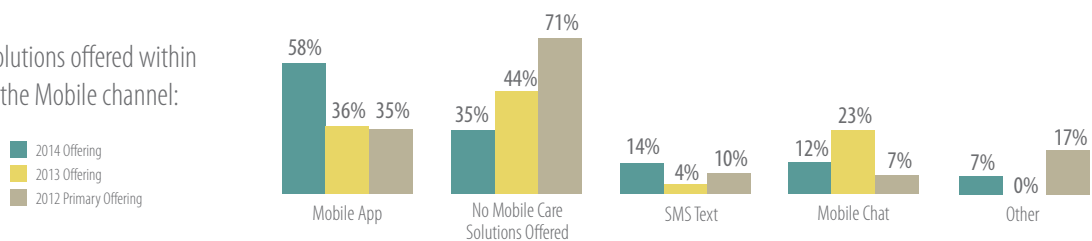
Does your company provide Mobile Care support that requires human assistance, such as mobile chat or SMS text?

YES: 27%

For Mobile Care solutions that require human assistance, how many unique engagements occur per week?

- Less than 100 — 14%
- 100 to 500 — 7%
- 1,000+ — 12%
- Don't Know — 26%
- Not Applicable — 41%

Solutions offered within the Mobile channel:

- 2014 Offering
- 2013 Offering
- 2012 Primary Offering

Mobile App: 58% / 36% / 35%
No Mobile Care Solutions Offered: 35% / 44% / 71%
SMS Text: 14% / 4% / 10%
Mobile Chat: 12% / 23% / 7%
Other: 7% / 0% / 17%

**Is your company's 1-800 number text-enabled?**

YES: 12%

No other solution offers greater opportunity for expansion within the Mobile Care channel than SMS Text. With only 14% of companies currently offering a SMS Text solution — and given the focus on expanding the capabilities within the channel — there is ample room for explosive growth. Enabling text on an existing 1-800 number is a logical first step, and a solution consumers will come to expect in the coming years.
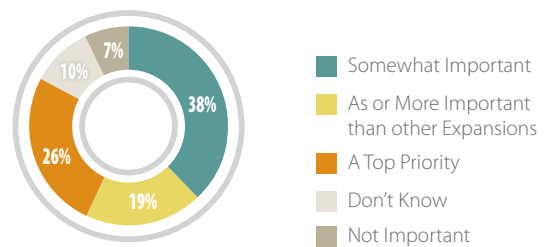
MOBILE – CHANNEL OVERVIEW CONTINUED

While the majority of current investment in the Mobile Care channel is dedicated to Mobile Apps, recent consumer surveying indicates an increasing demand for SMS Text solutions, particularly among younger consumers. Since Customer Demand appears to be the primary driver of channel development, it's reasonable to expect an expansion of human-assisted solutions moving forward. This will result in continued expansion of program FTE counts.

What reason would most compel your organization to develop and/or expand the current Mobile Care channel in the future?

- 81%
- 2%
- 12%
- 5%

- Customer Demand
- Competitor Offers it
- Increased Affordability
- Other
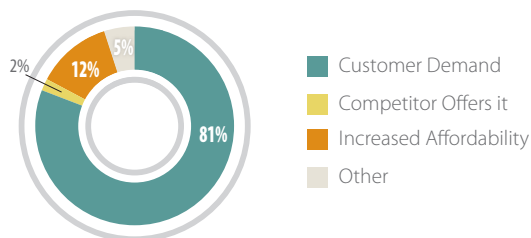
What level of importance does your company place on expanding and/or developing a Mobile Care channel?

- 38%
- 19%
- 26%
- 10%
- 7%

- Somewhat Important
- As or More Important than other Expansions
- A Top Priority
- Don't Know
- Not Important

Like Interactive Care (at 66%), "Customer Demand" is the overwhelming driver of the development and/ or expansion of Mobile Care, registering at 81%. In terms of prioritization, about three times as many organizations consider Mobile Care expansion/development "A Top Priority" compared to Interactive Care. Considering survey participants show the least amount of satisfaction with the Mobile Care channel, it follows that organizations would be eager to prioritize investment within the channel.

Which department is responsible for developing, sustaining and/or expanding the Mobile Care channel?

- 48% Customer Care
- 21% Joint Responsibility
- 19% Marketing
- 7% Information Technology (IT)
- 5% Other
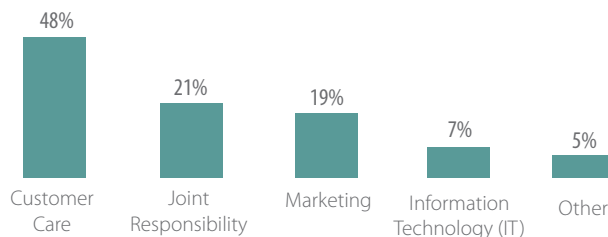
Among all emerging channels, the Mobile Care channel is where the Customer Care organization maintains the highest level of responsibility in terms of development, sustain and expansion. The question of channel responsibility as it applies to Mobile Care is new for 2014. Given the move toward developing a more interactive solution, like SMS-Text, it will be interesting to track the role of customer care as the channel evolves over time.

MOBILE – BUDGET AND STAFFING

In 2014, the Mobile Care channel proved unique in two distinct ways. First, it was the channel that saw the least amount of significant change to staffing, and 100% of that change revolved around hiring more FTEs. Second, Mobile Care channel budgets (2014/2015) saw less decrease than all other channels.

In the coming year, what changes are expected to occur to the budget dedicated to your company's Mobile Care channel?

While the Interactive Care channel continues to see the strongest projected gains in 2015 budget growth (44%), Mobile Care runs a close second (36%). And where Mobile Care falls behind in budget gains, it makes up for the difference where budget decreases are concerned — 11% of survey participants see a budget decrease on the horizon for Interactive Care, as opposed to only 2% anticipating the same for Mobile Care. It's also worth noting that there was no indication of organizationally driven budget cuts. In other words, not a single survey participant saw budget cuts coming across all channels of care.

2015 Budget Forecast

19%

36%

43%

2%

- Increase
- Decrease
- Remain the Same
- Don't Know
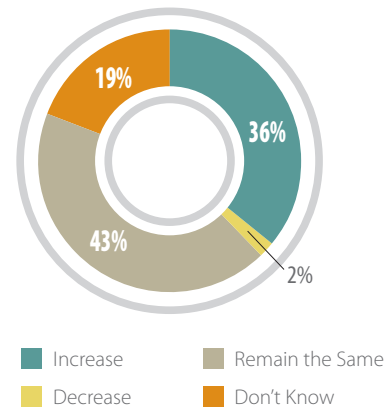
Steady or Increasing

Similar to projections for 2015, survey participants saw little to no reduction in Mobile Care budgets in 2014. This reflects strong channel investment and continued development of channel capability.

2014 Budget Changes

Increased:	29%
Decreased:	2%
Remain the Same:	43%
Don't Know:	26%

In which Mobile Care solution is your company most heavily invested?

As was seen in previous corporate surveying, Mobile Apps continue to dominate the investment landscape of the channel. This should come as no surprise, considering that Mobile Apps are still the most commonly offered solution within the Mobile Care solution toolbox — offered by 58% of companies that participate within the channel. To put this percentage into context, the second most commonly offered solution is SMS Text, offered by only 14% of the companies that participate within the channel.
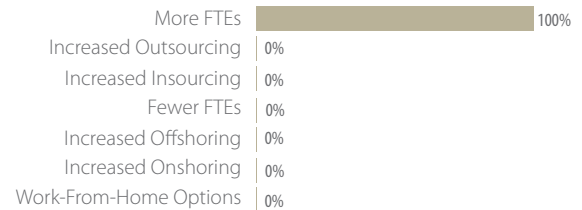
17%

10%

5%

68%

- Mobile App(s)
- SMS Text
- Mobile Chat
- Other
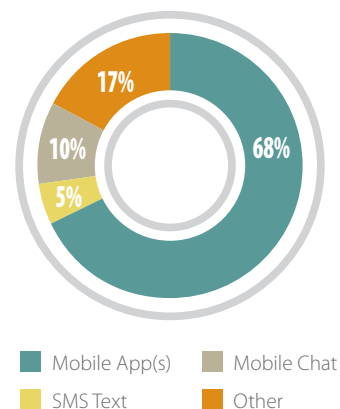
Has the staffing of your company's Mobile Care channel changed significantly over the past twelve months?

YES: 12%

Among all channels of care, the Mobile Care channel experienced the least amount of significant change in 2014, with only 12% of organizations indicating such. Worth noting is that 100% of that change involved adding FTEs.

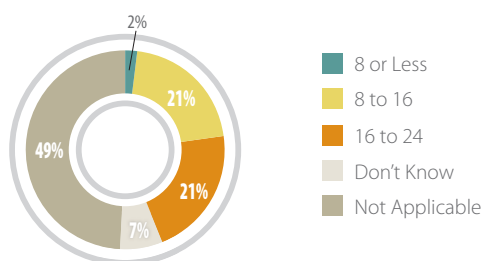**If yes, in what ways has it changed? (Check All)**

More FTEs	100%
Increased Outsourcing	0%
Increased Insourcing	0%
Fewer FTEs	0%
Increased Offshoring	0%
Increased Onshoring	0%
Work-From-Home Options	0%

How many Full-Time Employees (FTEs), both internal and external, are dedicated to your company's Mobile Care channel?

- 1 to 10 — 36%
- 11 to 25 — 5%
- 26 to 50 — 5%
- 51 or More — 5%
- Don't Know — 10%
- Not Applicable — 39%
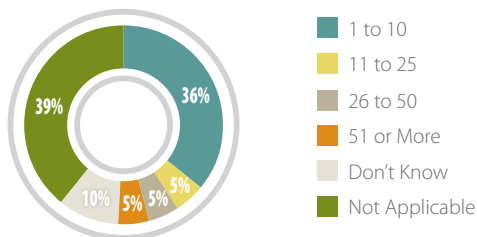
The FTE counts of the teams that support the Mobile Care channel tend to be smaller than the teams that support other channels of care. However, given the indications of FTE growth, the expectation is that the percentage of organizations with 11 or more FTEs dedicated to their Mobile Care support will grow.

Not nearly as many organizations offer human-assisted Mobile Care solutions as compared to other channels, but for those that do, the window of availability is generally larger than that of other channels. This is particularly true as it applies to hours of availability. About half of human-assisted Mobile Care solutions are available for 16+ hours per day compared to less than 30% for Social Media Care.

For Mobile Care solutions that require human assistance, how many hours per day are agents available (on average)?

- 8 or Less — 2%
- 8 to 16 — 21%
- 16 to 24 — 21%
- Don't Know — 7%
- Not Applicable — 49%

For Mobile Care solutions that require human assistance, how many days per week are agents available?

- 5 — 10%
- 6 — 7%
- 7 — 29%
- Don't Know — 10%
- Not Applicable — 44%
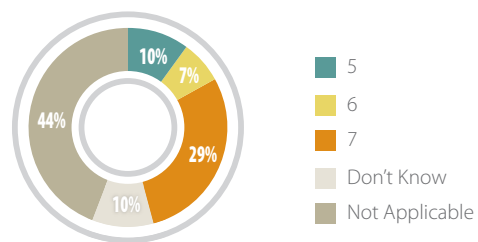
FORTUNE 500 FINDINGS

In the 2014 Customer Experience Management Benchmark Series corporate survey, roughly 20% of participating companies were counted among 2014 Fortune 500 and 2014 Global 500 listings. These lists rank the world's largest and most successful companies by revenue. To provide some additional context for our findings, we've isolated the responses of these select organizations, and provide a selection from these results on the following pages.

FORTUNE 500 RESULTS

Large corporations are not necessarily the end-all, be-all leaders in terms of Customer Experience innovation and best practice. But taking note of this group's experiences, plans and perceptions is a worthy endeavor in understanding the future direction of the industry.

Large organizations, like those survey participants that are Fortune-listed companies, continue to see the bulk of their interactions take place in the Traditional Care channel. That said, inferences about consumer preference still don't sync up well with what consumers are saying about channel preference. If reassured their issue would be resolved regardless of channel of contact, about 50% of consumers prefer an emerging channel of care over the Traditional Care channel.

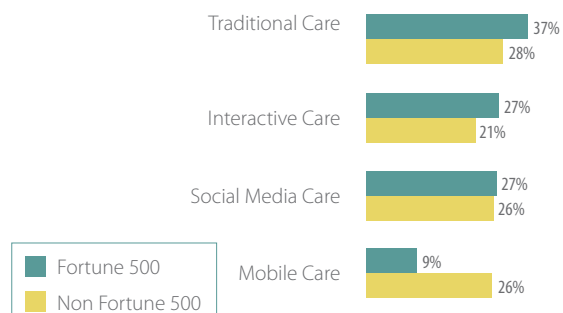### Which channel do you feel your customers prefer to use to engage your brand?

- Traditional Care — 73%
- Interactive Care — 27%
- Social Media Care
- Mobile Care
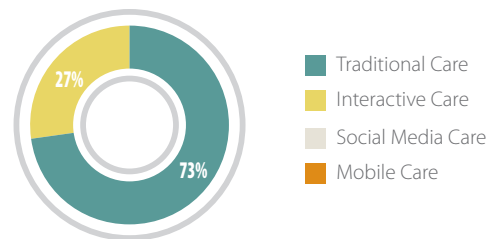
In your estimation, which percentage of total consumer interactions at your organization occur in each specific channel of care?

- Traditional Care — 71%
- Interactive Care — 21%
- Social Media Care — 5%
- Mobile Care — 3%
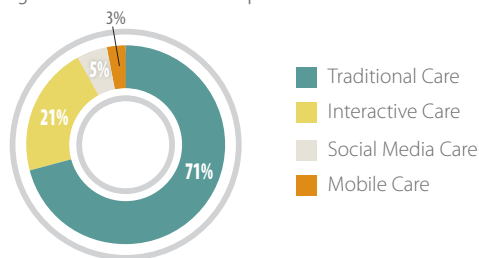
Fortune-listed companies saw slightly less participation within their Mobile Care channel alongside greater Interactive Care engagement. While it is unclear exactly why this might be, the variation definitely has nothing to do with channel availability, as nearly 75% of Fortune-listed companies offer their customers one or more Mobile Care solutions, compared to only about 50% for non-listed companies.

Similar to the "Percentage of Interactions" result highlighted above, Fortune-listed companies saw significantly greater growth in Traditional Care and Interactive Care, with fewer than one in ten Fortune-listed companies indicating Mobile Care as the channel that experienced the most growth in the previous 12 months.
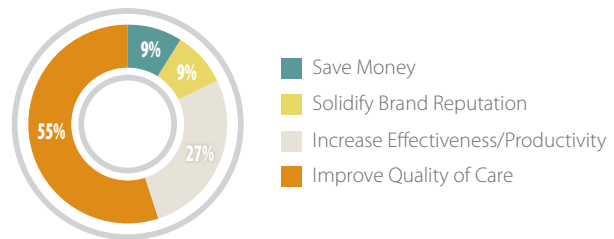
In which customer care channel have you seen the most growth during the past 12 months?

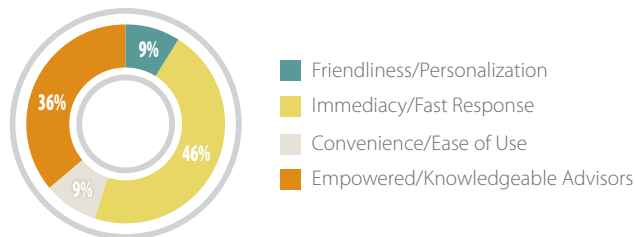| Channel	Fortune 500	Non Fortune 500
Traditional Care	37%	28%
Interactive Care	27%	21%
Social Media Care	27%	26%
Mobile Care	9%	26%

FORTUNE 500 RESULTS

In comparison to the total pool of survey participants, Fortune-listed companies placed much greater emphasis on improving the quality of care. Interestingly, absent as a top priority for all of the Fortune 500 and Global 500 listed brands was "Shift Care to Newer Platforms." While not a top priority for most brands, many of the largest brands are significantly invested in this effort.

What was the top priority of your company's leadership regarding customer experience management over the past 12 months?

- 9%
- 9%
- 27%
- 55%

- ■ Save Money
- ■ Solidify Brand Reputation
- ■ Increase Effectiveness/Productivity
- ■ Improve Quality of Care

Aside from resolving the issue, what factor do you feel most drives customer service satisfaction?

- 9%
- 46%
- 9%
- 36%

- ■ Friendliness/Personalization
- ■ Immediacy/Fast Response
- ■ Convenience/Ease of Use
- ■ Empowered/Knowledgeable Advisors

In a departure from the general pool of participants, the bulk of Fortune-listed companies view "Immediacy/Fast Response" as the greatest driver of customer satisfaction. Comparatively, only 19% or general participants selected this factor as the top driver of CSAT versus 46% of Fortune companies. When it comes to staffing changes, larger companies have also trended towards greater outsourcing in comparison to smaller organizations (46% versus 20%).

Are the bulk of your engagements carried out by company employees or an outside provider?

Company Employees: 45%
Outside Provider: 55%

Has your customer care team been staffed in the same way in the past five years or has it changed (ex.: internal staffing to outsourced or vice-versa)?
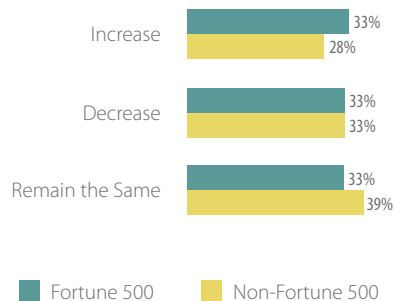
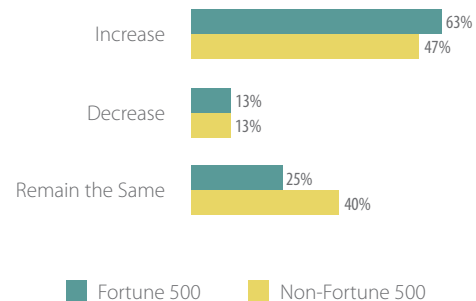|	
From Internal to Outsourced:	46%
From Outsourced to Internal:	18%
Same (unchanged):	36%

FORTUNE 500 RESULTS

On the whole, the 2015 budgetary plans of Fortune 500 survey participants generally tracked those of non-Fortune 500 participants. The one notable exception was in the area of Social Media Care. While Fortune-listed companies indicated a greater tendency toward budget increases across every channel, in the area of Social Media Care, the planned budget increases among Fortune companies outpaced non-Fortune companies by more than three to one. Furthermore, in comparison to all other channels, the highest percentage of Fortune 500 participants saw budget increases headed in the direction of Social Media Care.

Comparison of expected budget changes in the coming year (by channel of care):
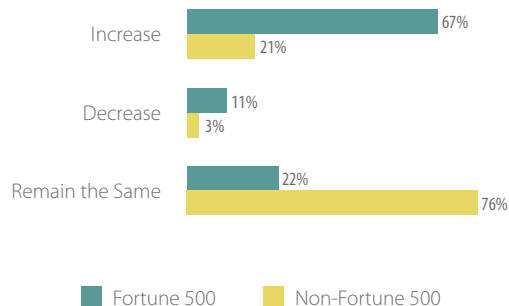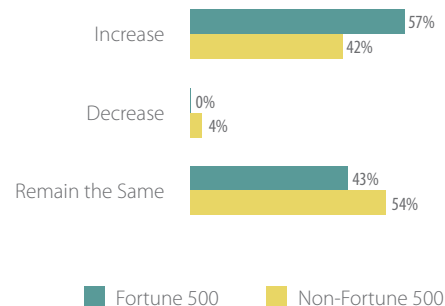
Traditional Care

	Fortune 500	Non-Fortune 500
Increase	33%	28%
Decrease	33%	33%
Remain the Same	33%	39%

Interactive Care

	Fortune 500	Non-Fortune 500
Increase	63%	47%
Decrease	13%	13%
Remain the Same	25%	40%

Social Media Care

	Fortune 500	Non-Fortune 500
Increase	67%	21%
Decrease	11%	3%
Remain the Same	22%	76%

Mobile Care

	Fortune 500	Non-Fortune 500
Increase	57%	42%
Decrease	0%	4%
Remain the Same	43%	54%

CONNECTED
CONSUMER COMPARISONS

The Customer Experience Management Benchmark Series is a bi-annual report composed of two specific editions: the Corporate Edition and the Consumer Edition. New for 2014, we cross-referenced these reports in search of interesting and insightful contrasts.

CONNECTED CONSUMER COMPARISONS

While many interesting correlations and contrasts have been revealed across the Customer Experience Management Benchmark Series, the following three comparisons best summarize the gulf that sometimes exists between consumer and corporate perspectives.

Consumer Perspective

Do you feel that customer care organizations are generally meeting your customer care needs and expectations?
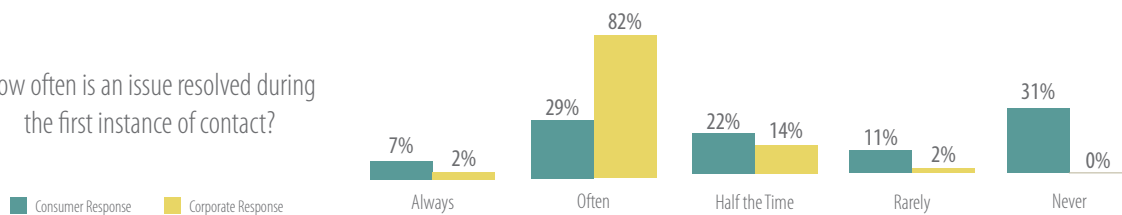
| YES: **22%** | NO: **78%** |

Corporate Perspective

Do you feel your customer care organization is generally meeting the needs and expectations of your customers?
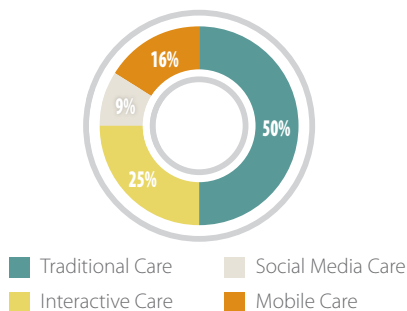
| YES: **88%** | NO: **12%** |

How often is an issue resolved during the first instance of contact?

Consumer Response   Corporate Response

	Always	Often	Half the Time	Rarely	Never
Consumer Response	7%	29%	22%	11%	31%
Corporate Response	2%	82%	14%	2%	0%

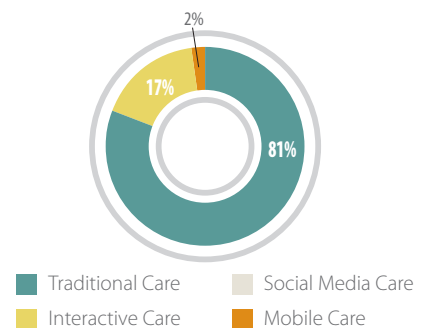## Consumer Perspective

If you knew your customer service issue would be resolved regardless of method, which would be your preferred contact channel?

- 50% Traditional Care
- 25% Interactive Care
- 9% Social Media Care
- 16% Mobile Care

Traditional Care   Social Media Care
Interactive Care   Mobile Care

Corporate Perspective

Which channel do you feel your customers prefer to use to engage your brand?

- 81% Traditional Care
- 17% Interactive Care
- 2% Mobile Care

Traditional Care   Social Media Care
Interactive Care   Mobile Care

COMMENTARY

Meaningful Experiences on Travelzoo's Website Translate to Meaningful Travel Experiences For Its Members

By Lisa P. Oswald, Senior Vice President, Customer Service

Understanding channel needs of the connected consumer is not only part of Travelzoo's service strategy, it is a key part of its revenue plan. Through proactive chat, we are instantaneously meeting consumers where and how they want to engage with us and delivering a highly personalized digital touch at times of buying intent to increase conversion and satisfaction. A three-month pilot sales deployment of proactive chat yielded surprisingly good results, and after its first year, the live chat channel is delivering more than a 30 percent conversion rate, with a 60 percent improvement in average order value (AOV), and a 14 percent improvement in capturing first-time buyers over self-service. Overall satisfaction for the channel is more than 90 percent, and average revenue over investment is an astounding 130 percent, which renders this channel a self-funding operation.

Since 1998, Travelzoo has been a trusted source for high-quality travel, entertainment and lifestyle deals. More than 2,000 of the world's most widely known travel brands list their very best offers with us, and our Travelzoo Deal Experts research, evaluate and test every deal, only authorizing those that offer true value to the customer — in terms of both price and the quality of the experience.

Exploring Live Chat For Sales

In 2013, we began to investigate the potential of live chat as a sales tool. We were not certain if live chat could work for our business — we thought our business was too complex. Because every time you visit Travelzoo, it's a different store, and our dynamic inventory presented both a challenge and an opportunity. With 3,000+ deals available every week, we wanted to help visitors find experiences they didn't even know they were looking for. And as 40 percent of our inbound phone inquiries are pre-purchase questions, we had a big opportunity to meet people online rather than driving them to the phone. With 5.5 million unique monthly visitors to our e-commerce platform, many more visitors were leaving our site with unanswered questions.

Another area of untapped potential was the promotion of add-ons that could increase our average order value and consumers' exposure to our products. For example, members who book a restaurant or spa experience may not realize additional people could be added to the reservation for even greater savings or discounted museum or theater tickets could be added to a hotel deal.

Providing a Great User Experience

Our sales deployment extends proactive chat invitations to targeted website visitors, firing business rules based on visitor behavior. When visitors decline or ignore a proactive chat invitation, a sticky Click-to-Chat button follows them through their site journey; so if they do want help further along the purchase path, they are able to re-engage with us.

We use push pages extensively to recommend various travel options, pushing links to the consumer that show product options in a compelling, graphical manner. Our service team also has visibility into the visitor's full browsing history on the site, so we can say, "I recommend this option that you looked at earlier." This personal advice creates a meaningful connection with the consumer, and supports our brand promise to be a "trusted friend and advisor" to our 27 million members worldwide.

Unexpectedly Positive Results

We were surprised at how quickly customers embraced the live chat channel. From the start, CSAT scores captured in our exit surveys were 90 percent or better, and Net Promoter Scores captured by the same surveys run at around 70 percent of respondents answering nine or ten.

Sales results were also well ahead of expectations from the beginning. Not only did we outperform our targets, we also realized other benefits that we didn't anticipate.

For example, live chat's conversion rate of 36 percent during the pilot was significantly higher than the projected industry average of 23 percent. But even more surprising were the improvements in average order value and the number of items purchased per order compared with self-service.

Our team was also surprised by the amount of incremental revenue brought in by the live chat channel. Post-sales surveys show that more than 70 percent of live chat participants would not have purchased without assistance from a live chat agent, clearly underlining the importance of connecting with consumers in their channel of choice.

Delivering Even Better Results

We continue to test different targeting scenarios to optimize the results of the program, and are experimenting with varying service hours to match visitor site traffic and drive maximum revenue. Live chat is delivering a significant boost to Travelzoo's business results. Conversion rates have remained constant, and average order values are even better — 58 percent higher than with self-service purchases, plus conversion rates for first-time buyers are 14 percentage points better than with self-service.

For Travelzoo, offering chat as a care channel to meet consumer preferences is a win-win. While the sales numbers are incredible, the user experience is even more important. We're making it easy for customers to buy from us through a "personal concierge" service, and they end up with a really great travel experience at a really great price.

Company Profile

Travelzoo Inc. is a global Internet media company. With more than 27 million members in North America, Europe, and Asia Pacific and 25 offices worldwide, Travelzoo® publishes deals from more than 2,000 travel, entertainment and local companies. Travelzoo Deal Experts review offers to find the best deals and confirm their true value. In Asia Pacific, Travelzoo is independently owned and operated by Travelzoo (Asia) Ltd. and Travelzoo Japan K.K. under a license agreement with Travelzoo Inc.

Lisa P. Oswald is Senior Vice President, Customer Service at Travelzoo, based at the company's headquarters in New York, where she is responsible for global service, quality and product operations since 2011. She is the recipient of the Gold Stevie Award® for Customer Service Executive of the Year from American Business Awards and Customer Service Excellence Award from the British Travel Awards, both in 2013. Lisa has successfully led the transformation of service organizations in both entrepreneurial, high-growth enterprises and traditional corporate environments. Whether as a change agent creating best-in-class service cultures or as an operations expert building the most efficient sales and service organization in an industry, she creates value for companies and consumers. Lisa is a proven leader who operates service organizations that improve a company's competitive position and profitability, and creates high-performance cultures with a strong commitment to customer satisfaction and quality.

ABOUT THE STUDY'S METHODOLOGY

The 2014 Corporate Edition of the Customer Experience Management Benchmark
Series was developed using the results of a custom online survey. Consisting of
98 questions, the survey was privately and exclusively solicited by email invitation.
These invites targeted individuals responsible for managing the customer
experience and customer care programs of large B2C and B2C/B2B organizations
in the U.S. and Canada, with the majority of survey participants holding the title of
Vice President or higher. Survey answers were gathered from September 23 through
November 8, 2014.

ABOUT THE STUDY'S AUTHORS

For over a decade, Execs in the Know has built a reputation of excellence in the Customer Experience Industry and a worldwide community of over 40,000 customer experience professionals. They advocate excellence in the Customer Experience which is only possible through knowledge, drive and the power of people. You will find these people in the Execs in the Know Community.

Execs in the Know connects people to great industry content, thought leadership, current industry development, peer to peer collaboration, networking and industry employment opportunities. The Customer Response Summit, Blog Talk Radio, Industry Benchmarking and blogs are a few of the ways that Customer Experience leaders take advantage of the knowledge and power in the Execs in the Know Community.

For more information, visit *ExecsInTheKnow.com*

Driven by innovation, Digital Roots provides industry leading solutions that power efficient and effective customer engagement strategies across the social sphere. Our software is backed by proprietary technology that collects, analyzes and distributes more social engagement data than any other provider. By offering strategic support, creative consulting and resource management, Digital Roots is more than just a software tool — we're an end-to-end solution that ensures measurable success and a strong ROI. We've made it our mission to work with clients to retain customers, increase revenue and enhance their brand's online reputation.

Since inception in 2009, Digital Roots solutions have powered the social care programs of numerous large, enterprise operations — supporting brands that are recognized as leaders in the social media engagement space. Digital Roots currently supports dozens of brands, 80% of which are counted among the Fortune 500. This success has helped place Digital Roots at #567 on INC 5000's 2014 list of America's fastest growing private companies.
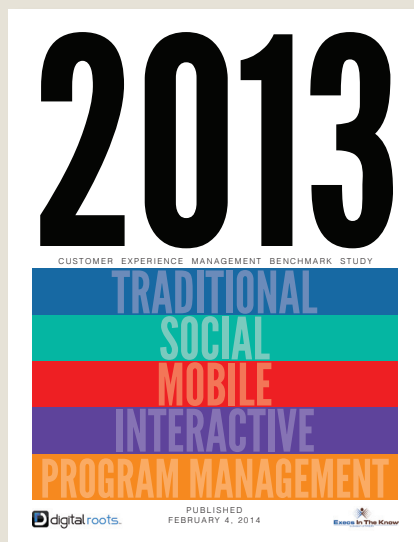
For more information, visit *DigitalRoots.com*

Visit the "Resources" section of ExecsInTheKnow.com
for information on how you can acquire previous editions of
the Customer Experience Management Benchmark Series.
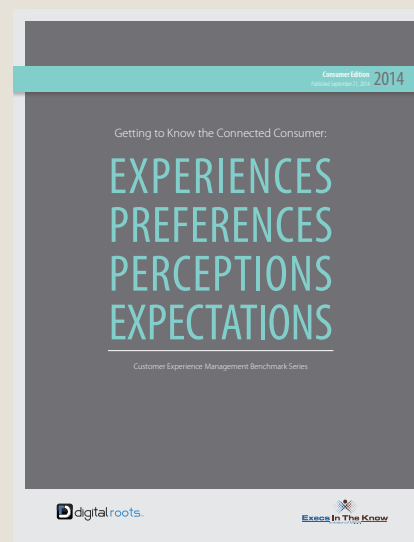

2012 Corporate Edition

2013 Consumer Edition

2013 Corporate Edition

2014 Consumer Edition