CUSTOMER JOURNEY INSIGHTS:

The Consumer's Perspective

Customer Experience Management Benchmark Series

2016 Consumer Edition, Published September 18, 2016

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Execs In The Know

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The Consumer's Perspective

Throughout the report, you will notice a number of different call-outs (referenced below). These are used to indicate findings of particular uniqueness or significance.

Operational INSIGHT / **Strategic INSIGHT**	Survey results focusing on operational and strategic insights.
NEW Analysis	Indicates a new analytical approach to existing data.
Strengthening TREND	Signifies when a result has a defined, strengthening trend.
NEW Question	Indicates a new survey question for 2016.
NOTABLE RESULT	Highlights results worth special note.

REPORT SUMMARY

In 2016, the Consumer Edition of the Customer Experience Management Benchmark (CXMB) Series (titled Customer Journey Insights: The Consumer's Perspective) places more emphasis on the customer journey than ever before. In addition to maturing data sets and a host of new questions, this year's report introduces two new sections: The Millennial Consumer (Page 35) and The Alternative Channel Customer Journey (Page 57). These entirely new sections are aimed at understanding the evolution of the customer experience, both demographically and by channel.

The Millennial Consumer section looks at a number of key consumer behaviors and preferences, comparing the results across Millennial and non-Millennial consumer groups. While this is the series' first venture into demographic-based reporting, the results tell an interesting story — one that will continue to evolve in future reports.

The Alternative Channel Customer Journey section examines the customer journey as it traverses the various alternative channels of care, including Interactive, Social Media and Mobile Care. Issue resolution rates, channel shift and brand perception are all topics of exploration, shedding new light on these increasingly important channels of care.

As with past reports, we continue to approach results by dividing care solutions into four distinct channels: Traditional, Interactive, Social Media and Mobile. These channels continue to be defined in the following manner:

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*

While the entirety of this year's report is filled with insightful and compelling results, here are a few findings worth highlighting:

- *There was a measurable improvement in the consumer's overall impression of the customer care they received in 2016, but much work remains*
- *While the preference for Traditional Care remains strong, there was a slight pullback in 2016*
- *Consumer preference for human assistance over automated/self-help systems remains strong*

A NOTE FROM THE STUDYS' AUTHORS

We are pleased to mark the second year of the unique partnership between Execs In The Know and COPC Inc. with the publication of the 2016 CXMB Series Consumer Edition — Customer Journey Insights: The Consumer's Perspective. It is our sincere pleasure to be able to continue to bring this research to the customer care community.

As in previous years, we have done our best to transform feedback from previous reports into new ideas, directions and areas of exploration. We want to thank everyone who took the time the share their opinions. Whether you are new to the CXMB Series or you've been a reader for years, we want to encourage you to play a role in shaping future research. Please let us know what's working, what's missing and where we should focus next.

We also want to encourage you to share this research with your network. Most organizations are struggling with many of the same issues and, time and again, the CXMB Series has been instrumental in kick-starting conversations among CX leaders. While this research can provide a glimpse into the actions and attitudes of consumers and industry professionals alike, nothing is as insightful as a conversation with colleagues and industry peers. We hope this research will continue to act as a launch pad for those conversations.

A special thanks to Jeff Camp from TXU Energy and Matt Zurcher from HomeAdvisor for contributing this year's corporate commentaries. We truly appreciate your time and expertise!

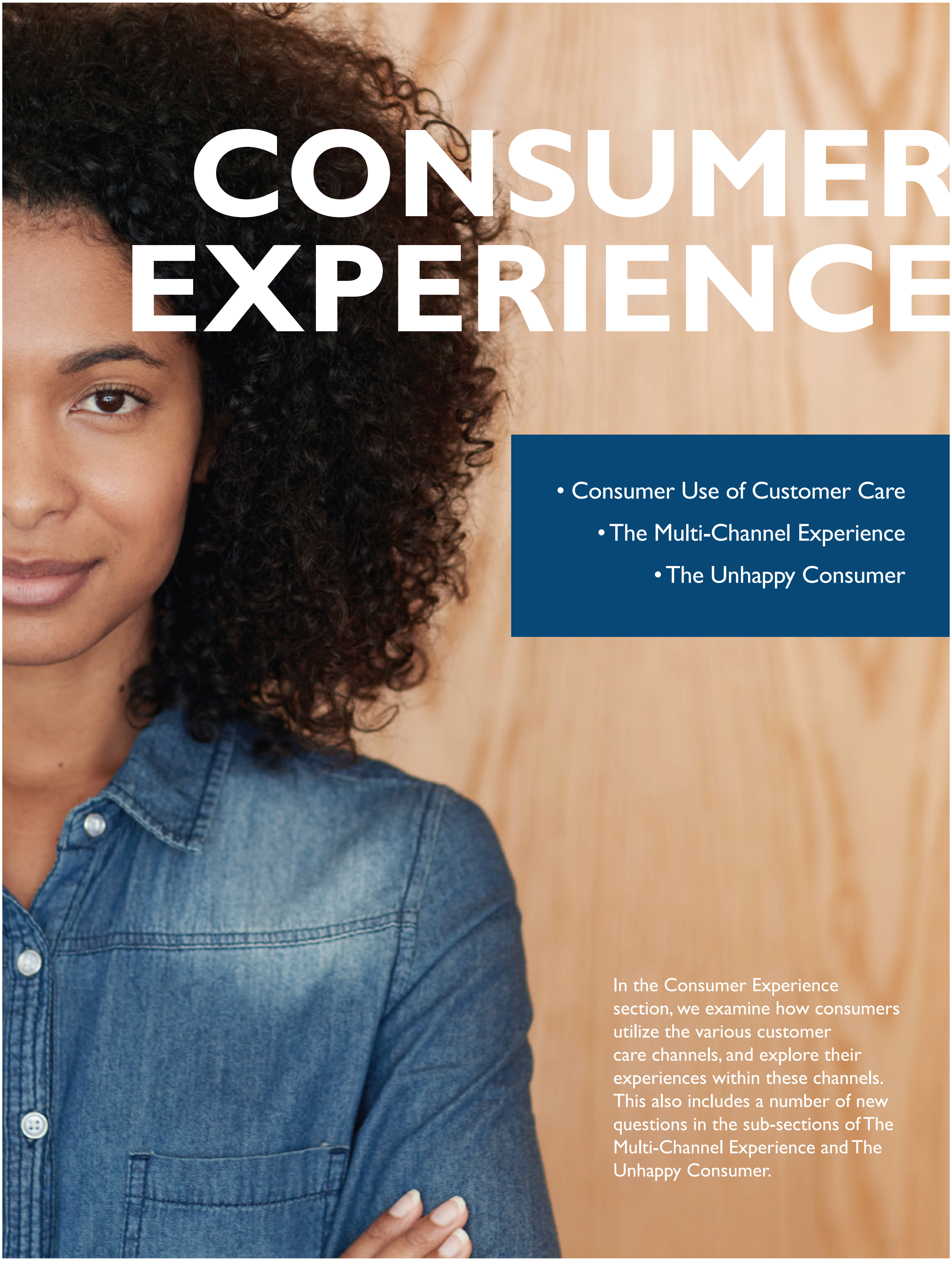
We look forward to bringing you the next installment of the CXMB Series — the 2016 Corporate Edition — due to be published in February 2017.

COPC™ Execs In The Know

Have your say in the 2016 Corporate Benchmark!

In conjunction with the release of the 2016 Consumer Edition of the CXMB Series, we are also in the midst of collecting survey responses for the upcoming 2016 Corporate Edition. The Corporate Edition is an important part of the CXMB Series, serving to provide a complete picture by providing insights into how precisely brand actions align with consumer expectations. Your participation is critical in the success of this vital companion piece. Results from this survey will be included in the 2016 Corporate Edition report, scheduled for publication in early 2017.

For more information on how you can participate, please contact Susan McDaniel at Susan@execsintheknow.com



CONSUMER EXPERIENCE

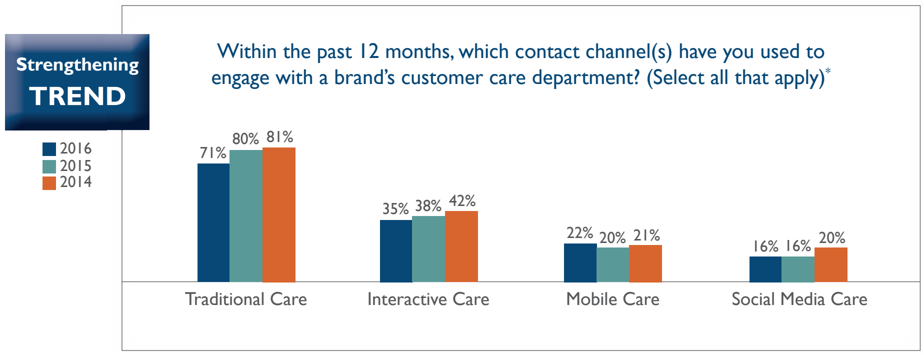
- Consumer Use of Customer Care
- The Multi-Channel Experience
- The Unhappy Consumer

In the Consumer Experience section, we examine how consumers utilize the various customer care channels, and explore their experiences within these channels. This also includes a number of new questions in the sub-sections of The Multi-Channel Experience and The Unhappy Consumer.

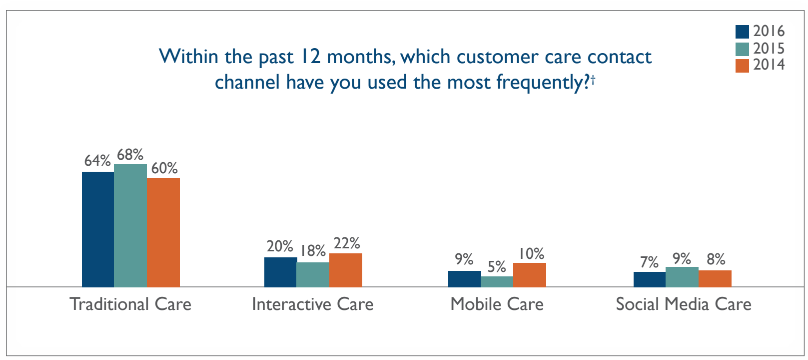
CHANNEL USE AND MOST FREQUENT USE

Consumer Experience — Consumer Use of Customer Care

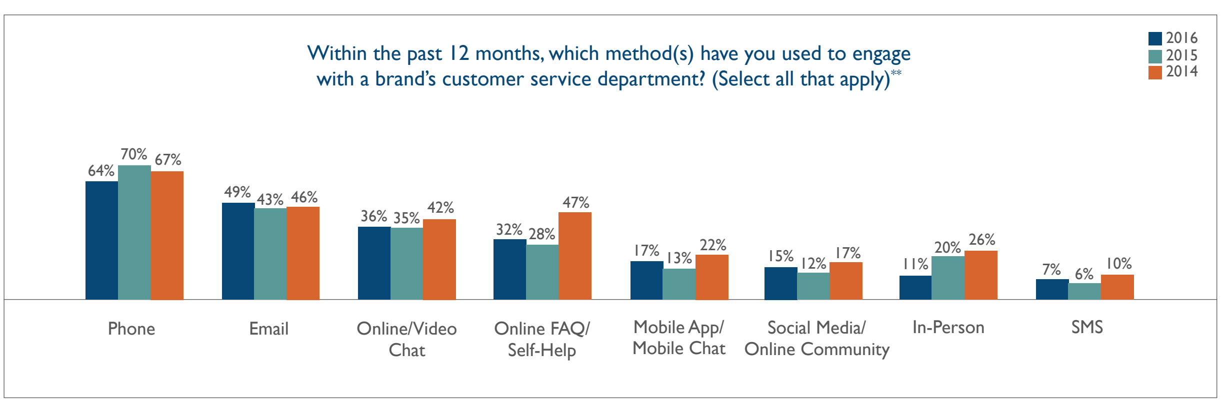
In analyzing three years of results, some downward pressure has appeared in the consumer's use of both Traditional and Interactive Care channels. While worth noting, these results should be considered in the context of two very important points. First, Traditional Care remains the most commonly utilized channel of care, still used more than twice as often as Interactive Care, the consumer's second channel of choice. Second, results from the 2015 Corporate Edition of the CXMB Series continue to indicate Traditional Care as the channel of most growth in terms of overall volume. Combine this with the fact that Traditional Care plays a role in roughly three-quarters of all multi-channel engagements (Page 14), and it is apparent that these results should not yet sound any alarms, but rather signal a call for closer monitoring of volumes going forward.



In addition to the question of overall utilization, we asked consumers to indicate which channel they used the most over the previous 12 months. Not surprisingly, Traditional Care led the way by two-thirds. Compared to 2015, Mobile Care also leapt forward with nearly twice as many survey participants indicating Mobile Care as the channel they used most.



Finally, we asked about channel solution use. Mirroring overall channel use, there was a sizable decrease in phone and in-person use, with increases in Mobile App/Mobile Chat.



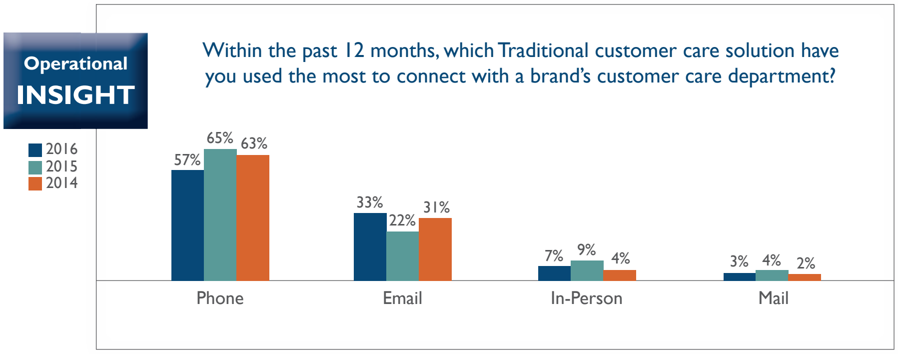
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 269 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 230 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 246 online responses. Sample: National Adult Internet Population.

SOLUTION USE BY CHANNEL

Consumer Experience — Consumer Use of Customer Care (cont.)

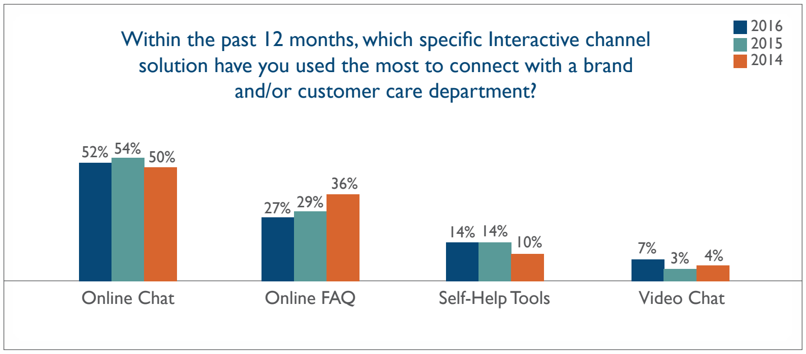
As in previous years, we screened participants for use of specific channels over the previous 12 months. Once qualified as a channel user, we asked participants to indicate which specific channel solution they used the most over the previous 12 months. For each channel, we asked about the solution of most use, except Social Media Care (following page), which is an indication of all social media communities used over the previous 12 months.

TRADITIONAL CARE*



A reflection of results from the previous page, the Traditional Care channel saw a decrease in percentage of participants indicating "Phone" as the solution most used in the past 12 months. Perhaps even more surprising was the increase in the use of "Email" (+50%). A similar increase was also reflected in the overall solution use (previous page).

INTERACTIVE CARE†



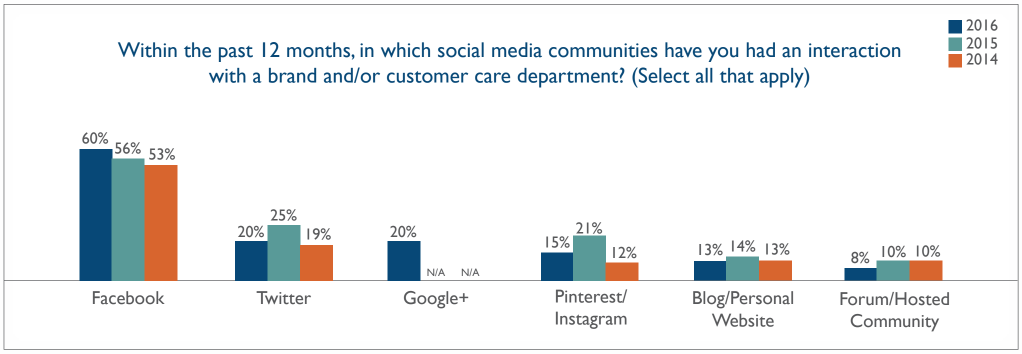
When it came to solution use in the Interactive Care channel, little changed year-over-year. Perhaps the most notable change was the increase in the adoption of Video Chat among consumers. While the numbers are still small, it's a channel solution worth watching, as the technology offers businesses ample room to innovate and solve problems in ways unique to the medium. To remain competitive, businesses must be careful to evolve alongside the consumer. To that end, brands should understand where their customers stand on adopting new channels and technologies.

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 243 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 273 online responses. Sample: National Adult Internet Population.

SOLUTION USE BY CHANNEL (cont.)

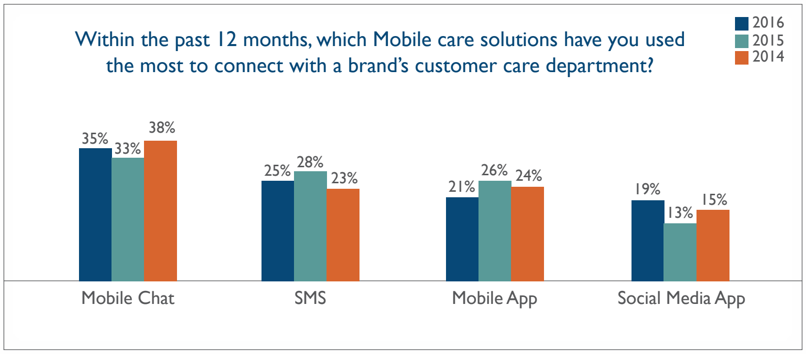
Consumer Experience — Consumer Use of Customer Care (cont.)

SOCIAL MEDIA CARE*



When it comes to consumer interactions with brands and their customer care departments, Facebook continues to dominate the social media community mix, further strengthening its role in 2016. Twitter, Pinterest/Instagram and Google+ also play significant roles in this space, with the latter being broken out as a stand-alone community for the first time in this year's survey.

MOBILE CARE†



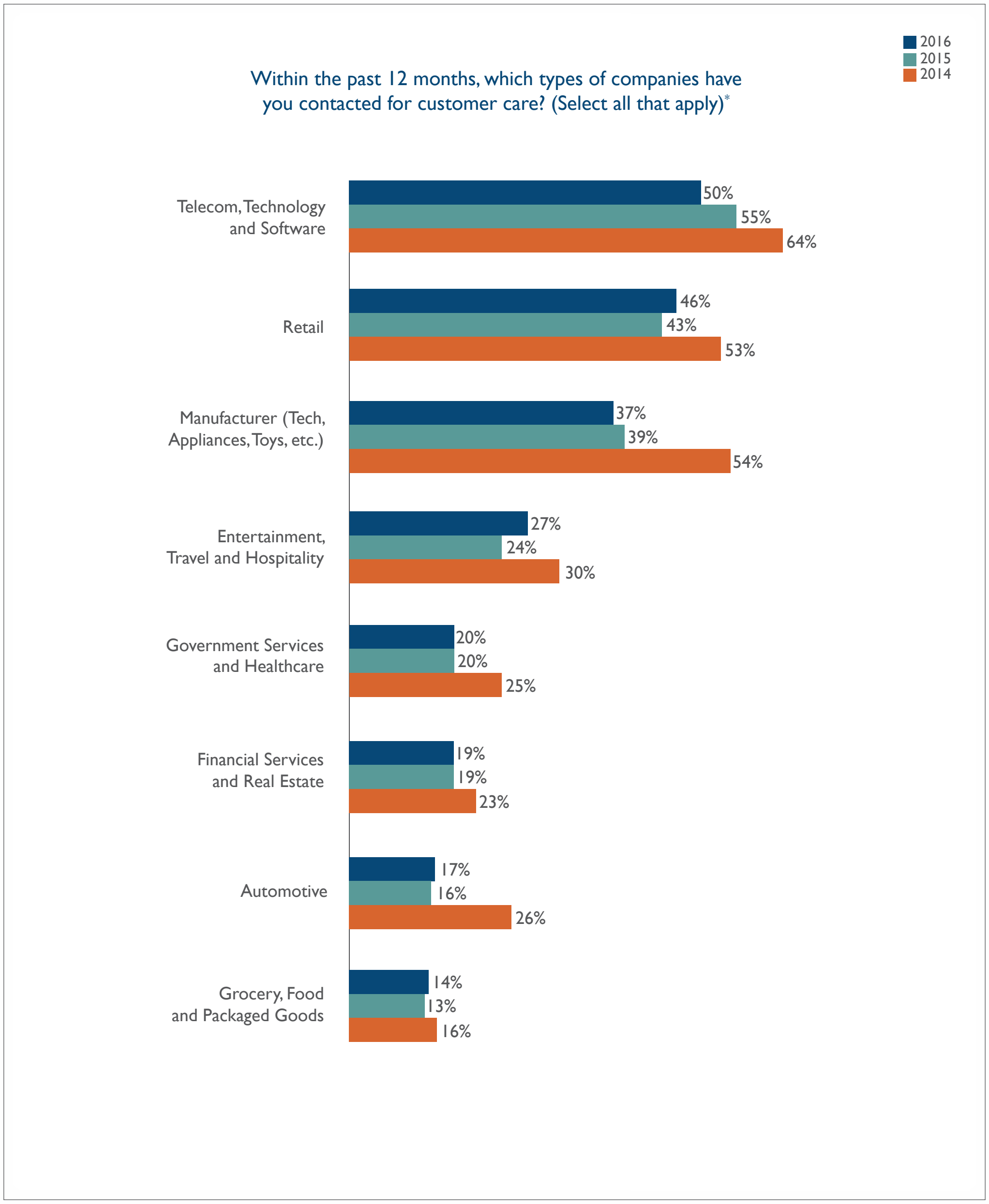
Perhaps the biggest surprises for channel solution use were reserved for Mobile Care, the only channel to see substantial year-over-year growth in 2016 (Page 6). Only a year ago, the data suggested that Mobile Chat might further decline, while SMS would continue to see steady increases. A firm trend failed to materialize. Additionally, Mobile App and Social Media App use also reversed course, with the latter jumping up a full 46% from 2015 to 2016.

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 353 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 207 online responses. Sample: National Adult Internet Population.

CARE USE BY INDUSTRY

Consumer Experience — Consumer Use of Customer Care (cont.)

Over the previous 12 months, "Telecom, Technology and Software" and "Retail" continued to lead the way in terms of the types of industries most contacted by consumers for customer care. While most industries have seen steady multi-year declines in the percentage of survey participants who indicated contact, this follows a similar pattern seen in overall customer care use. In 2014, 27% of survey respondents indicated they had at least one customer engagement over the previous 12 months. In 2015, that number fell to 20% and, in 2016, it fell further to just 12%. While these numbers are not necessarily indicators of overall volume (given factors like population growth and repeat traffic), they do seem to suggest that a decreasing percentage of individuals directly engaged brands in a customer care capacity from 2014 to 2016.

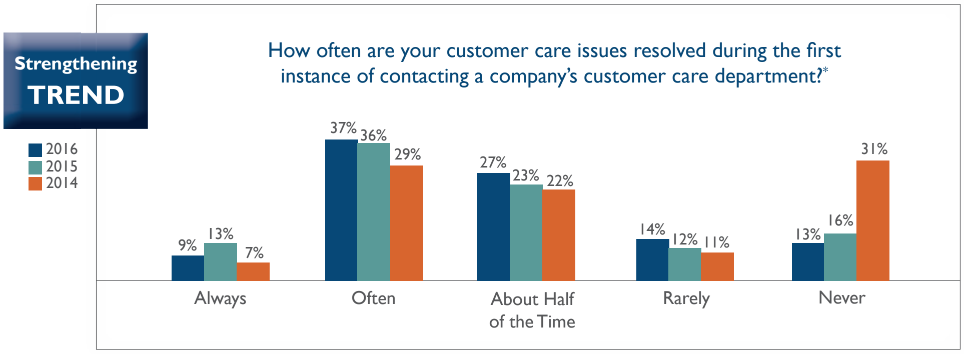


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 224 online responses. Sample: National Adult Internet Population.

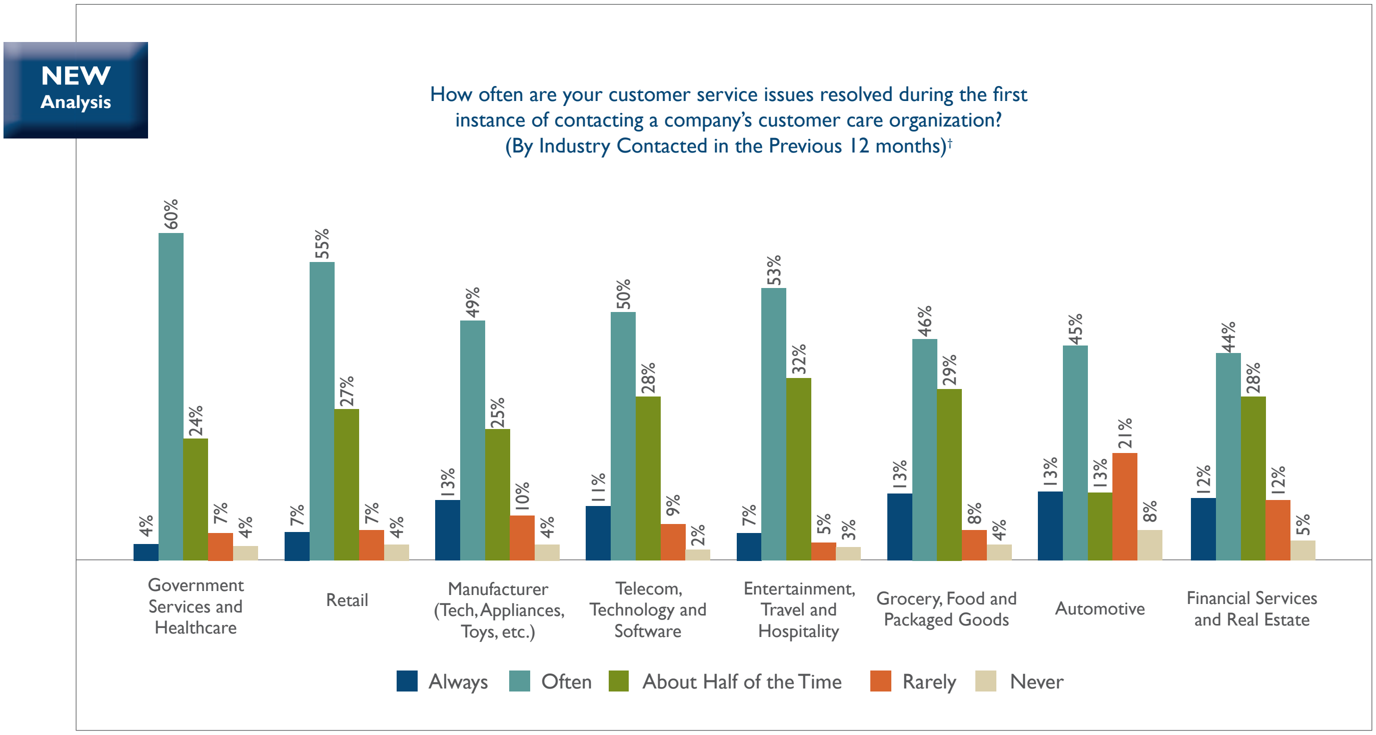
FCR AND FCR BY INDUSTRY

Consumer Experience — Consumer Use of Customer Care (cont.)

On the whole, consumer perception of First Contact Resolution (FCR) held mostly steady over the past 12 months. There was a noticeable drop in the number of consumers who saw their customer care issues as "Always" resolved on the first instance of contacting a company (-31%), but this was partially offset by a shift in those who responded "Never," which saw a 19% year-over-year drop. Given the rise of multi-channel engagements and forced channel shifts, as well as the role FCR plays in providing a positive customer experience, companies must not lose sight of how important it is to provide a FCR to their customers.



According to survey participants, and similar to last year's results, Retail, Telecom/Technology/Software and Government Services/Healthcare continued to provide the highest rates of FCR. Financial Services/Real Estate, on the other hand, saw a 29% decline in its combined "Always" and "Often" responses. Other industries that fared better in 2015 than in 2016 include Automotive (64% Always/Often in 2015) and Grocery/Food/Packaged Goods (68% Always/Often in 2015).

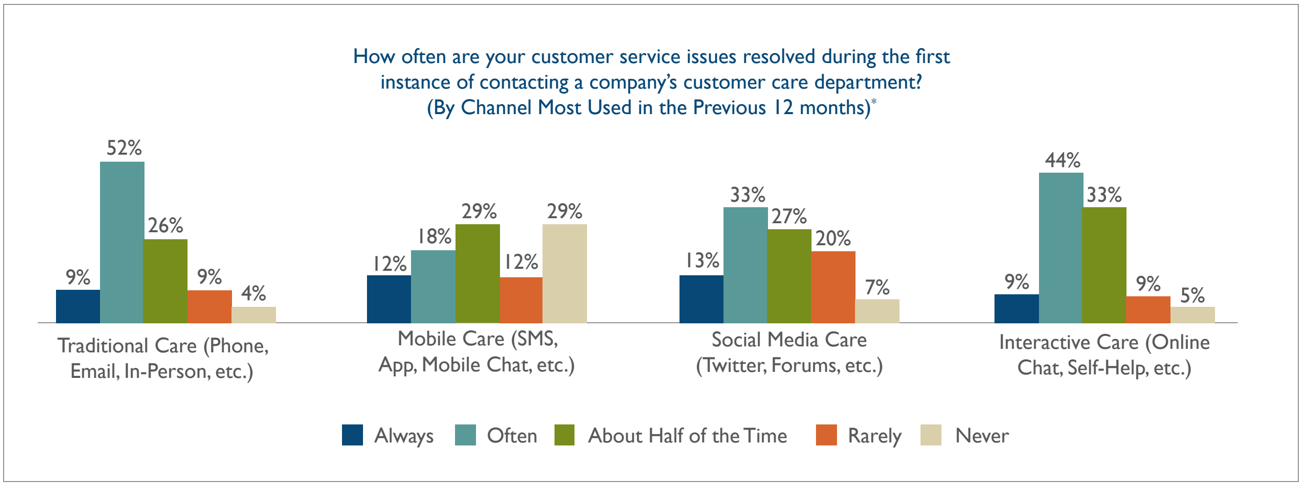


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 436 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 221 online responses. Sample: National Adult Internet Population.

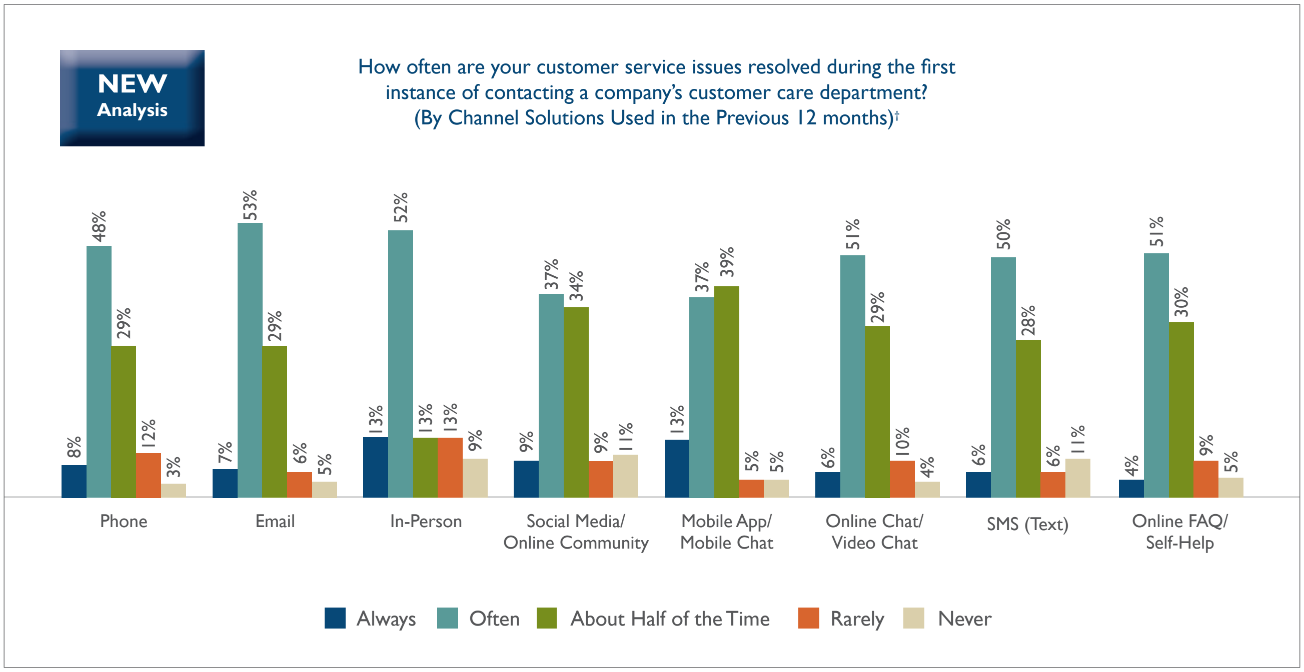
FCR (BY CHANNEL AND SOLUTION)

Consumer Experience — Consumer Use of Customer Care (cont.)

When cross-referencing FCR with channel use, Traditional and Interactive Care channels saw highly consistent results from 2015 to 2016 — with all results within a 3% range. Mobile Care and Social Media Care were an entirely different story. In 2015, "Always" and "Often" accounted for 81% of responses for Mobile Care, compared to just 30% of responses in 2016, suggesting a drastic reduction in the effectiveness of the channel. Social Media Care revealed a more positive storyline, with 30% of 2015 responses occurring as "Always" or "Often," becoming 46% in 2016, depicting an improvement in performance.



In new analysis for 2016, we also cross-referenced FCR results to solution use. While results across solution were generally the same, there were some slight variations: In-Person (65% combined "Always" and "Often") and Email (60% combined "Always" and "Often") provide consumers with the highest rate of FCR as indicated by the survey's participants. Conversely, Social Media (46% combined "Always" and "Often") and Mobile App/Mobile Chat (50% combined "Always" and "Often") provide consumers with the lowest rates of FCR.

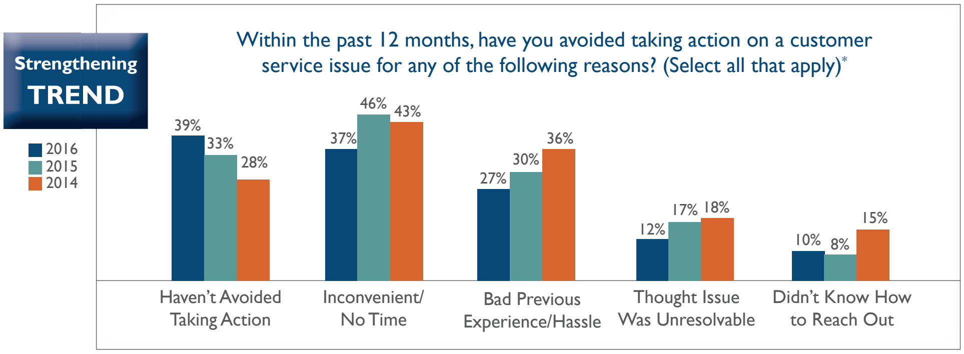


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 228 online responses. Sample: National Adult Internet Population.

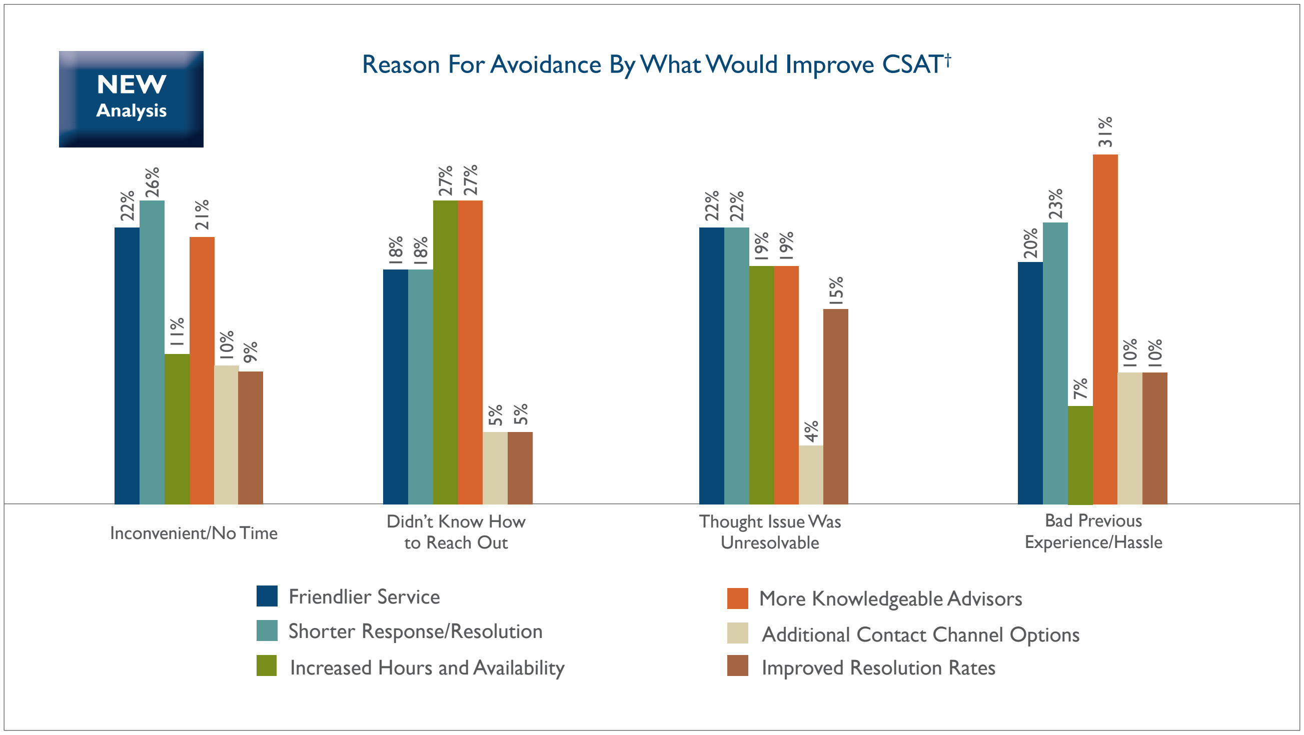
CARE AVOIDANCE

Consumer Experience — Consumer Use of Customer Care (cont.)

The story for Care Avoidance continues to be a positive one. The increasing trend in the number of survey participants selecting "Haven't Avoided Taking Action" is an indication of one of two scenarios. The first scenario is that consumers are having fewer issues with the products and services they purchase, therefore not requiring an engagement. The second is that consumers are having issues, but do not feel the need to avoid interacting with customer care, for whatever reason. Either way, this is good news for both businesses and consumers.



In new analysis for 2016, we isolated individuals who had avoided taking action on a customer care issue in the previous 12 months (above), and matched their reasons for avoidance with a separate question regarding what would improve their level of satisfaction (below). Considering the fact that the majority of consumers who avoided customer care interactions did so because it was perceived to be "Inconvenient/No Time" or because of a "Bad Previous Experience/Hassle," the results below show that providing more knowledgeable, friendlier advisors and targeting responses times are key changes to improving the future satisfaction of those individuals who have avoided customer care in the past.



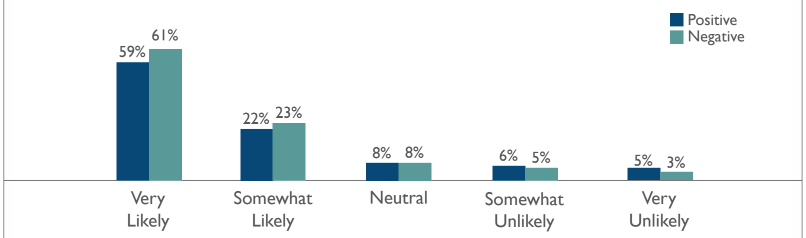
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 272 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 247 online responses. Sample: National Adult Internet Population.

THE IMPACT OF AN EXPERIENCE

Consumer Experience — Consumer Use of Customer Care (cont.)

While showing slightly less influence versus last year's results, survey participants continue to indicate that the customer care experience has a profound and powerful influence on their future purchase intent, with negative experiences continuing to have slightly more impact than positive experiences. Additional findings exploring the impact of experience on purchase intent can be found in the Unhappy Consumer section (Page 20).

How likely or unlikely is it that an experience (positive or negative) with a brand's customer care department would affect your future purchase decisions?*



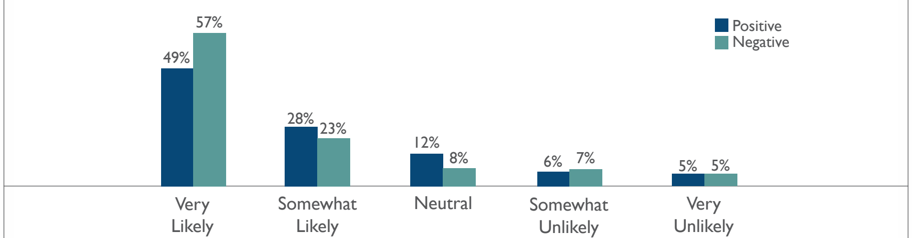
Has a brand ever lost your business because you received poor customer care?†

2016 — YES: 59%
2015 — YES: 56%

Although the year-over-year increase in response to the above is minor, the fact remains that the majority of consumers don't shy away from pulling their business as a direct result of receiving poor customer care. Businesses need to consider this fact, especially in light of any cost-cutting or other moves that could degrade the quality of care.

Like influence over purchase intent, consumers continue to indicate a strong likelihood of sharing an experience with a brand's customer care department (both positive and negative) with other consumers. The implications of these results, which closely matched 2015 results, cannot be underestimated. Undeniably, the experiences provided by customer care organizations have a compounding effect and significant ability to either help or hurt not just sales, but also the wider image of the brand.

How likely or unlikely is it that you would share an experience (positive or negative) with a brand's customer care department with friends, family and others?**

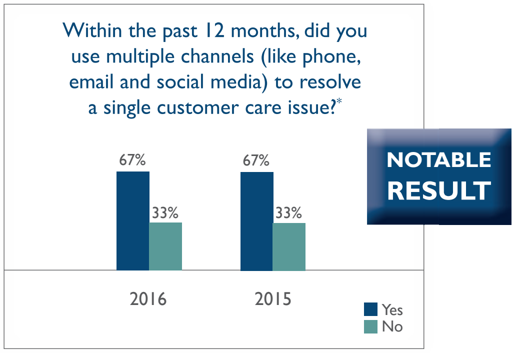


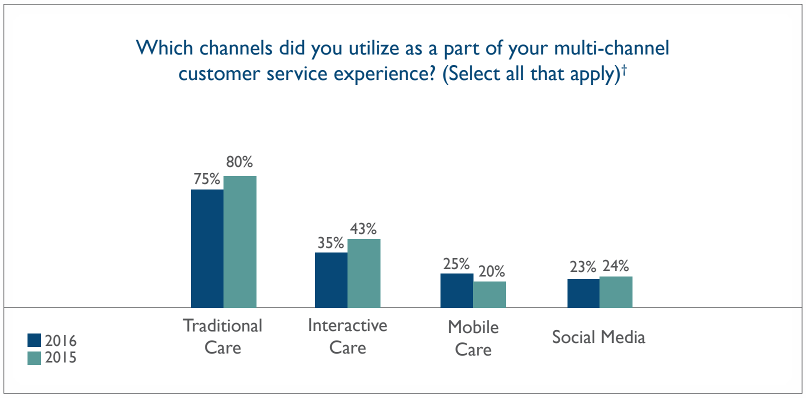
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 222 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 206 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 222 online responses. Sample: National Adult Internet Population.

MULTI-CHANNEL USE (BY CHANNEL AND SOLUTION)

Consumer Experience — The Multi-Channel Experience

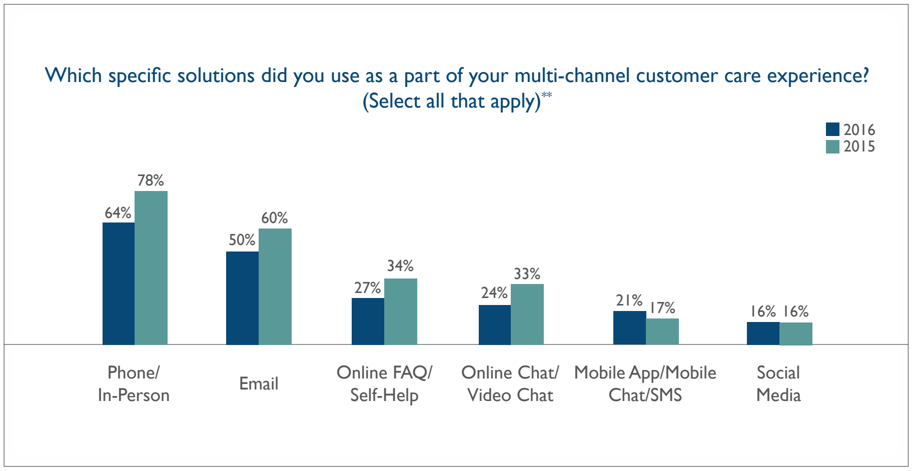
Just like last year, 67% of survey participants acknowledged partaking in at least one multi-channel engagement to resolve a specific customer care issue within the previous 12 months. Given the continued strength of this number, companies should focus on what a multi-channel experience looks like for their customer, emphasizing resolution rates, user ease and consistency across channels. While a reasonable expectation could have been for this number to increase, these results provide further proof that multi-channel journeys are an increasingly familiar experience among the majority of consumers.





Echoing results from the previous section (Consumer Use), Traditional and Interactive Care channels saw slightly diminished roles in the multi-channel experience, while Mobile Care saw a significant rise relative to its standing in 2015. With these results in mind, it's important to note that Traditional Care continues to play a part in three-quarters of all multi-channel engagements.

When examining which specific channel solutions comprise the typical multi-channel engagement, Phone/In-Person and Email continue to find a place in a large portion of multi-channel engagements, although these results, along with Interactive Care solution, saw a sizable retreat from 2015 levels. Mobile Care channel solutions were the only solution set to see a year-over-year increase, now playing a role in more than one-fifth of all multi-channel engagements.

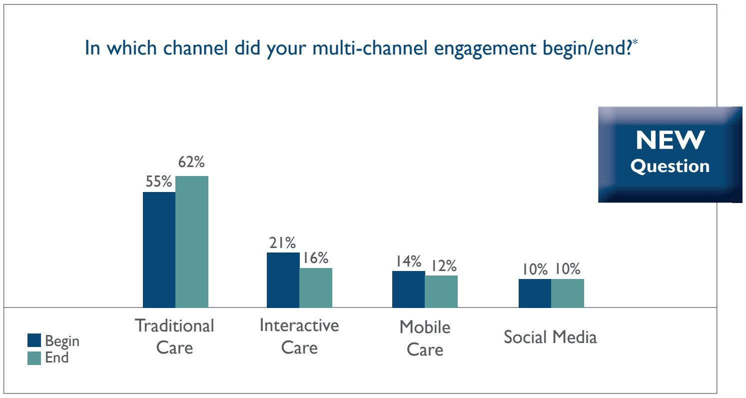


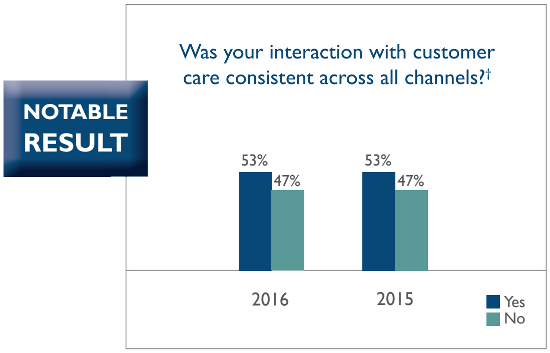
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 465 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 287 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 264 online responses. Sample: National Adult Internet Population.

CONSISTENCY AND CAUSE

Consumer Experience — The Multi-Channel Experience (cont.)

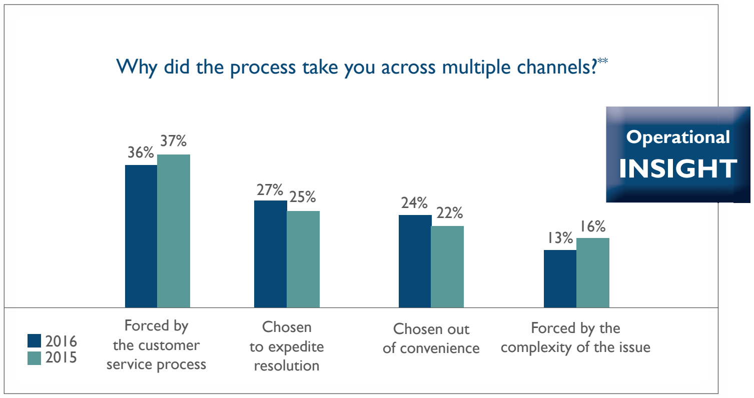
Not surprisingly, the majority of multi-channel engagements begin and end in Traditional Care. In analyzing the overall results, it becomes apparent that Traditional Care, more than any other channel, is the one most capable of providing a resolution. We can draw this conclusion since we know more multi-channel engagements end in Traditional Care than begin there. This suggests that both Interactive and Mobile Care feed into the Traditional Care channel.





Consistency across channels continues to be underwhelming, with only a slight majority of survey participants reporting a consistent experience. Furthermore, there was no year-over-year improvement. This shows that brands still have a fair amount of work to do to ensure their channels are operating from the same playbook, providing a reliable, consistent experience as customers navigate through multiple channels.

The percentage of consumers who choose a multi-channel approach — as opposed to being forced into one — remains mixed. In 2016, 51% of consumers who took a multi-channel approach found themselves there as a result of choice, compared to 47% in 2015. Conversely, 49% are forced into a multi-channel approach. As will be demonstrated on Page 17, choice is a critical ingredient in both higher resolution rates and improved customer satisfaction (CSAT) levels.

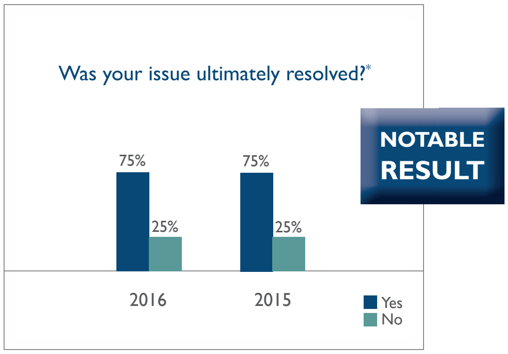


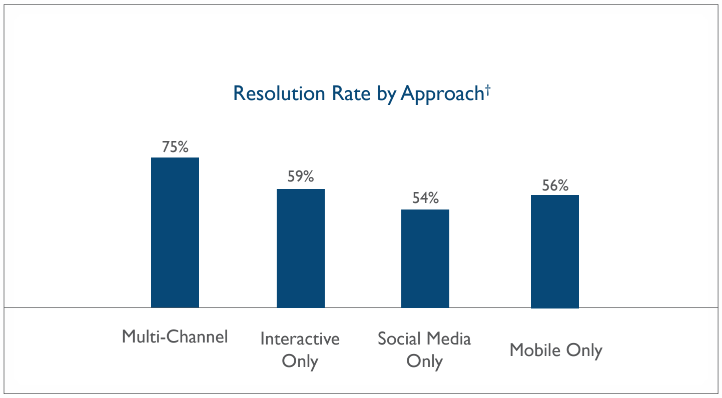
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 272 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 258 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 301 online responses. Sample: National Adult Internet Population.

RESOLUTION AND SATISFACTION

Consumer Experience — The Multi-Channel Experience (cont.)

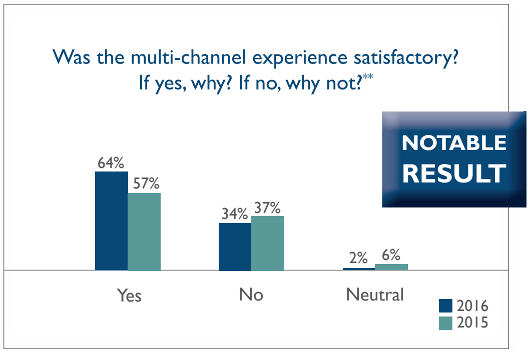
Among survey participants, three-quarters of consumers who find themselves in a multi-channel approach receive a resolution. As seen below, this rate compares quite favorably to the rates provided by each of the individual alternative channels of care. Although these rates compare favorably, companies should seek to increase this rate further to drive higher levels of CSAT





Based on new research aimed at alternative channels, it's apparent that a multi-channel approach provides a superior resolution rate when compared to any single alternative channel. For more details on alternative channel resolution rates, see the Alternative Channel Journey section (Page 57).

Satisfaction with the multi-channel experience improved, even registering an observable year-over-year gain for 2016. Given the prevalence of the multi-channel experience, companies would do well to begin to track and understand how consumers perceive the multi-channel experience with their specific brand.



In a follow-up to the question posed at left, we asked consumers to specify why the experience was either satisfactory or not. The below verbatim represent the most common themes we received to this question of why:

YES

"Fast and convenient"

"I felt ignored until I started using multiple channels to get someone's attention"

"Sometimes things are easier to resolve with multiple options"

"You pick up different things from different sources"

NO

"Feel like I was being giving the run around"

"I used several because I had no faith they would pay attention"

"Too complicated"

"I wasted a lot of time and effort until I was finally able to speak with someone"

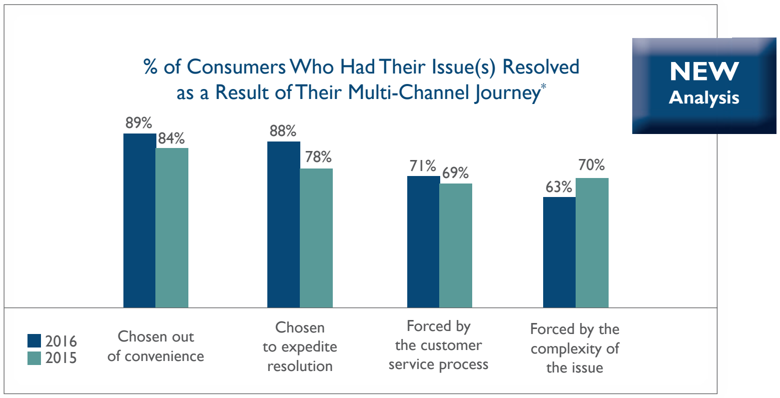
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 257 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 257 (Multi-Channel), 437 (interactive), 590 (Social Media) and 257 (Mobile) online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 183 online responses. Sample: National Adult Internet Population.

RESOLUTION AND SATISFACTION (cont.)

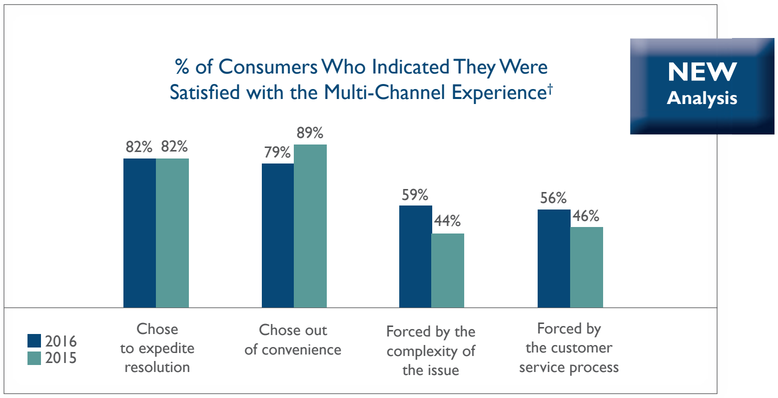
Consumer Experience — The Multi-Channel Experience (cont.)

This year, we took our multi-channel analysis one step further by cross-referencing the question of why consumers found themselves in a multi-channel approach (Page 15) with questions pertaining to resolution rate and CSAT. The results are both powerful and instructive. As seen below, providing consumers with choice plays a critical role in determining both the outcome (resolution rate) and satisfaction. More specifically, a relationship appears to exist between a multi-channel experience of choice and elevated resolution and CSAT rates. We also ran a similar analysis on last year's results and discovered the same exact relationship. As a result, brands should carefully consider this relationship when deciding whether or not to deploy forced channel shifting.

When it comes to issue resolution, consumers experience a significantly improved resolution rate if they find themselves in a multi-channel engagement by their own choosing. When forced into a multi-channel journey, survey participants experienced an average resolution rate of just 69%, compared to 89% for those who freely chose to take a multi-channel approach.



Similar to the relationship between choice and resolution rate (outlined above), choice also leads to improved CSAT levels as it applies to the multi-channel experience. Among survey participants who chose to take a multi-channel approach, an average of 80% indicated they were satisfied with the experience. This compares to an average of just 57% for those who were forced into the multi-channel approach.



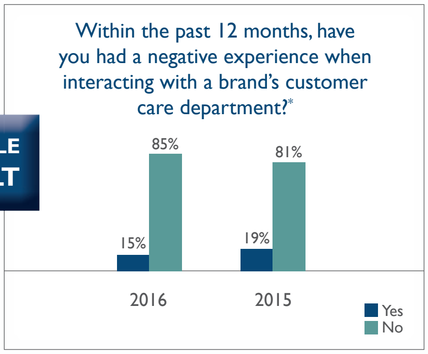
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 204 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 140 online responses. Sample: National Adult Internet Population.

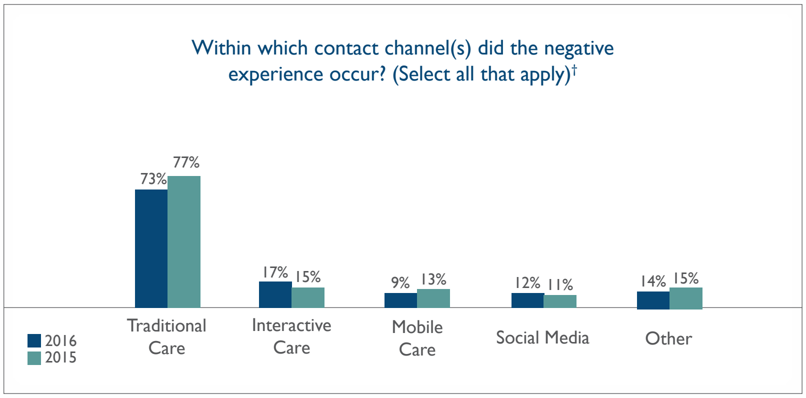
CHANNEL AND SOLUTION OF OCCURRENCE

Consumer Experience — The Unhappy Consumer

In 2016, 15% of 1,657 survey participants indicated they had a negative experience when interacting with customer care over the previous 12 months. This percentage represents a measurable reduction from 2015. This data point, along with a number of others within the 2016 CXMB Series dataset, continues to tell a positive story regarding customer care quality and performance over the previous 12 months.

NOTABLE RESULT





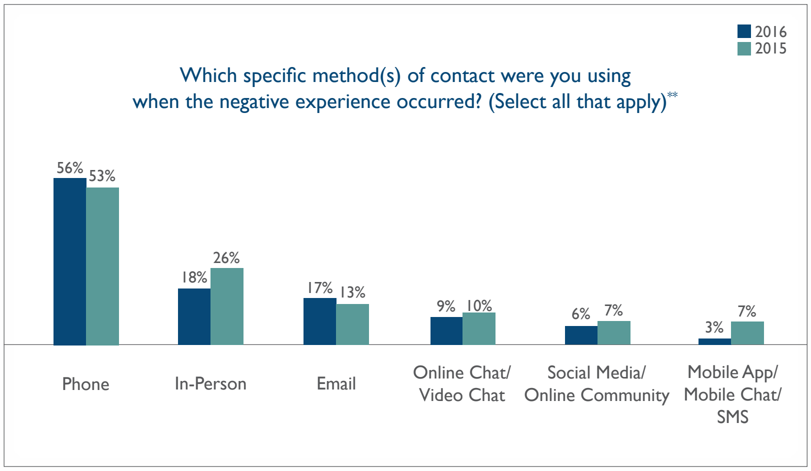
Negative experiences, when they did occur, continue to be concentrated in the Traditional Care channel. But this should come as no surprise since the vast majority of customer care interactions occur in this channel. Like last year, we provided an Inferred Quality Rating for all channels and solutions to help account for this imbalance of channel and solution volume.

Inferred Quality Rating

2016 Result (2015 Result)

Interactive Care: +18 (+23)
Mobile Care: +13 (+7)
Social Care: +4 (+5)
Traditional Care: -2 (+3)

About this rating:
Since some care channels are used more often than others, we wanted to put in place a mechanism that would account for this imbalance. The above Inferred Quality Rating is an expression of the percentage difference between utilization rates (Page 6) and negative experience rates (left). While not a precise model, this rating is intended to provide a general sense of channel quality. **The higher the number, the less likely were the odds of a survey participant having a negative experience in the channel.**



Inferred Quality Rating

2016 Result (2015 Result)

Email: +32 (+30)
Online/Video Chat: +27 (+25)
Mobile App/Chat: +14 (+6)
Social Media: +9 (+5)
Phone: +8 (+17)
In-Person: -7 (-6)

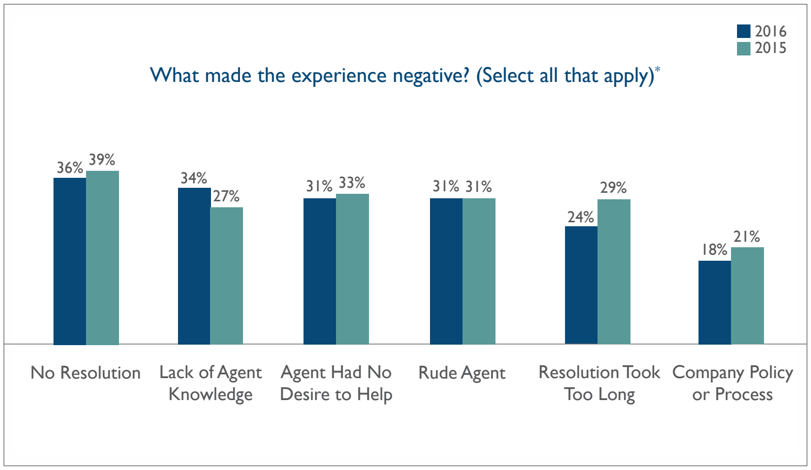
About this rating:
Since some care solutions are used more often than others, we wanted to put in place a mechanism that would account for this imbalance. The above Inferred Quality Rating is an expression of the percentage difference between utilization rates (Page 6) and negative experience rates (left). While not a precise model, this rating is intended to provide a general sense of solution quality. **The higher the number, the less likely were the odds of a survey participant having a negative experience while using the specified solution.**

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 1,657 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 212 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 238 online responses. Sample: National Adult Internet Population.

CAUSE AND SHARING THE EXPERIENCE

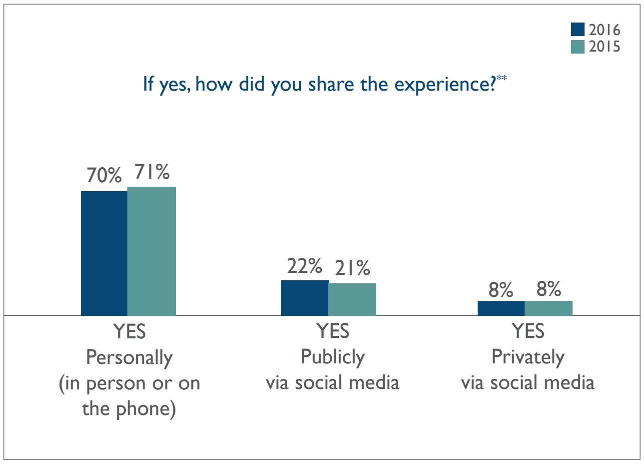
Consumer Experience — The Unhappy Consumer (cont.)

"Lack of Agent Knowledge" was the only negative driver that saw a year-over-year increase (+26%) in 2016, with all other drivers remaining steady or experiencing a decrease. Of those that decreased, "Resolution Took Too Long," saw a 17% dip, indicating that care organizations have increased their ability to provide speedy resolutions. As with last year, agent-related drivers and increased resolution rates continue to present opportunities for improving the overall customer experience.



Did you share this negative experience with friends, family and/or strangers?†

2016 — YES: 81%
2015 — YES: 83%



As revealed in multiple areas throughout the CXMB Series report, consumers do not shy away from sharing their experiences with others. Like last year, a very high rate of consumers (81%) indicated that they shared their negative experience with others. The methodology for sharing those experiences remained consistent with last year's results, with the vast majority of shares occurring personally, either on the phone or in-person.

While brands should always strive to avoid providing consumers with a negative experience, they should be keenly aware of the potential for social media to magnify the impact of such incidents.

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 218 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 174 online responses. Sample: National Adult Internet Population.

IMPACT AND CORPORATE RESPONSE

Consumer Experience — The Unhappy Consumer (cont.)

Even though the customer service experience was negative, was your issue eventually resolved to your satisfaction?[1]

2016 — YES: 35%
2015 — YES: 32%

Not surprisingly, consumers continue to indicate that once a negative experience has occurred, there's little opportunity for a meaningful recovery. Among consumers who had a negative experience followed by a satisfactory resolution, the vast majority (82%) indicated that the experience would still have a negative influence on their future purchase decisions.

% of Consumers Who Had Their Issue Resolved to Their Satisfaction, but Still Indicated an Impact on Future Purchase Decision.[3]

NOTABLE RESULT

2016 — YES: 82%
2015 — YES: 82%

Will this negative experience impact your future purchase decisions?[2]

2016 — YES: 83%
2015 — YES: 82%

Were you given the opportunity to express your dissatisfaction via a survey or other feedback form?[4]

NEW Question

YES: 32%
NO: 68%

If so, did you take advantage of the opportunity to express your displeasure?[5]

NEW Question

YES: 62%
NO: 38%

As indicated at left, companies don't often provide a proper mechanism for their customers to express their dissatisfaction when care engagements don't go as planned. This lack of a feedback mechanism is especially concerning, given the high likelihood that a consumer will actually take the time to provide feedback if given the opportunity to do so, as indicated in the follow-up question (below, left).

Another missed opportunity comes with the proactive follow-ups (below) that should come after a situation occurs. When these follow-ups do occur, results analysis shows that consumers are 50% less likely to have the negative experience impact their future purchase decisions.

Following the negative experience, did the brand proactively contact you to try to remedy or apologize for the situation?[6]

NEW Question

YES: 20%
NO: 80%

1 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 209 online responses. Sample: National Adult Internet Population.
2 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.
3 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 73 online responses. Sample: National Adult Internet Population.
4 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 209 online responses. Sample: National Adult Internet Population.
5 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 67 online responses. Sample: National Adult Internet Population.
6 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 208 online responses. Sample: National Adult Internet Population.

CONSUMER EXPERIENCE — CONCLUSIONS

Key Findings

- Traditional Care slipped in overall use (-11%) and channel of most use (-6%) in 2016, but still retains its position as the most widely used channel by a margin of more than 2-to-1
- Traditional Care was the only channel where more multi-channel engagements ended than began, indicating it as a channel of final resolution
- Results show a strong boost to resolution rates and satisfaction levels if consumers choose multi-channel as opposed to being forced into the approach
- In the event of a negative experience, brands can reduce the negative impact on future purchase intent by 50% by following up to apologize and/or attempt to remedy the situation

Results from the past several years have sent mixed messages regarding the strength and staying power of Traditional Care. While last year's results showed an increasing preference among consumers and increasing volumes among brands, 2016 consumer results have seemingly rolled back some of those gains. That said, Traditional Care still remains the most widely used and preferred channel among all consumers. This is most likely due to a number of factors like higher resolution rates, convenience and familiarity. If businesses are intent on continuing to shift traffic away from Traditional Care, they'll need to instill these same attributes in their alternative channels.

Multi-channel engagements are also playing a critical role in the evolving story of Traditional Care. CXMB Series results show that, among all channels, Traditional Care provides a superior resolution rate. This was further supported by a new question that showed a greater number of multi-channel engagements end in the Traditional Care channel than began there. Whether consumers are being sent there, or they are opting for Traditional Care as a channel of last resort, it is where most consumers end up to get their issues resolved. As consumers get more and more comfortable with the multi-channel process, brands will need to work hard to lift the resolution capabilities of all channels. Absent of this, brands will need to make sure they are directing consumers to the channels best equipped to meet their needs and expectations.

Critical Questions Brands Should Be Asking Themselves

How can we bring the issue resolution capabilities of alternative channels up to the level of what is offered by the Traditional Care channel, or get consumers to the right channel to resolve their issues?

What policies can we change, and what complexities can we eliminate to ensure that the decision to take a multi-channel approach rests with the customer?

What are some cost-effective and meaningful ways we can boost our resolution rates while also understanding the impact of proactive outreach to customers who are unsatisfied?

CONSUMER OPINION

- Industry Perception
- Channel Preferences
- Interaction Preferences

The Consumer Opinion section is largely composed of consumer preferences and perceptions regarding the customer experience. Specific areas of interest include live assistance versus automated/self-help, channel preference and satisfaction drivers.

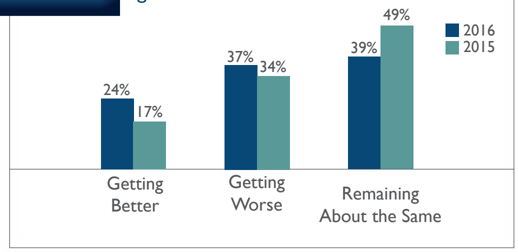
QUALITY OF CARE AND SATISFACTION BY CHANNEL

Consumer Opinion — Industry Perception

All indications are that consumer perception of customer care has profoundly improved over the past 12 months. This notion is evidenced throughout this year's results, and especially in the pair of questions at right and below. The percentage of consumers indicating that companies are getting better at providing good customer care (right) leapt upward by 41%, while the percentage of consumers who feel their needs and expectations are being met (below) increased for the third year in a row. Undoubtedly, there is a great deal of work left to be done, but the industry appears to be headed in the right direction.

NOTABLE RESULT

In general, do you think that companies are getting better or worse at providing good customer care?*



Do you feel that the customer care departments of today's companies are generally meeting your customer service needs and expectations?†

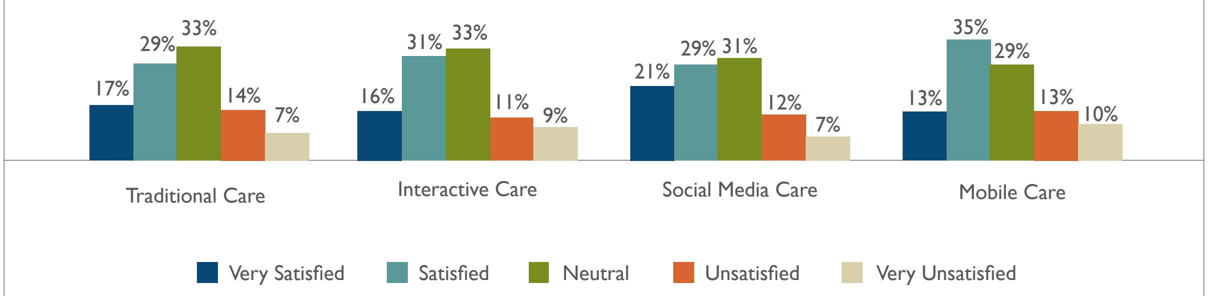
Strengthening TREND

2016 — YES: 41%
2015 — YES: 33%
2014 — YES: 22%

New for 2016, we normalized satisfaction results for each channel of care, adopting a five-point scale with a neutral midpoint. The result is a set of comparable data points that can provide insights into the relative performance of each channel of care. As results show, satisfaction falls within a tight range, regardless of channel. The range is so narrow, in fact, only four percent separates the top and bottom channels when looking at consumers who responded with "Very Satisfied" or "Satisfied." For a more detailed exploration of channel satisfaction and what these results mean, please visit each channel's respective section in Channel-Specific Results (Page 40).

Operational INSIGHT

Consumer level of satisfaction with a brand's customer care department following a customer care interaction (by channel).**

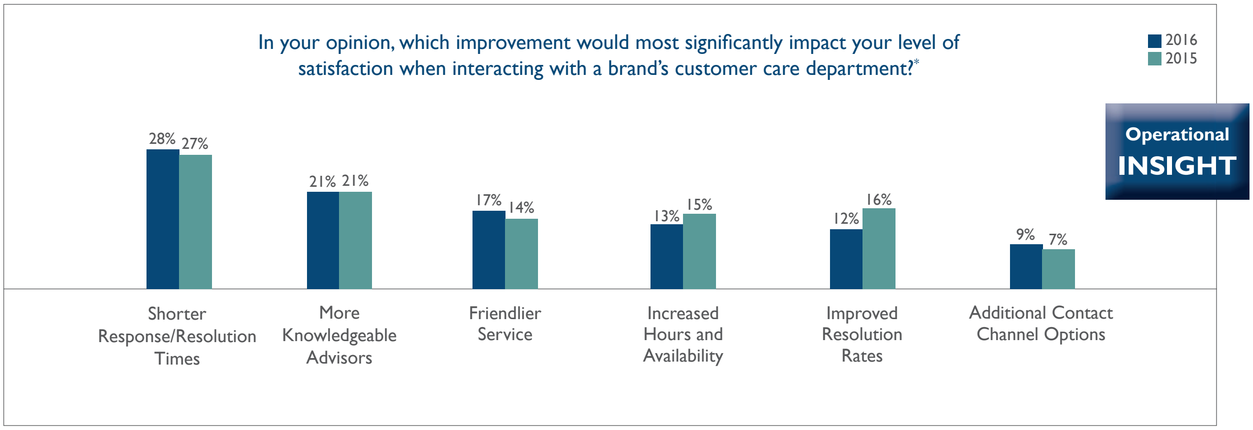


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 200 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 200 online responses. Sample: National Adult Internet Population.
** Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 397 (Traditional Care), 429 (interactive Care), 310 (Social Media Care) and 292 (Mobile Care) online responses. Sample: National Adult Internet Population.

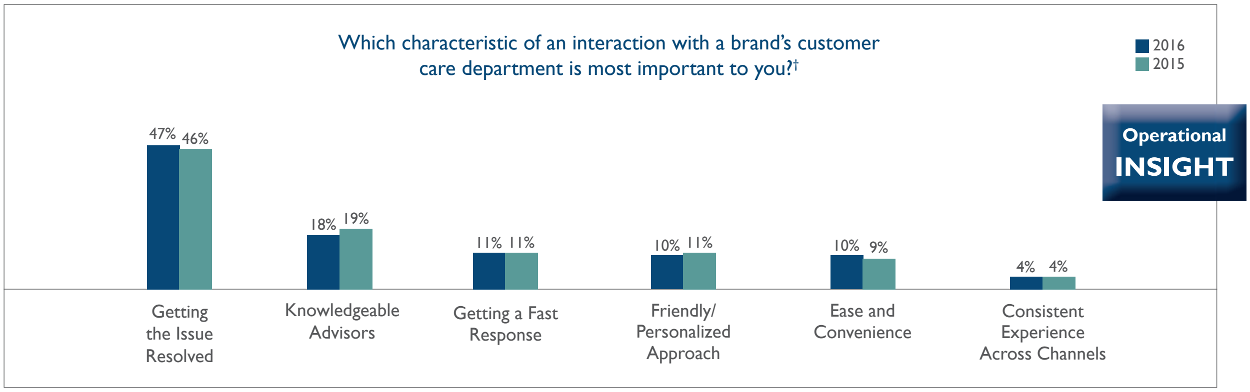
WHAT MATTERS TO CONSUMERS

Consumer Opinion — Industry Perception (cont.)

In a pair of questions aimed at understanding what consumers expect out of an interaction with customer care, "Shorter Response/Resolution Times" continued to lead the way for the second consecutive year. This response captured nearly 30% of the total, while agent quality also continued to grab a significant amount of attention with 21% of respondents selecting "More Knowledgeable Advisors." Time and again throughout the CXMB Series dataset, respondents have indicated that agent knowledge is a key attribute to a positive customer care experience.



In a separate but similar question, we asked consumers to indicate which characteristic of an engagement was most important to them. "Getting the Issue Resolved," a response not explicitly included in the question above, received the majority of responses. Second to this response was, once again, an attribute related to agent quality. "Knowledgeable Advisors" pulled in 18% of the total responses — nearly double any other response outside of issue resolution.



*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 251 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 211 online responses. Sample: National Adult Internet Population.

BETTER SERVING CONSUMER NEEDS AND IMPORTANCE OF CARE

Consumer Opinion — Industry Perception (cont.)

Open-ended questions are a rare part of the CXMB Series surveys. However, the question below is one that we've asked for several years and it consistently yields strong insights. The themes of the responses have been consistent over the years, continuing to focus on reduced automation, better listening, more empowerment and improved communications skills for agents. The word cloud below captures the words most often used (excluding common words like "the" or "and") in the 230 responses we received. The larger the word, the more often it was used.

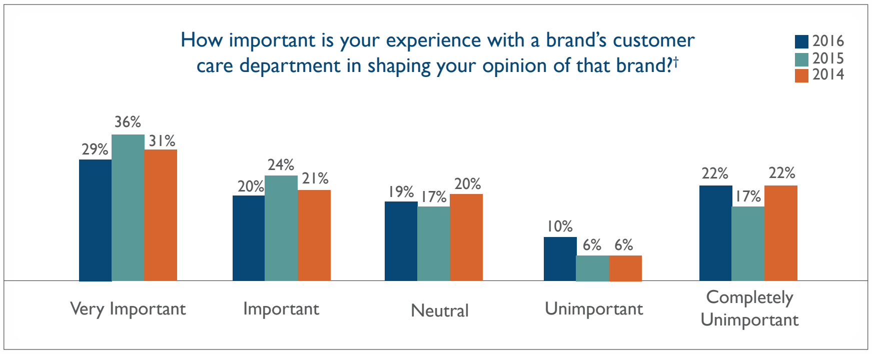
How can the customer care departments of today's companies better serve your customer care needs?*

Strategic
INSIGHT

Verbatim responses to the above question:*

- By taking pride in how they serve the customer.
- Less computers, more actual people talking to you.
- Avoid sounding like you are reading from a script. Personalize each interaction.
- Fewer voice-automated responses and questions, more real people.
- Allow customer service reps to actually solve problems.
- Have telephone reps who speak comprehensible English.

In response to the question below, 2016 results were much more consistent with those from 2014 versus 2015. Nonetheless, about half of all respondents indicated their experience with customer care is "Very Important" or "Important" in shaping their opinion of a brand. This indicates that customer care interactions remain a critical component of how consumers experience and relate to brands. Combined with findings about how likely consumers are to share their customer care experiences with others (Page 13), it's easy to see what an important role customer care plays in ensuring the health of the brand.



*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 230 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 206 online responses. Sample: National Adult Internet Population.

BRAND PERFORMANCE, STAFFING AND PAYING FOR BETTER CARE

Consumer Opinion — Industry Perception (cont.)

In past years, we developed questions that attempted to identify which brands/industries consumers perceive to be doing the best job at customer care. Not surprisingly, many of the same names we've seen in past years filled results again, names like Amazon.com, Apple and Disney. This year, we've taken our approach one step further by also asking a similar question aimed at understanding which brands/industries do a poor job at providing customer care. While we won't name any names on the flip side of the equation, we have taken the liberty of listing the types of industries that were most common among the specific brands named by consumers in order of prevalence.

In your opinion, which brands, companies and/or industries do the best job at providing superb customer care?*

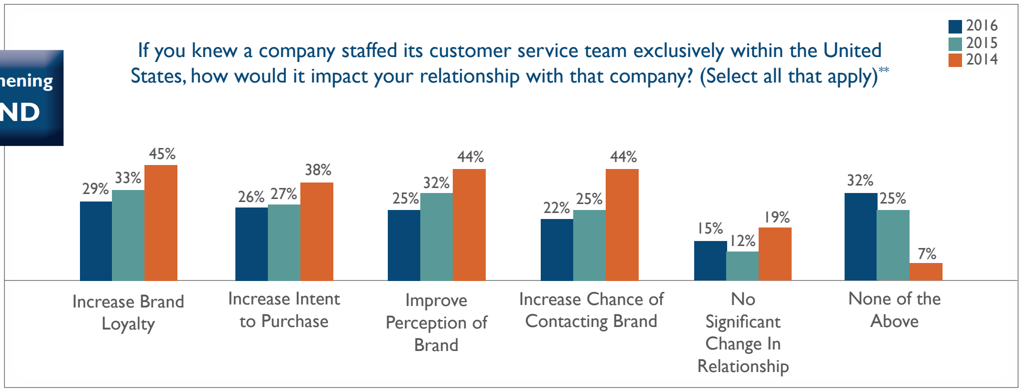
- Amazon.com
- Apple
- Disney
- Walmart
- Nike
- Verizon
- Google

In your opinion, which brands, companies and/or industries do a poor job at providing good customer care?†

- Telecoms
- Quick-Serve Restaurants
- Retailers
- Airlines
- Health Care
- Insurance

For three consecutive years, CXMB Series Consumer Edition results have shown a sharp decline in consumer impact resulting from offshoring. While the number of consumers who acknowledge one or more negative impacts resulting from offshoring is still weighty, findings elsewhere in the survey suggest the consumer's main concern has been — and continues to be — effective communication. Brands will need to be careful to account for this fact as they decide where and how to grow the front lines of their customer care organizations.

Strengthening
TREND



Would you be willing to pay a little more for a product or service if you knew you would receive world-class customer service as a result?††

2016 — YES: 58%
2015 — YES: 46%
2014 — YES: 48%

Strategic
INSIGHT

2016 saw a strong uptick (+26%) in the percentage of consumers who would be willing to pay a little more if it meant receiving world-class customer service. This result is notable in that it is the first time we've seen the majority of respondents answer in this direction. Brands should consider this fact as they strategize how to position their customer care quality as a part of their brand and pricing strategies.

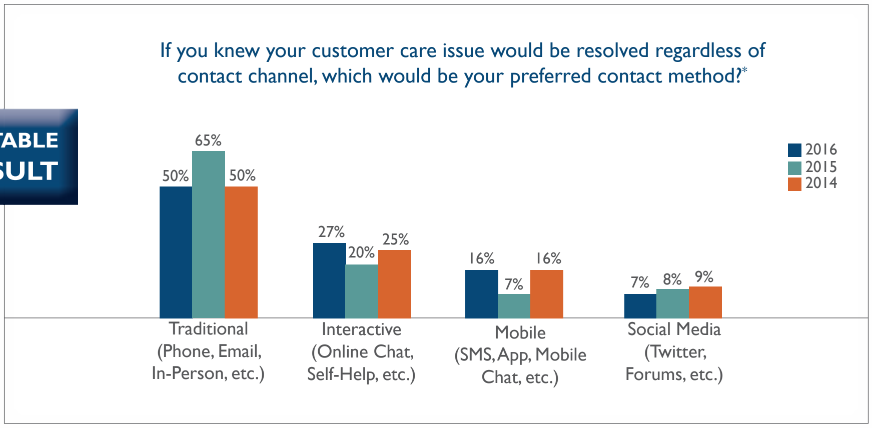
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 207 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 207 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.
††Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 210 online responses. Sample: National Adult Internet Population.

CHANNEL PREFERENCE AND DETERMINING FACTORS

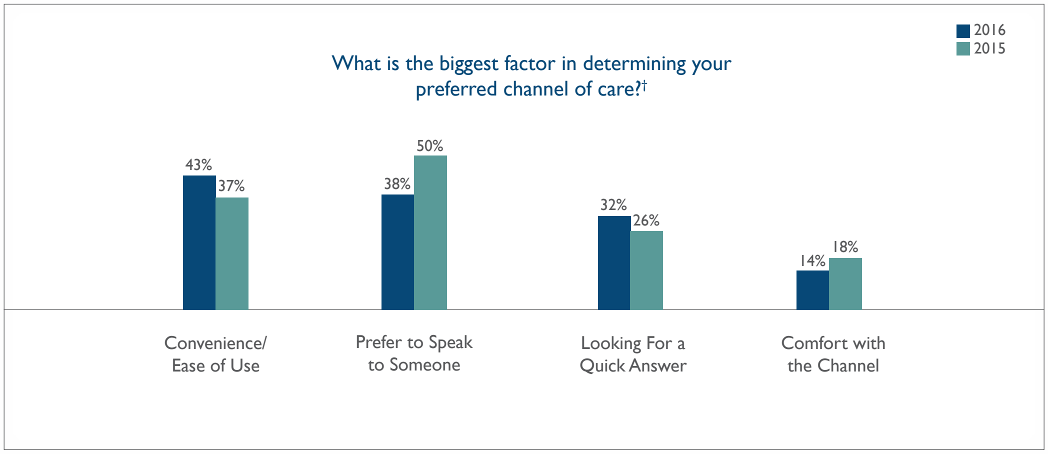
Consumer Opinion — Channel Preferences

Both Interactive and Mobile Care saw large gains in consumer preference in 2016 — +35% and +129%, respectively. Those gains came almost exclusively at the expense of Traditional Care. In the case of Mobile Care, these results reflect the increase in consumer use of the channel, as highlighted on Page 6. Conversely, Traditional Care preference fell by 30%, although it still remains the channel of choice for half of all respondents. Companies would do well to understand this preference, particularly for their customers, and how it evolves over the coming months and years.

NOTABLE RESULT



While "Prefer to Speak to Someone" continues to be a strong driver of channel preference, "Convenience/ Ease of Use" gained an edge in 2016. This came as a result of a nearly 25% drop in the percentage of survey respondents who indicated a preference for speaking to someone, combined with a 16% increase in the percentage of consumers who selected convenience/ease as a determining factor. "Looking For a Quick Answer" also leapt up in 2016, increasing 23% year-over-year.

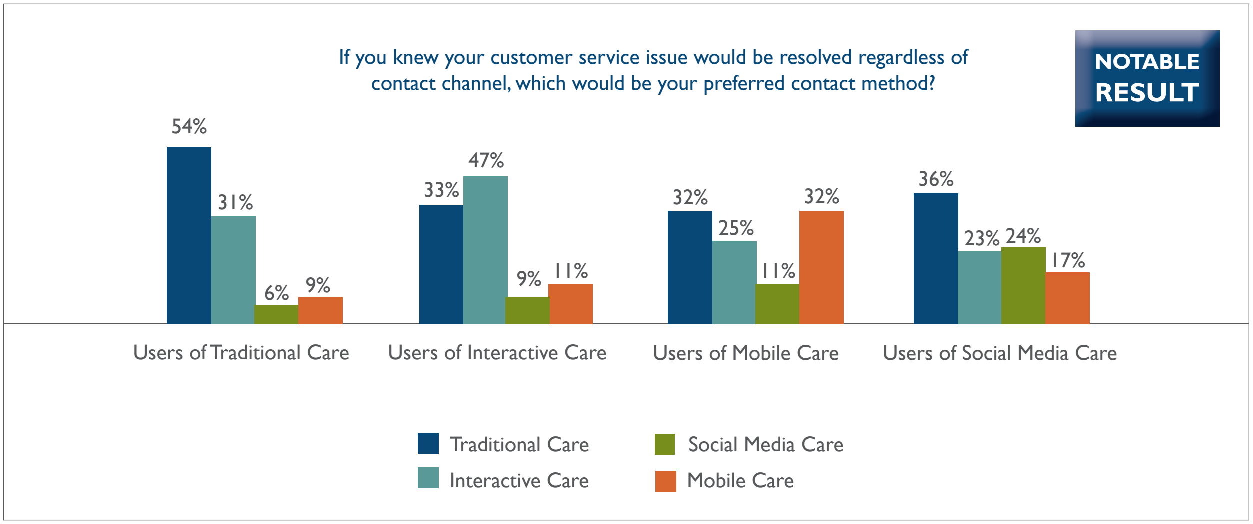


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.

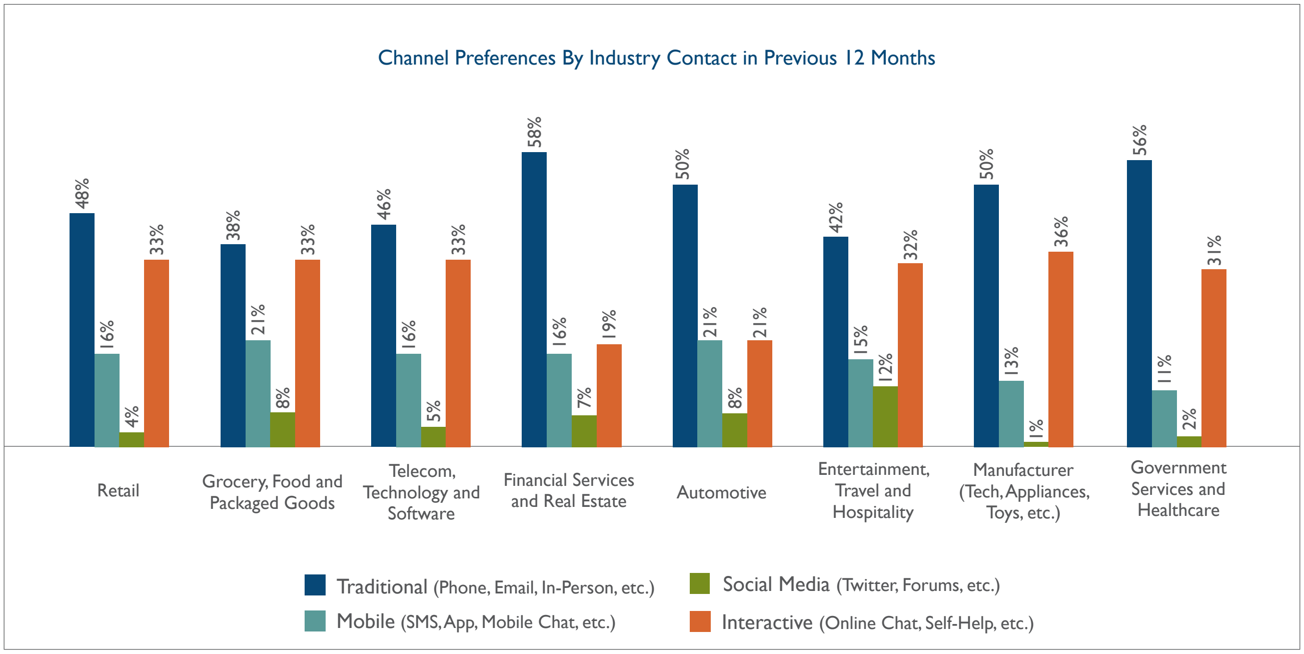
PREFERENCE BY CHANNEL USED AND INDUSTRY CONTACTED

Consumer Opinion — Channel Preferences (cont.)

When examining channel preference segmented by channel of use, an entirely different picture comes into focus. In the chart below, we qualified respondents as users of specific channels. This allowed us to group different channel users and pose the same question about channel preference. As a result, we get a clear sense of channel loyalty. Accordingly, we see that Traditional Care users demonstrated the most loyalty for their channel, followed closely by Interactive Care users. Social Media Care users demonstrated the least amount of channel loyalty, with only 24% of them indicating Social Media Care as their preferred contact method among all channels.



The data below provides a breakdown of consumer channel preference based on the industries they've contacted for care over the preceding 12 months. This information is especially useful, as it provides some insight into consumer appetites for alternative channels based on the industries they engage. For example, this data demonstrates that customers of Grocery, Food and Packaged Goods and Automotive brands have a higher preference for Mobile Care versus customers from other industries. At the same time, Entertainment, Travel and Hospitality customers have a greater preference for Social Media Care when compared to customers from other industries.



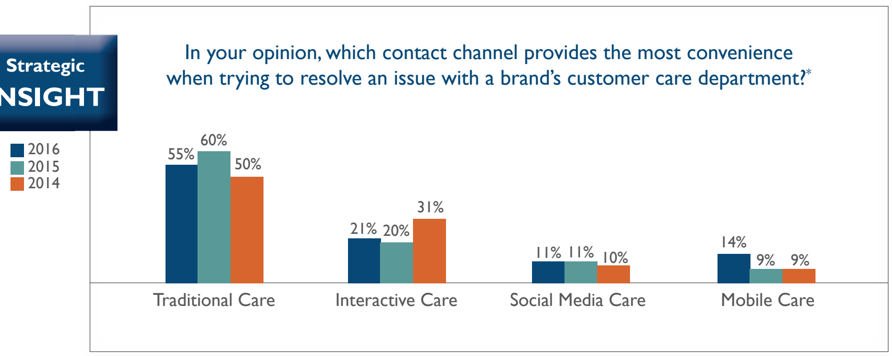
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 234 (Traditional Care), 261 (Interactive Care), 200 (Mobile Care) and 206 (Social Media Care) online responses. Sample: National Adult Internet Population. †Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.

CHANNELS OF CONVENIENCE AND HIGHEST LIKELIHOOD OF RESOLUTION

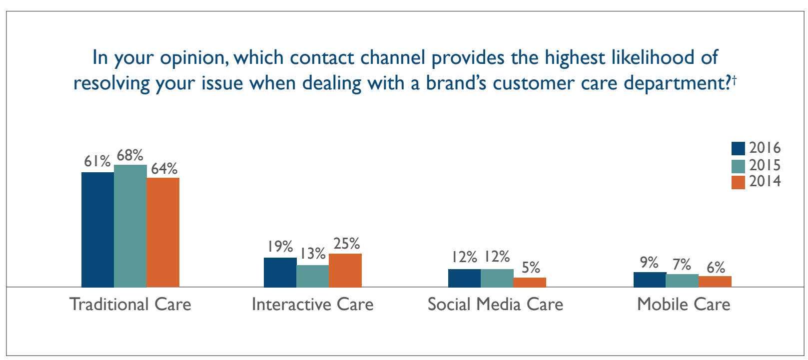
Consumer Opinion — Channel Preferences (cont.)

Though not as strong as in 2015, consumers trying to resolve an issue with customer care still look to Traditional Care as the channel of most convenience. Also of interest is the increased response showing Mobile Care as a channel of convenience, climbing 56% from 2015 and 2014 results. This falls in line with other narratives throughout this year's CXMB Series data, narratives that depict increased use of and preference for Mobile Care.

Strategic INSIGHT



When asked which channel provides the highest likelihood of resolving an issue, Traditional Care continues to lead the way, even considering a 10% decline compared to 2015 results. Surprisingly, Interactive Care saw nearly a 50% increase, while Social Media and Mobile Care held within the range of previous results. Based on the responses alternative channels received as a collective group, companies should strive to ensure that each of the channels they offer provides a consistent experience and a comparable rate of resolution.

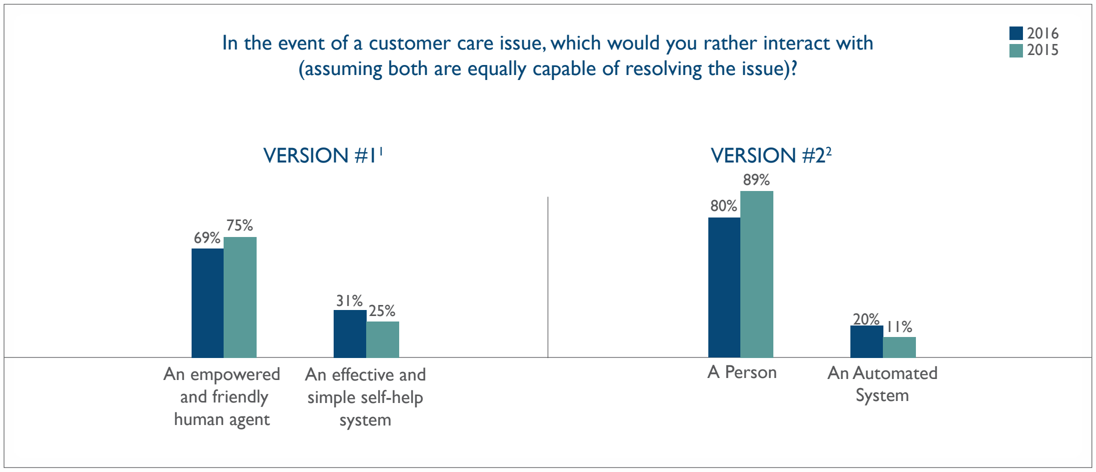


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 237 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 233 online responses. Sample: National Adult Internet Population.

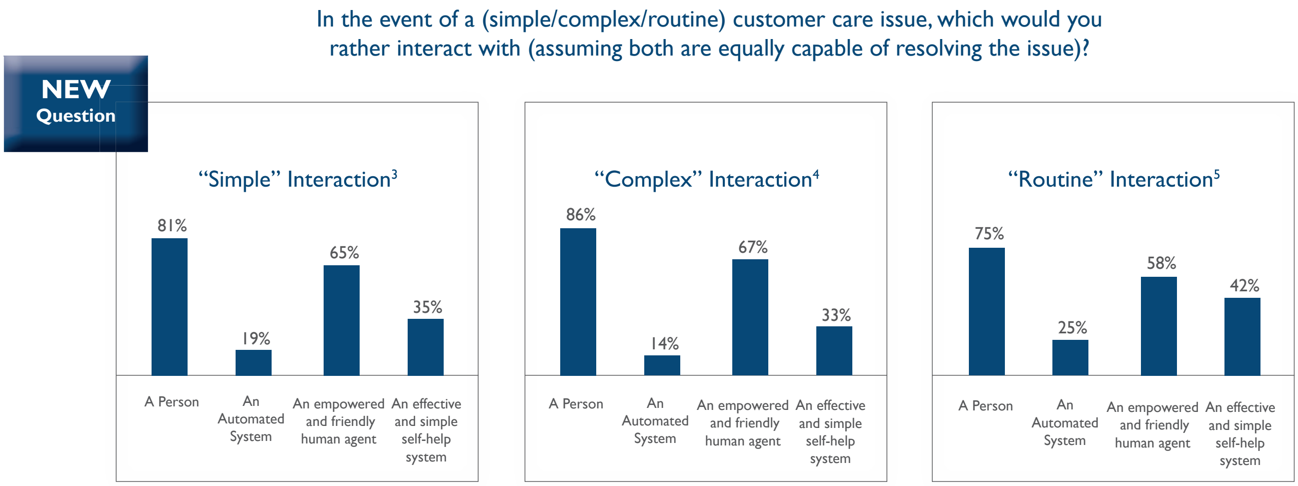
LIVE AGENT VERSUS AUTOMATED SYSTEM

Consumer Opinion — Interaction Preferences

In last year's CXMB Series Consumer Edition report, we introduced a series of new questions aimed at gauging the consumer's preferences for live agent versus automated assistance. The results of these questions stirred a lot of interest around this topic, so much so that we've expanded our approach in 2016. Below are the 2016 results (Version #1 and #2) to the questions we initially posed last year, alongside last year's results. While there was a measurable drop in the percentage of consumers who prefer a person over an automated/self-help system, the results continue to heavily favor live agent interactions.



In addition to asking the above question (with two unique sets of responses), we also made modifications to the question itself. Below are the results of three differently worded questions, each with two sets of responses, for a total of six variations. While the majority of respondents continued to favor a live agent, this result was most strongly impacted by inclusion of the word "Routine." When consumers were asked about "Routine" interactions, the preference for a live agent interaction was trimmed to 3-to-1 or 3-to-2, depending on how the responses were worded. Clearly, the overwhelming preference remains with live agents.

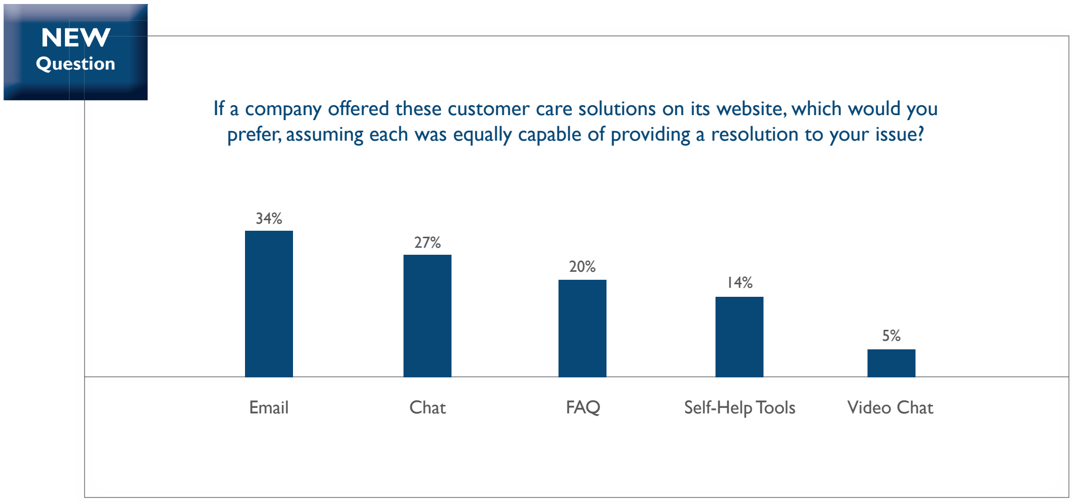


1 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 211 online responses. Sample: National Adult Internet Population.
2 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 206 online responses. Sample: National Adult Internet Population.
3 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 215/217 online responses. Sample: National Adult Internet Population.
4 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214/220 online responses. Sample: National Adult Internet Population.
5 Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 212/213 online responses. Sample: National Adult Internet Population.

WEBSITE AND INTERACTIVE USER PREFERENCES

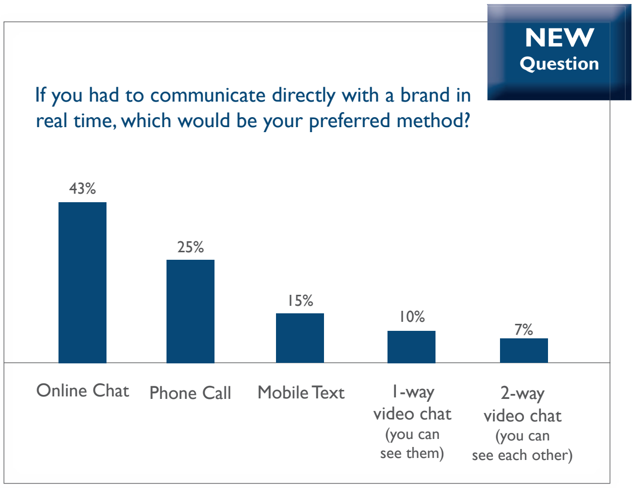
Consumer Opinion — Interaction Preferences (cont.)

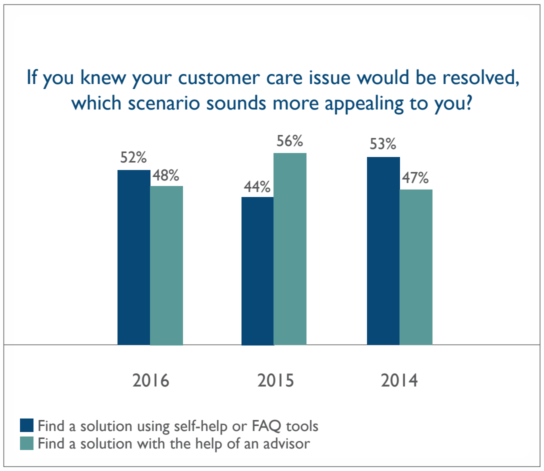
As revealed elsewhere in this year's results, Email hasn't quite taken its last breath. In a new question concerning website-based customer care solutions, one-third of all respondents indicated "Email" as their top choice. This placed Email as the top choice among all solutions provided. As discussions about the future of email as a care solution intensify, these and future results will help illuminate where consumer preference stands, and in which direction it is moving.



Users of Interactive Care

In a set of questions aimed at Interactive Care users, we wanted to try to understand their specific interaction preferences. In a new question (below, left) regarding real-time interactions, Interactive users once again demonstrate their channel loyalty by resoundingly selecting "Online Chat" as the top choice. The results (below, right) also show that these users tend to prefer self-help versus agent assistance, bucking what is typically seen among general users of care (Page 30).



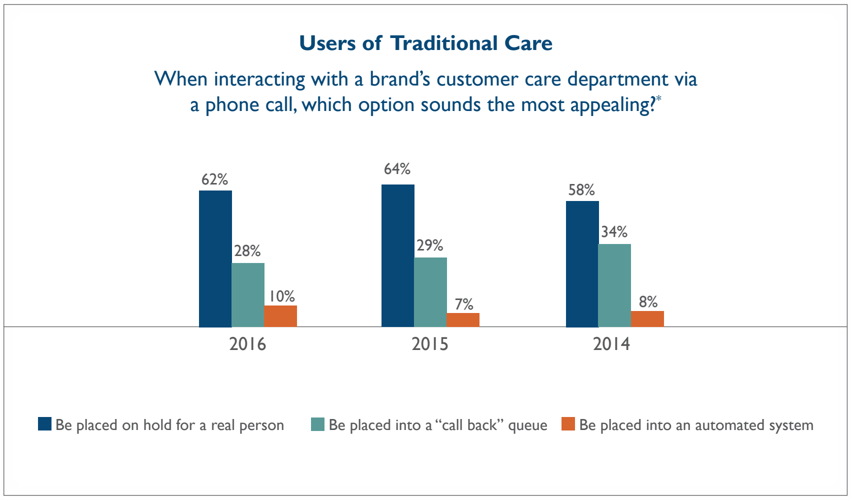


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 213 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 202 online responses. Sample: National Adult Internet Population.
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 266 online responses. Sample: National Adult Internet Population.

CALL HANDLING PREFERENCES

Consumer Opinion — Interaction Preferences (cont.)

When asking users of Traditional Care about their phone interaction preferences, results have remained similar over each of the last three years. "Be placed on hold for a real person" continues to dominate the results, accounting for roughly two-thirds of responses in 2016. These results support the notion that, given the option, consumers generally prefer a live interaction versus an automated one. Brands will have to carefully consider these and similar results when deciding when and how to implement new policies and technologies.



*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 237 online responses. Sample: National Adult Internet Population.

CONSUMER OPINION — CONCLUSIONS

Key Findings

- Consumers show an improved opinion of customer care, with a 24% increase in the percentage of consumers who feel their needs and expectations are being met (from 33% in 2015 to 41% in 2016)
- In expanded research, consumers continue to indicate a strong preference for live interaction versus automated/self-help solutions when it comes to resolving customer care issues; importance of issue resolution and agent knowledge remain central to consumers in creating a positive experience
- Traditional Care saw a 30% year-over-year decrease in the percentage of consumers who named it as their preferred channel of care, but Traditional Care remains the preferred channel for 50% of all consumers
- The percentage of consumers willing to pay a premium for world-class customer service surged in 2016, moving from 46% in 2015 to 58% in 2016

While the industry still has its work cut out, consumer opinion of the customer care organizations of brands saw very positive movement year-over-year. There were strong gains in the percentage of consumers who felt their needs and expectations were being met, and more people thought companies were getting better at customer care. That's the good news. The bad news is that in both sets of these results — those with something positive to say — were still a minority.

Consumers continued to be consistent in what matters most to them when interacting with customer care: issue resolution, shorter resolution times and more knowledgeable advisors. There also continues to be a strong backlash against cumbersome automated systems that are perceived as nothing more than a roadblock to reaching a real person. This year's results continue to send a loud and clear message: in almost all cases, consumers roundly prefer to interact with a live person versus an automated or self-help solution. Brands should seek to understand if this also holds true for their specific customers and, if so, why that might be the case. This is especially true of brands that are prioritizing the shift from live to automated solutions.

Critical Questions Brands Should Be Asking Themselves

Has our customer satisfaction increased or decreased? In either case, do we know why and what do we need to focus on to drive improvements?

Do we understand our customers' preferences between live and automated interactions? Do we provide the proper balance between automated solution functionality and live interaction accessibility?

How have Traditional Care volumes change over the last 12 months? Have we been planning that change, or has it been organic? What could prevent or drive such change among our customers?

THE MILLENNIAL CONSUMER

Newly introduced in 2016, The Millennial Consumer section takes a focused look at how the preference and experiences of 18–34 year-old consumers differ from those ages 35 and up. Topics include channel and solution use, preferences for live versus automated interactions and the impact of negative interactions.

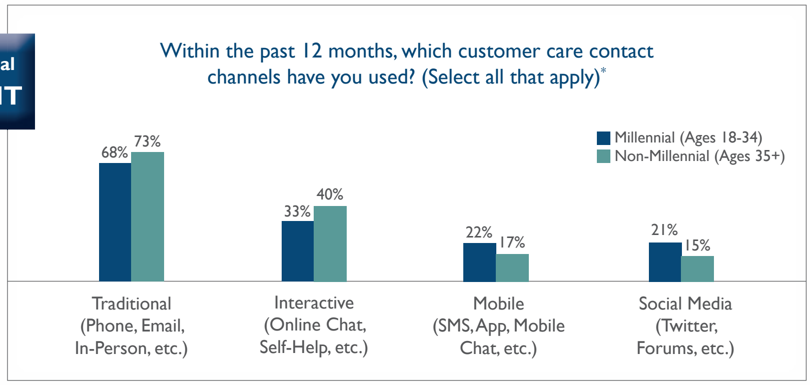
CHANNEL AND SOLUTION USE

The Millennial Consumer

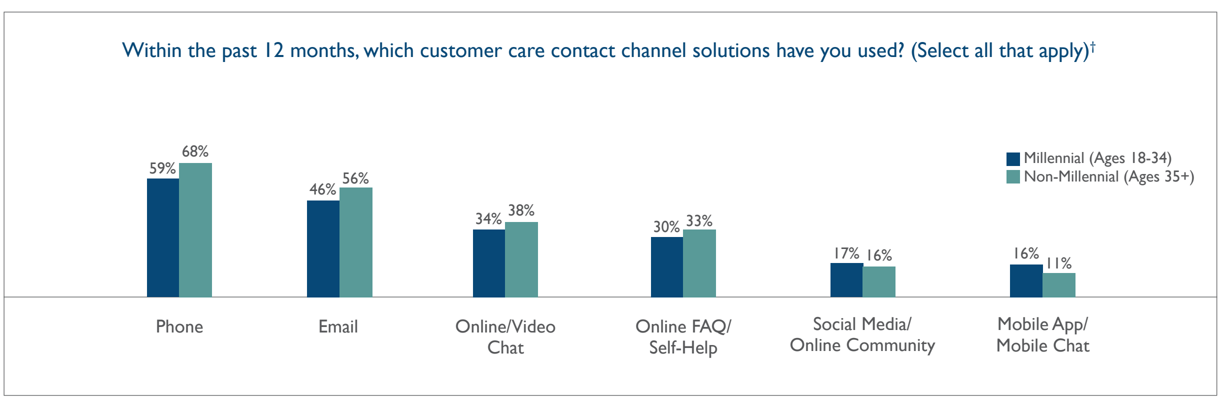
In an entirely new section to the CXMB Series Consumer Edition, we explore Millennial consumers in comparison to non-Millennial consumers. In doing so, we discover support for many commonly held assumptions about this demographic, along with a few other surprises.

When it comes to channel utilization, Millennials unsurprisingly demonstrate a greater inclination toward both Mobile Care, and especially Social Media Care, when compared to non-Millennials. For example, among survey participants, Millennials are 1.4X more likely to have used Social Media Care within the past 12 months when compared to their non-Millennial counterparts.

Operational INSIGHT



Solution results (below) are a strong reflection of the above channel results. In addition to the notable divergence among Phone and Email, Mobile App/Mobile Text/SMS registered the largest differential by percentage, at 31%. Although it's true that companies should take these differences into account, there is also an equally important story that arises from these results. While Millennials have a preference for select alternative channels, the majority of their interactions still pass though Traditional and Interactive Care channels.



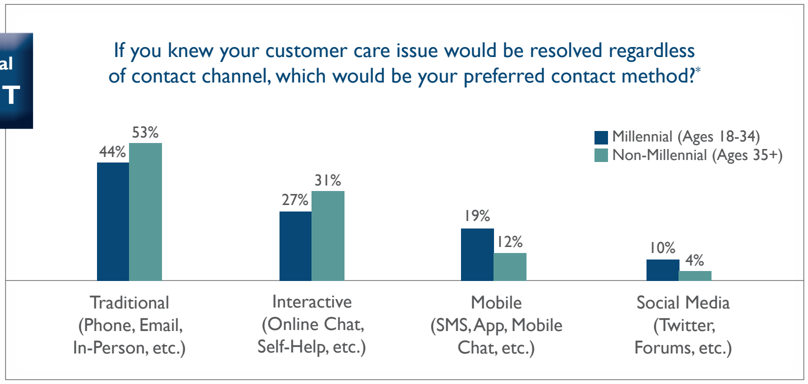
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 297 (Millennial) and 353 (Non-Millennial) online responses. Sample: National Adult Internet Population. †Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 289 (Millennial) and 342 (Non-Millennial) online responses. Sample: National Adult Internet Population.

CHANNEL PREFERENCE AND FACTORS

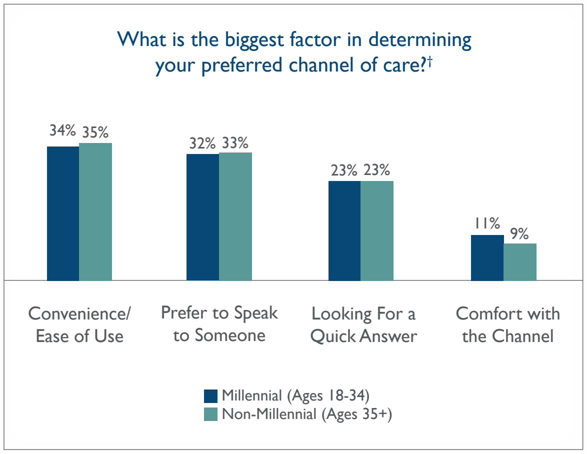
The Millennial Consumer (cont.)

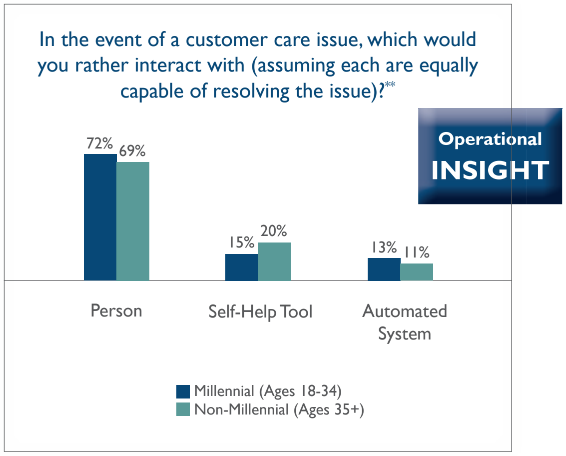
Regarding channel preference (as opposed to actual use), the differences between Millennials and non-Millennials were apparent in each channel. From a statistical standpoint, the largest deltas came in the channels of Mobile and Social Media Care. In the case of Social Media Care, Millennials were 2.5X more likely to name Social Media Care as their preferred channel compared to their non-Millennial counterparts. Similar to the results from the previous page, companies should be aware of these differences and the demographics of their own customers, while still appreciating the roles that Traditional and Interactive Care channels play in the lives of Millennial consumers.

Operational INSIGHT



Preference drivers for Millennial consumers are remarkably similar to those of non-Millennials (below, left). While it could be expected that Millennials would be big on drivers related to speed and convenience, what was surprising was the percentage of Millennials who named "Prefer to Speak to Someone" as their top driver. In the same vein, and equally surprising, was the interaction preference result (below, right). Not only did Millennials indicate a preference for a live agent in large numbers, their results were even slightly higher than those of non-Millennials. This calls into question the notion that Millennials always want to self-serve.



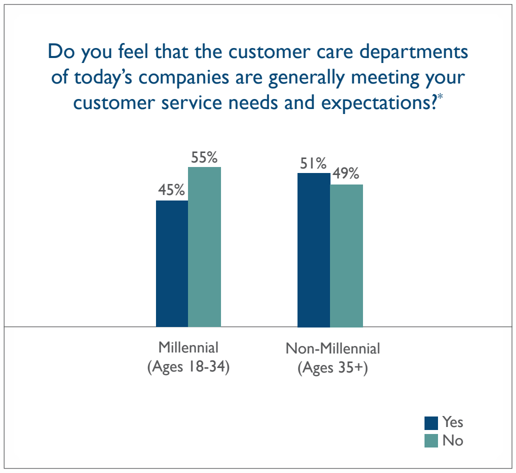


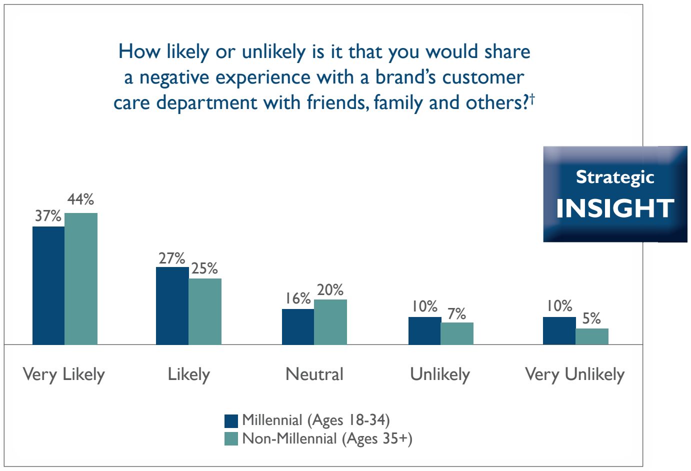
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 263 (Millennial) and 312 (Non-Millennial) online responses. Sample: National Adult Internet Population. †Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 251 (Millennial) and 305 (Non-Millennial) online responses. Sample: National Adult Internet Population. **Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 248 (Millennial) and 304 (Non-Millennial) online responses. Sample: National Adult Internet Population.

MEETING NEEDS AND IMPACT

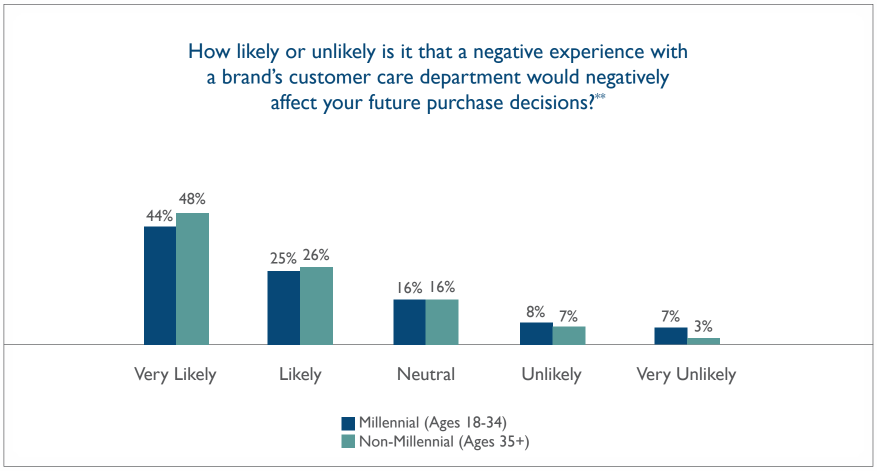
The Millennial Consumer (cont.)

As indicated in the results below (left), Millennials are generally more critical of care organization performance in comparison to non-Millennials. Exactly why, is unclear. Whether this is a result of the interactions themselves, available channels/solutions or technology integration is something organizations should strive to understand among their own customers. That said, Millennials are significantly less likely to spread the word when a negative experience does occur, as evidenced below (right). This seems to coincide with results that show the impact of a negative experience on future purchase decisions (bottom of the page).





Compared to non-Millennials, not only are Millennials less likely to share a negative experience with others (above, right), they're also less likely to have a negative experience impact on future purchase decisions. While the margins are slim, about ten percent fewer Millennials indicated such a scenario was "Very Likely." Furthermore, on the opposite end of the spectrum, Millennials were 2.3X more likely to indicate that it was "Very Unlikely" that a negative experience would negatively impact their future purchase decisions. It's anyone's guess whether these opinions will change as Millennials become more mature consumers and buyers of larger ticket items. But at present, Millennials don't seem to place as much emphasis on the customer care experience as their non-Millennial counterparts.



*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 237 (Millennial) and 290 (Non-Millennial) online responses. Sample: National Adult Internet Population. †Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 238 (Millennial) and 291 (Non-Millennial) online responses. Sample: National Adult Internet Population. **Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 204 (Millennial) and 233 (Non-Millennial) online responses. Sample: National Adult Internet Population.

THE MILLENNIAL CONSUMER — CONCLUSIONS

Key Findings

- Millennials are much more likely to use Mobile and Social Media Care versus Traditional and Interactive Care when compared to their non-Millennial counterparts
- Similarly, 29% of Millennials selected either Mobile or Social Media Care as a preferred channel for issue resolution compared to only 16% of non-Millennials
- Millennials are slightly less likely to have their future purchase decisions influenced by a negative customer care experience, and are far less likely to share a negative experience with friends and family
- Millennials prefer live interactions versus automated/self-help solutions as strongly as their non-Millennial counterparts

Undoubtedly, definitive differences exist between Millennial and non-Millennial consumers. These differences are mostly concentrated in channel preferences and channel/solution use. For instance, Millennials both prefer and utilize Traditional and Interactive Care channels at much lower rates in comparison to Social Media and Mobile Care channels when compared to non-Millennials. But when it comes to things like which factors determine channel preference, or whether Millennials would prefer to interact with a live agent versus an automated system or self-help tool, results between Millennial and non-Millennial consumers are more closely aligned.

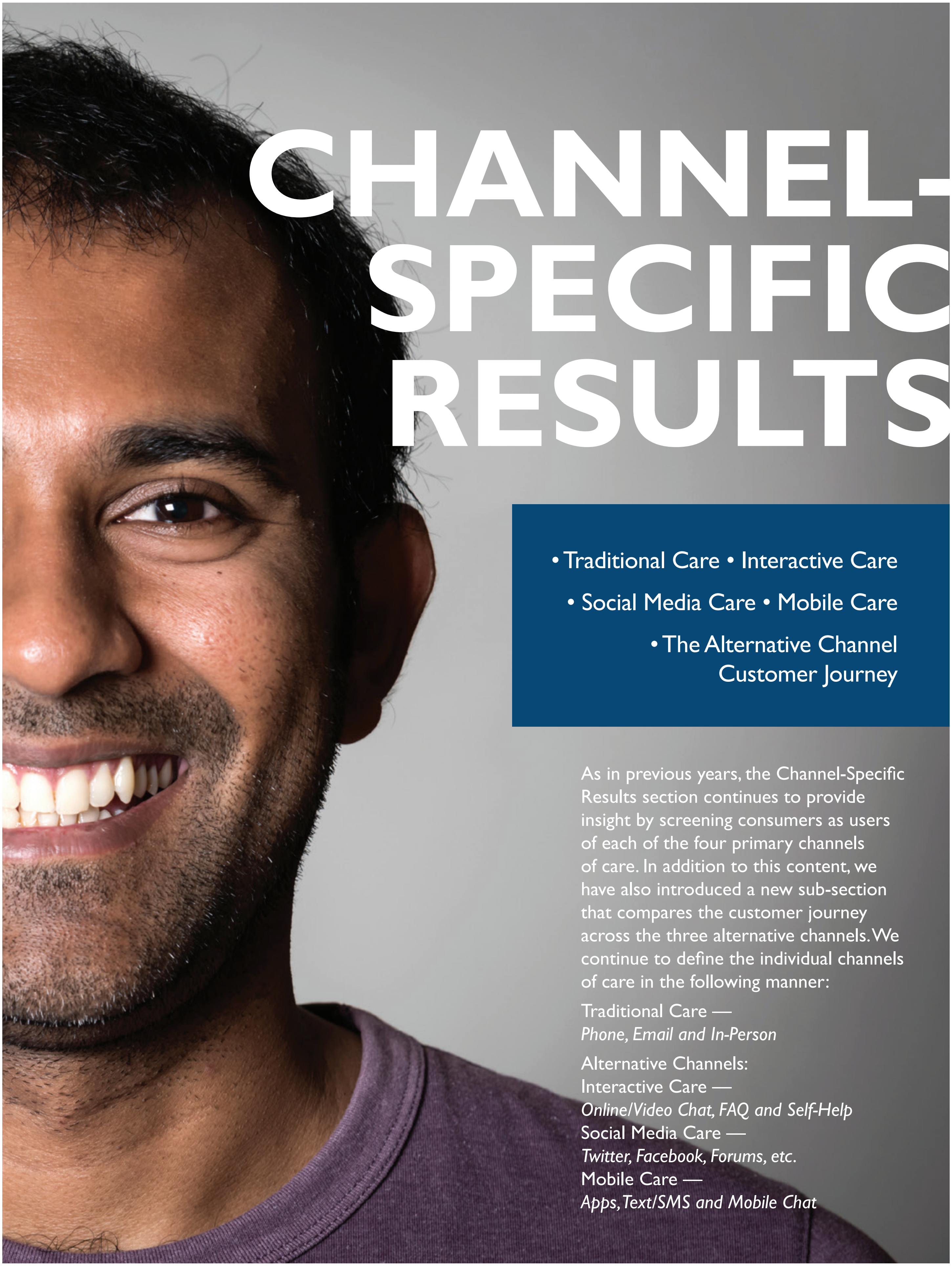
Interestingly, more Millennials felt their customer care needs and expectations were not being met in comparison to non-Millennials. This should signal to brands the need to take a closer look at their alternative channel solutions, especially as they apply to Social Media and Mobile Care. Are these solutions meeting Millennials where they want to be met? Do they offer a good balance between live and automated interaction options? It could be the case that Millennials are taking the most effective path as opposed to the preferred path.

Critical Questions Brands Should Be Asking Themselves

How important is the Millennial demographic to our current business, and how will this change over time?

Are we studying the actual behaviors and preferences of our Millennial customers, or are we leaning too heavily on assumptions and collective wisdom regarding this important demographic?

Are we factoring in what Millennials want and how those desires change over time as we develop future channel and solution capabilities?



CHANNEL-SPECIFIC RESULTS

• Traditional Care • Interactive Care

• Social Media Care • Mobile Care

• The Alternative Channel Customer Journey

As in previous years, the Channel-Specific Results section continues to provide insight by screening consumers as users of each of the four primary channels of care. In addition to this content, we have also introduced a new sub-section that compares the customer journey across the three alternative channels. We continue to define the individual channels of care in the following manner:

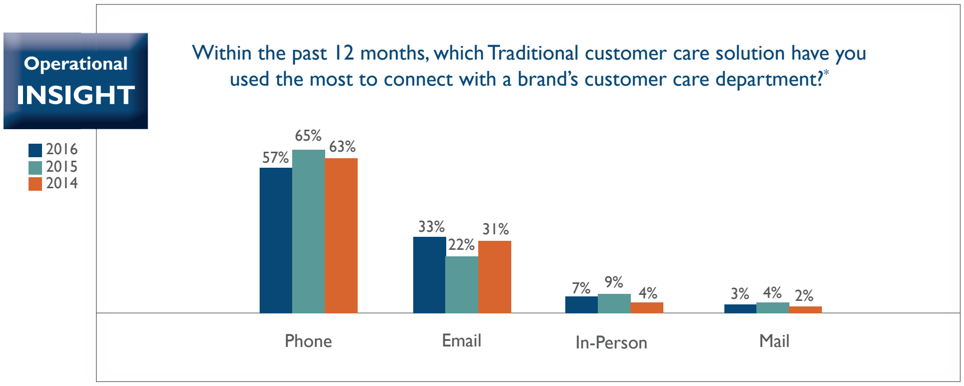
Traditional Care —
Phone, Email and In-Person

Alternative Channels:
Interactive Care —
Online/Video Chat, FAQ and Self-Help
Social Media Care —
Twitter, Facebook, Forums, etc.
Mobile Care —
Apps, Text/SMS and Mobile Chat

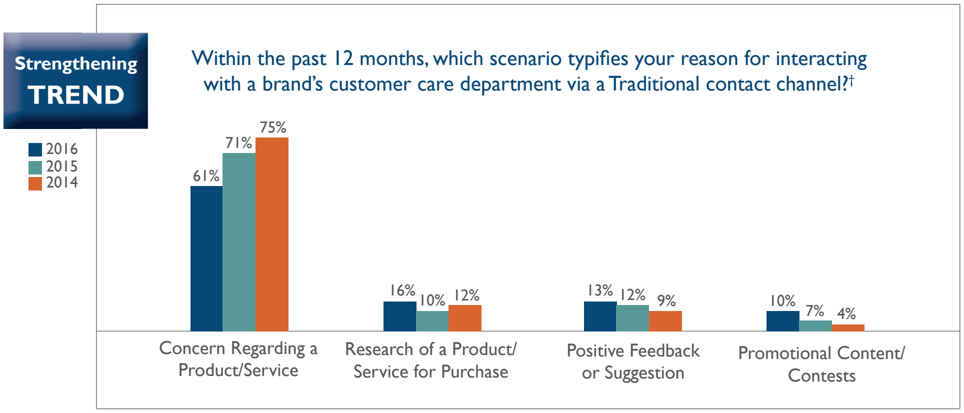
SOLUTION USE AND REASON FOR INTERACTION

Channel-Specific — Traditional Care

Phone and Email were the two largest movers in this year's results, each headed in opposite directions. Contrary to prevailing industry notions, survey participants indicated a strong uptick in their use of Email over the past 12 months, with an increase of +50% when compared to last year's result. This finding echoes similar findings regarding Email that can be seen in the Consumer Use section (Page 6). Regarding Phone, this year's results saw a 12% decline, also echoing Consumer Use findings.



Over the past 12 months, the typical reason for a Traditional Care interaction continues to be "Concern Regarding a Product/Service." That said, this number has come off its 2014 high point of 75%, coming in at 61% in 2016. This suggests one of two scenarios: either consumers are increasingly looking to alternative channels to resolve issues, or they are experiencing fewer issues. Interestingly, "Research of a Product/Service for Purchase" saw a 60% rise. The underpinnings of these results can be found on the following page in a breakdown of these scenarios by solution type.

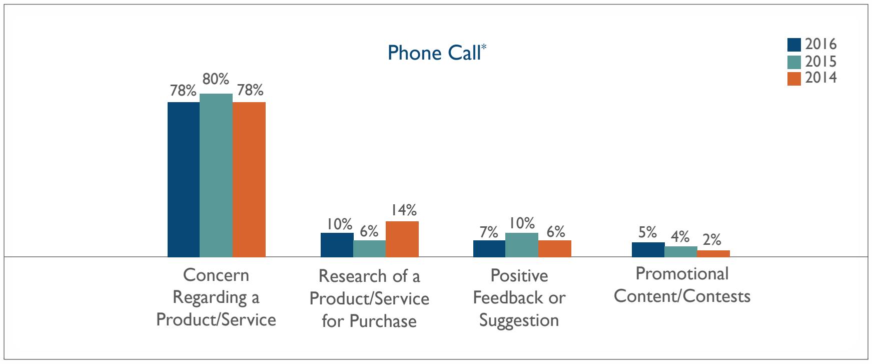


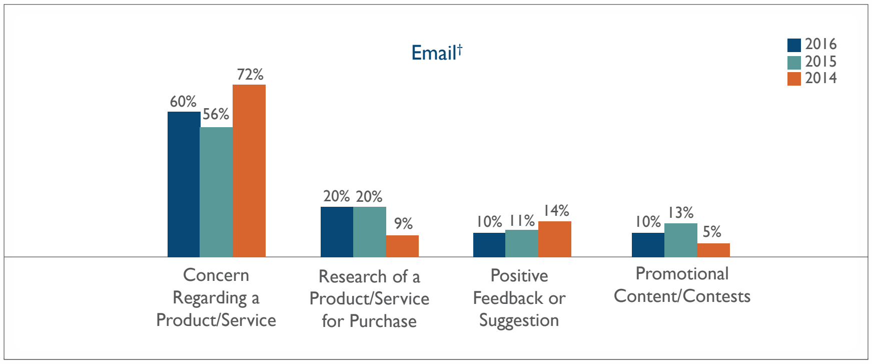
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 272 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 247 online responses. Sample: National Adult Internet Population.

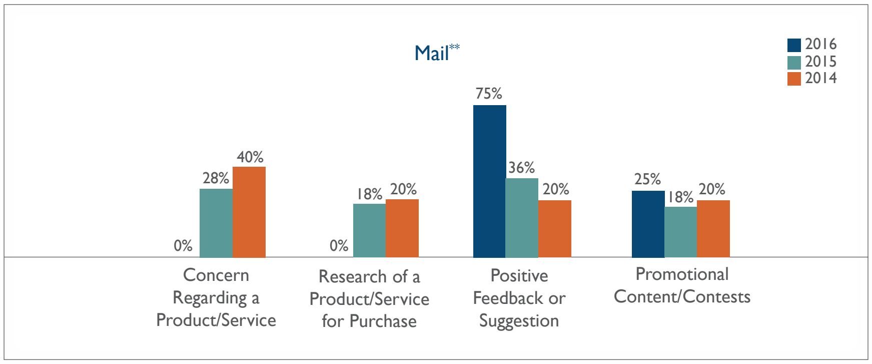
REASON FOR INTERACTION BY SOLUTION

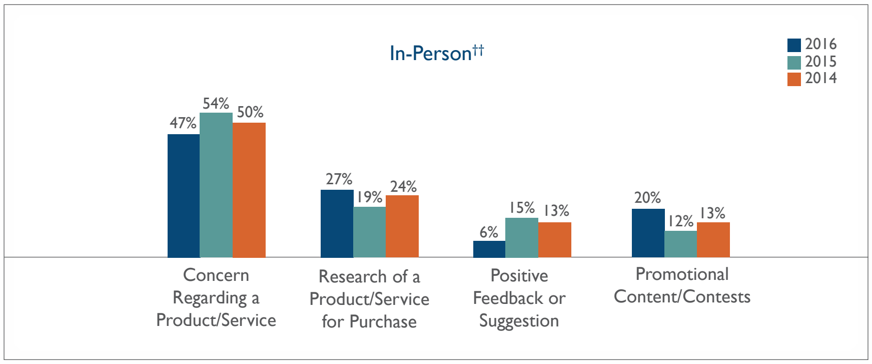
Channel-Specific — Traditional Care (cont.)

In examination of the four primary solutions that make up the Traditional Care channel, we see dips (slight in the case of Phone) in "Concern Regarding a Product/Service" for all solution types, with the exception of Email. This, combined with other findings surrounding Email, is reason enough for companies to take a closer look at their Email support and gauge the solution's importance to their individual customers.







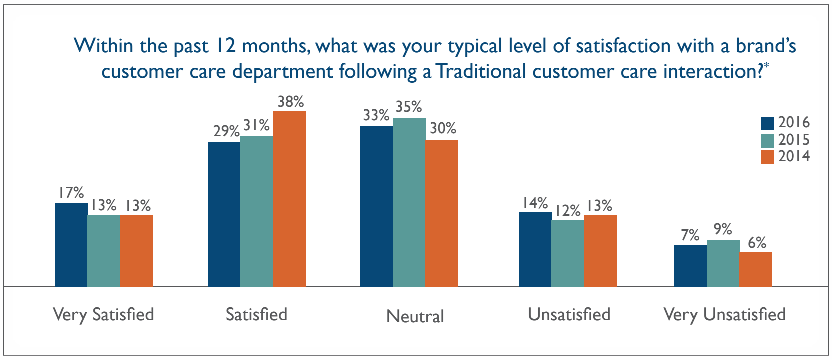


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 130 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 71 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 8online responses. Sample: National Adult Internet Population.
††Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 15 online responses. Sample: National Adult Internet Population.

SATISFACTION AND CHARACTERISTICS OF IMPORTANCE

Channel-Specific — Traditional Care (cont.)

When comparing Very Satisfied/Satisfied to Very Unsatisfied there was very little improvement in Traditional Care over the past 12 months. Furthermore, 2016 results fall well below the benchmark set in 2014. As far as other channels go, Traditional Care had the combined satisfaction levels at 46%, followed by Interactive (47%), Mobile (48%) and Social Media (50%). Clearly, each channel has lots of room for improvement. In addition to asking about consumers' typical satisfaction with Traditional Care, we also asked them to provide specifics. In the verbatim provided (below, right), we offer some examples that typify the responses we received for those individuals who provided an Unsatisfied or Very Unsatisfied rating.



Was there anything specific about your interactions that has caused you to rate your level of satisfaction as you have in the previous question?*

"Didn't return call"

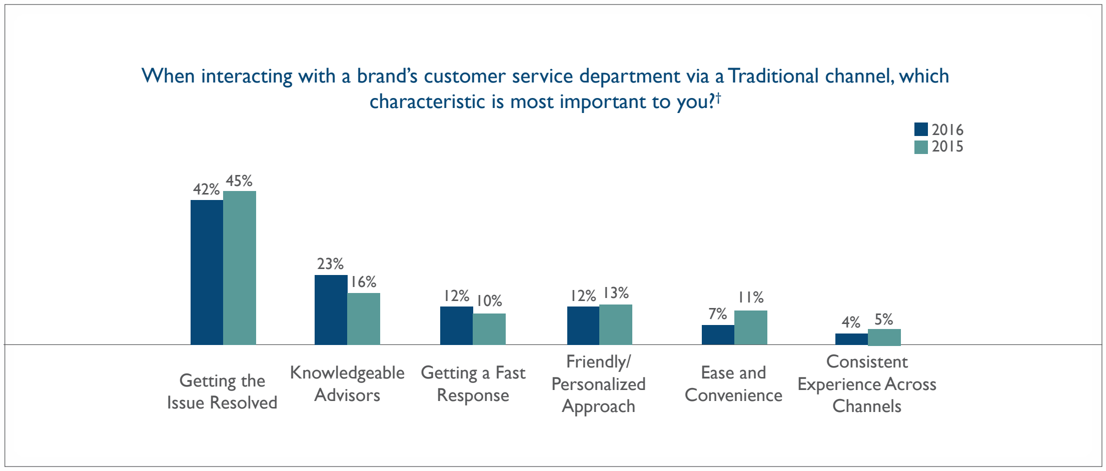
"Couldn't understand the advisor"

"Long waiting times"

"Lack of flexibility"

"Took 3 emails and 2 phone calls to resolve problem"

When asked about which characteristic was most important when interacting with customer care, consumers continued to migrate toward "Getting the Issue Resolved." Furthermore, there was a large upward move in the percentage of consumers who indicated "Knowledgeable Advisors" as the most important characteristic. Advisor knowledge continues to rank among the top responses in related questions across the 2016 CXMB Series dataset, including in the Consumer Opinion section (Page 24). Brands should be keen to take this into consideration as they hire and train their support staff.

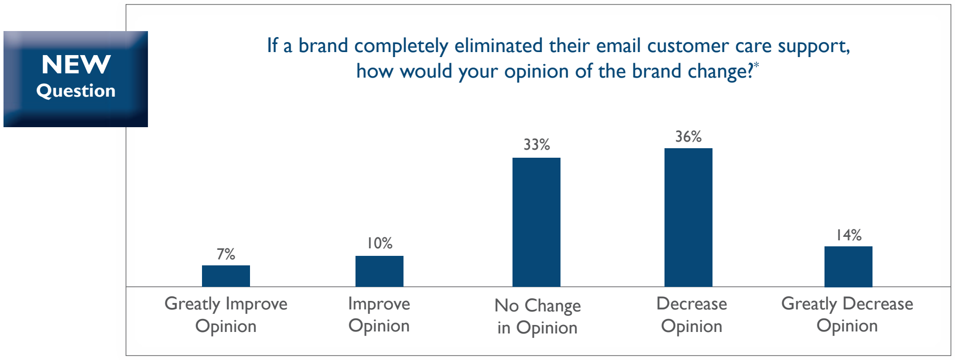


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 397 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 233 online responses. Sample: National Adult Internet Population

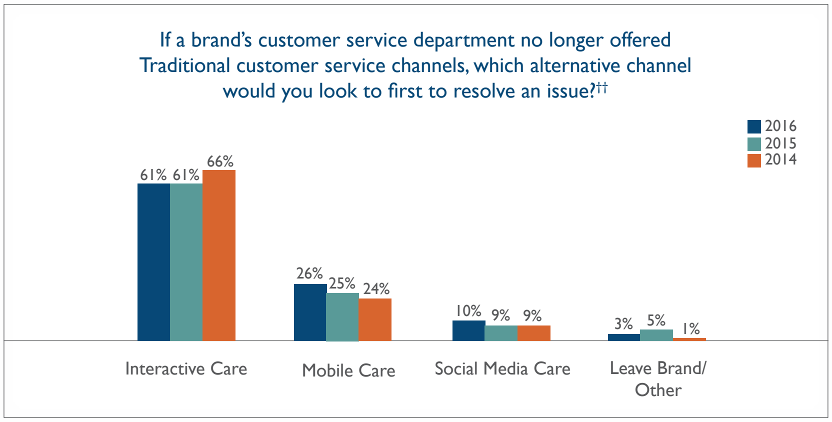
ELIMINATION OF EMAIL AND ALTERNATIVES TO TRADITIONAL

Channel-Specific — Traditional Care (cont.)

As has been depicted throughout this year's CXMB Series dataset, consumers continue to view Email as a viable customer care solution. This year, we introduced a new question aimed at the heart of the matter: How would consumers feel about the elimination of Email support? As the results show, a full 50% of survey participants would have a negative reaction to the elimination of Email as a support channel. Given the strength of this response, brands should be careful to consider the opinions of their own customers before making moves to eliminate a solution that is seemingly so valued by consumers at large. If companies do decide to move away from email, they must ensure their other solutions are capable of providing the same level of issue resolution as email.



In a question we've been asking since 2014, consumers continue to favor Interactive Care in the event that Traditional Care was unavailable. More than anything, this question is intended to gauge alternative channel interest among confirmed Traditional Care users. While it's highly unlikely that any brand would put an end to its Traditional Care support, these results are decent indicators of which alternative channels warrant the most attention, especially as these results trend over time.

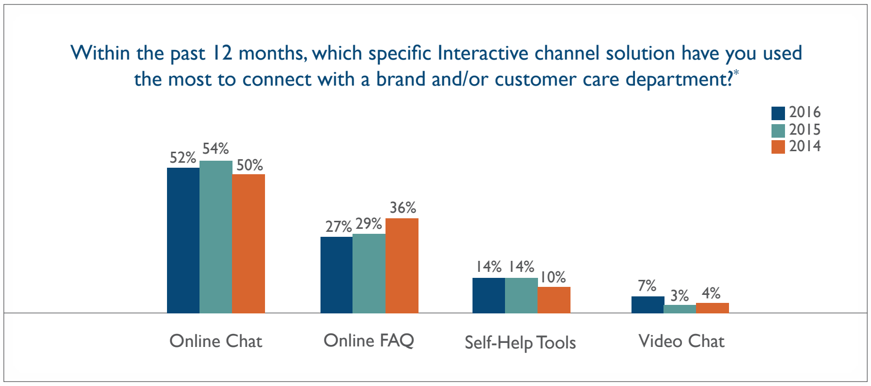


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 240 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 230 online responses. Sample: National Adult Internet Population.

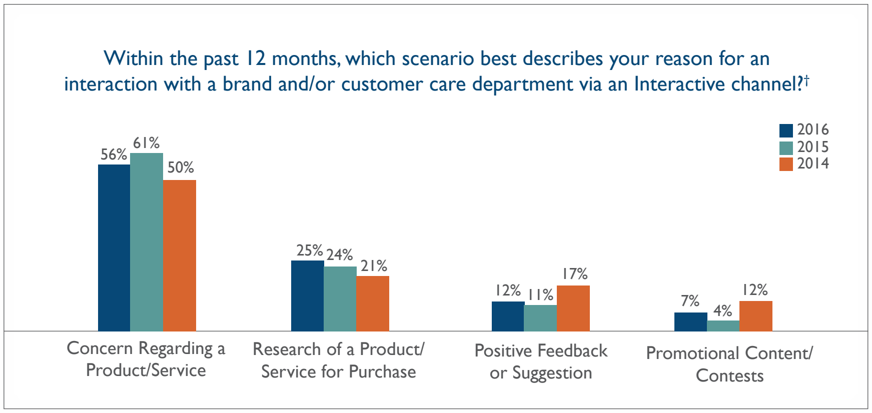
SOLUTION USE AND REASON FOR INTERACTION

Channel-Specific — Interactive Care

Online Chat continues to lead the Interactive Care channel in terms of use, remaining the most used solution by roughly half of all Interactive Care users, three years running. Online FAQ, on the other hand, has seen a second straight year of decline, while Self-Help remains locked at 14%. These results provide further support to the notion that consumers favor live interaction when given the option. They also confirm that Online Chat continues to be a logical area for implementation and/or expansion.



Interactive Care users remain focused on "Concern Regarding a Product/Service" as a top use of the channel. Another development has been the steady hold of the channel's use as a research tool. As brands introduce and expand Interactive Care channel solutions, they must ensure their content can accommodate this function, especially if consumers continue to increase their use of the channel for such purposes.

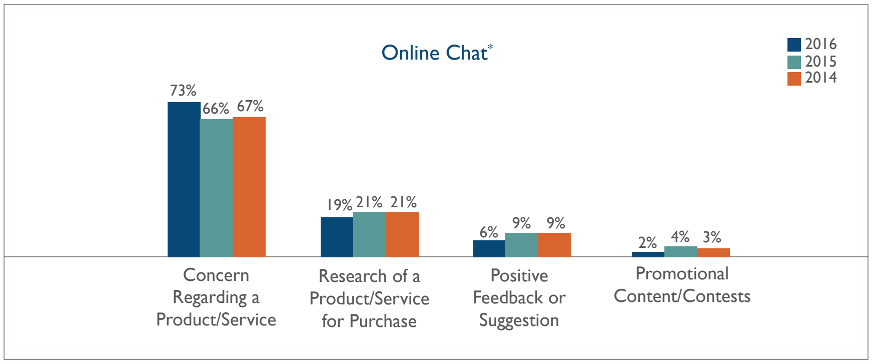


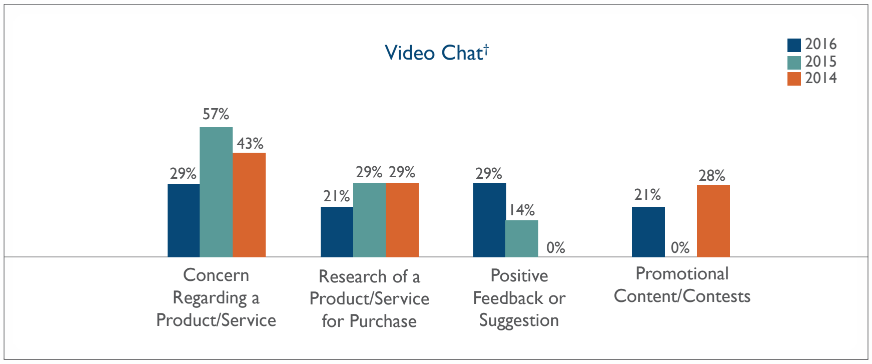
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 280 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 449 online responses. Sample: National Adult Internet Population.

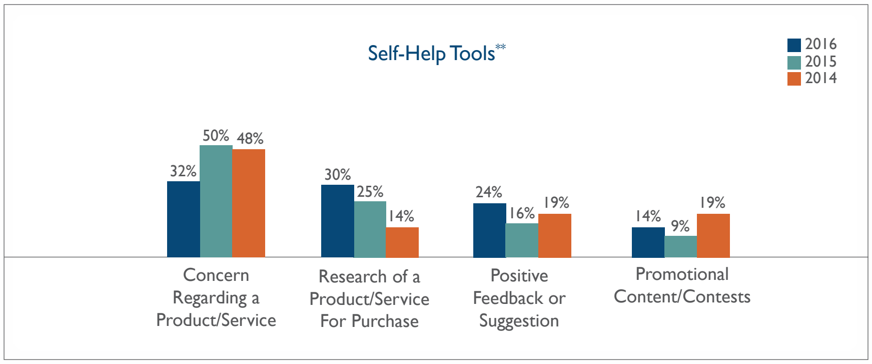
REASON FOR INTERACTION BY SOLUTION

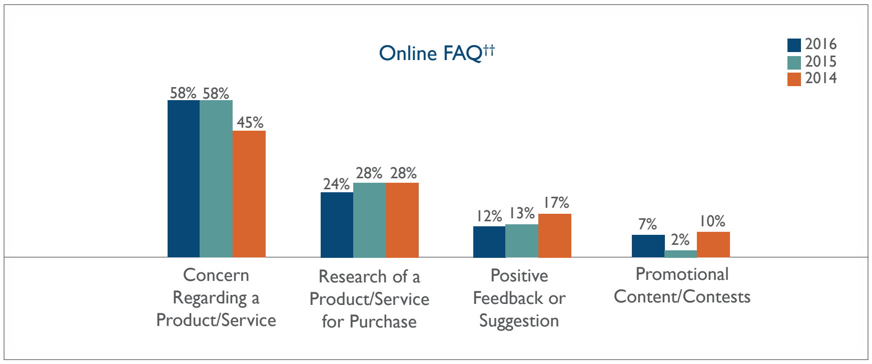
Channel-Specific — Interactive Care (cont.)

Below is a breakdown of use reasons by channel solution. A reflection of the collective results on the previous page, the three primary Interactive Care solutions (by volume) continue to direct much of their focus on "Concern Regarding a Product/Service." Self-Help Tools also points a fair amount of traffic toward "Research of a Product/Service for Purchase." The developers of Self-Help Tools should consider this as they look to develop new and innovative uses for their solutions, especially solutions that can easily transition into an eCommerce environment.







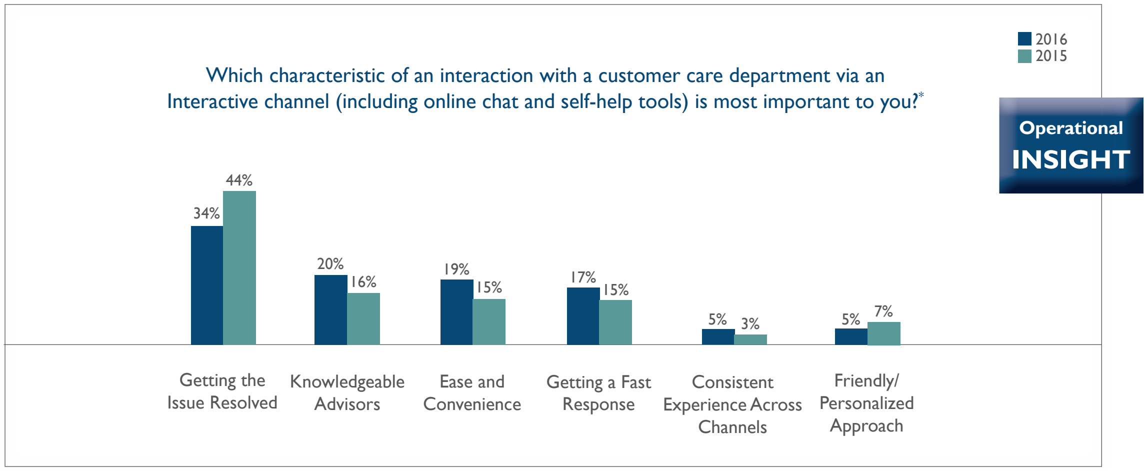


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 128 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 14 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 37 online responses. Sample: National Adult Internet Population.
††Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 59 online responses. Sample: National Adult Internet Population.

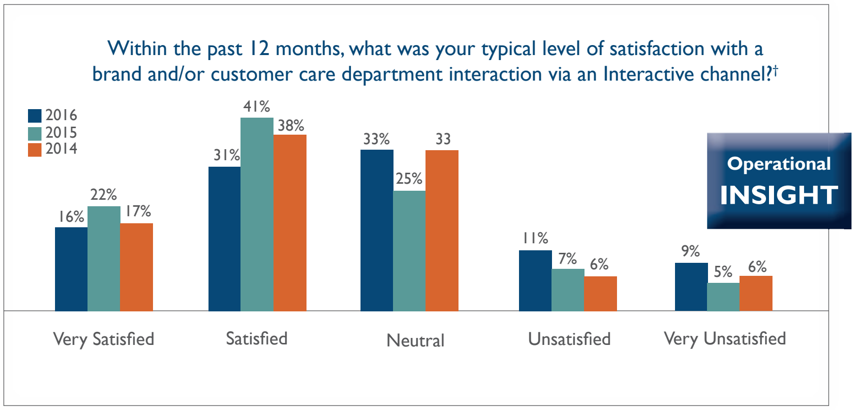
SATISFACTION AND CHARACTERISTICS OF IMPORTANCE

Channel-Specific — Interactive Care (cont.)

"Getting the Issue Resolved," which continues to be the largest driver, took a 23% drop in 2016, with the balance pouring into "Knowledgeable Advisors" and "Ease and Convenience." The move to "Knowledgeable Advisors" is of special interest, as a similar move was seen in Traditional Care; and this sentiment was strongly reflected in a number of open-ended questions throughout this year's survey. Improved knowledge and greater empowerment for agents continues to be top of mind for consumers across channels.



Among all channels, Interactive Care saw the steepest year-over-year decline in consumer satisfaction, falling 25% year-over-year for Very Satisfied/Satisfied. To put this in more context, Mobile Care saw an 11% decrease year-over-year, while Traditional Care saw a 5% improvement year-over-year. This, paired with a near doubling of Very Unsatisfied, tells a very unsettling story. In a follow-up to the satisfaction question, we asked if there was anything specific that led to the rating. Among those who provided a satisfaction level of "Unsatisfied" or "Very Unsatisfied," common themes pertained to advisor behavior, response time and lack of resolution. Select verbatim have been provided (below, right).



Was there anything specific about your interactions that has caused you to rate your level of satisfaction as you have in the previous question?†

"The customer care agent didn't have any information that wasn't already available online"

"The person at the company acted as if they could not care less"

"Time lag is annoying in on-line chat"

"Little response from company"

"Problem has not been rectified yet"

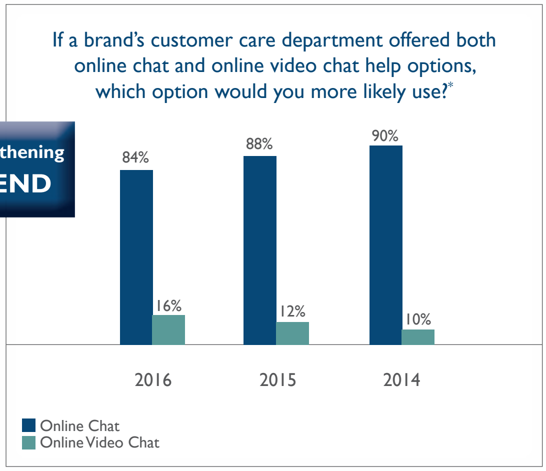
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 272 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 429 online responses. Sample: National Adult Internet Population.

CHAT OPINIONS, DEVICES AND FUTURE USE

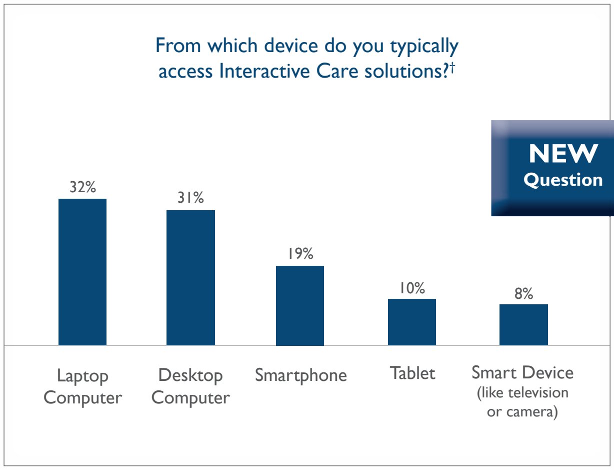
Channel-Specific — Interactive Care (cont.)

Slowly but surely, consumers are latching onto the idea of online video chat. The results from 2016 saw the highest result yet for consumer preference for online video chat over online chat (below, left). Although these results are still dwarfed by those preferring online chat, the growing interest among consumers appears to be consistent and accelerating. New for 2016, we also asked consumers about their device use in accessing Interactive Care solutions. While computers appear to dominate the mix, it will be interesting to track how smartphone use develops as new and innovative solutions are developed for this platform.

Strengthening TREND



NEW Question



In this past year's CXMB Series Corporate Edition, about half of the companies surveyed acknowledged that they were actively trying to shift traffic from one channel to another, with 73% actively focused on moving traffic from Traditional Care to Interactive Care. Given this environment, we wanted to understand what changes might encourage consumers to use Interactive Care more in the future. Therefore, we introduced a new question (below) directed at this objective. In large part, the responses we received focus on four primary areas: agent quality, accessibility, resolution rate and response speed.

NEW Question

What change would make you more likely to use the Interactive channel in the future?**

"Improved training for reps"

"Actually resolving the issue"

"Clear and quick accessibility"

"Customer service language challenges are my hugest hurdle"

"Knowledgeable representatives with consistent results"

"Real time and faster"

"24-hour online support"

"Get people who know what they are doing"

"Continued emphasis on customer service resolution"

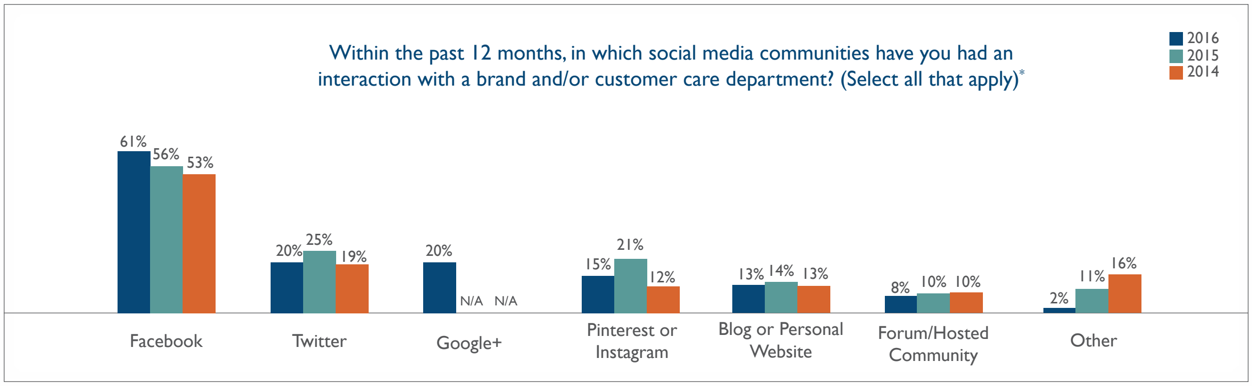
"Online chat representative needs the power to make actual changes"

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 264 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 206 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 239 online responses. Sample: National Adult Internet Population.

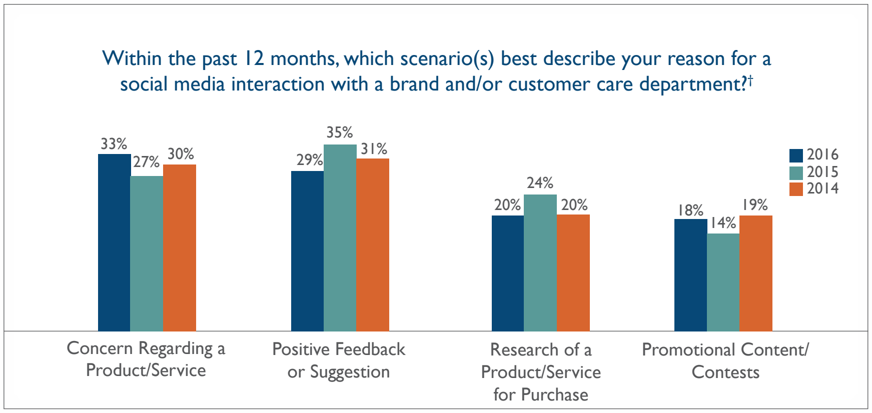
COMMUNITY USE AND REASON FOR INTERACTION

Channel-Specific — Social Media Care

This year's Social Media Care-related results saw an increase in the already prominent role of Facebook for brand/customer care interactions. At 61%, Facebook commands more than 3X the use rate of the next nearest community, Twitter (20%). While Twitter, Google+ and Pinterest/Instagram continue to play crucial roles, companies looking to launch or expand social media engagement programs should, in most cases, focus their efforts on Facebook first.



"Concern Regarding a Product/Service" and "Positive Feedback or Suggestion" continue to typify more than 60% of all Social Media Care transactions, as reported by this year's survey participants. For the first time in the survey's history, "Concern Regarding a Product/Service" takes the lead as the most common reason for consumers to interact with brands and/or their customer care groups via social media. Given the remarkable balance between these two channel uses, organizations will need to ensure they can provide exactly the kind of support their customers expect and desire within the channel.

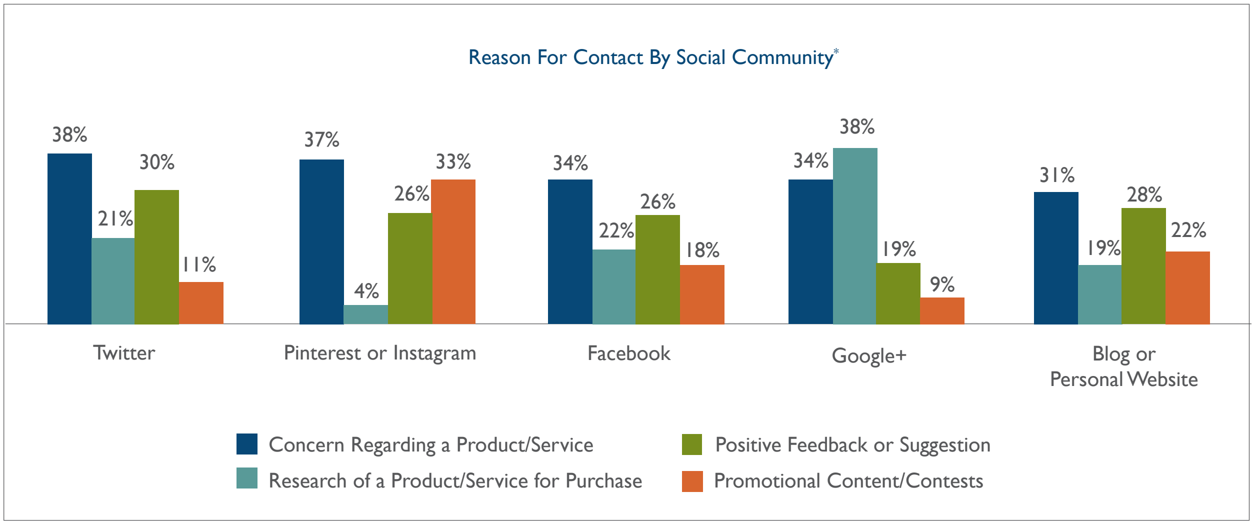


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 353 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 375 online responses. Sample: National Adult Internet Population.

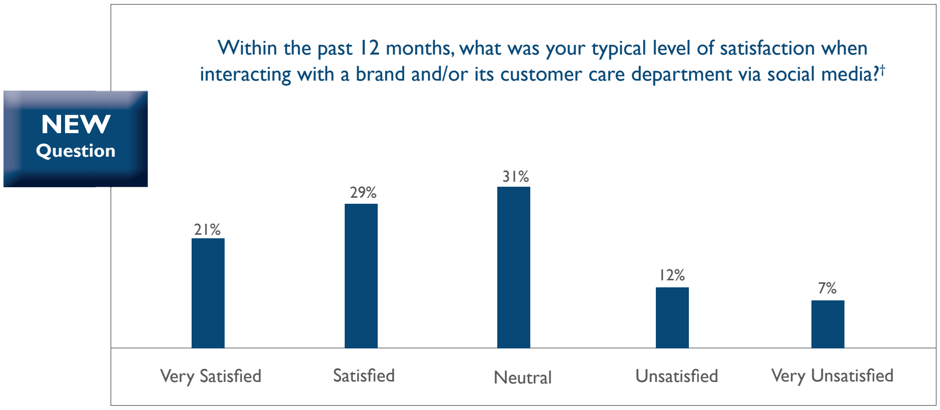
REASON FOR INTERACTION BY COMMUNITY AND SATISFACTION

Channel-Specific — Social Media Care (cont.)

As could be expected based on the results from the previous page, "Concern Regarding a Product/Service" saw increases across all communities, particularly Twitter (24% in 2015) and Pinterest or Instagram (10% in 2015). This is good news for the growing number of companies looking to shift traffic from Traditional Care to Social Media Care. As the channel continues to evolve in the direction of care, channel managers will have to ensure their front line agents are enabled to provide consistent, correct information and workable solutions in a timely manner.



In an effort to create some parity between channels, we included a question about satisfaction levels in each of the four channels. 2016 marks the first time we asked such a question for Social Media Care, and the combined Very Satisfied/Satisfied results (50%) compared favorably to the other three channels which came in at 46% (Traditional Care), 47% (Interactive Care) and 48% (Mobile Care). Even though Social Media Care fared well in comparison, channel satisfaction levels have a long way to go before they reflect success. In a follow-up question, the responses most common among dissatisfied responders pertained to lack of resolution, poor information and no response.



Was there anything specific about your interactions that has caused you to rate your level of satisfaction as you have in the previous question?†

"No resolution to the problem"

"Lack of care"

"Lack of real information"

"No acknowledgment from them"

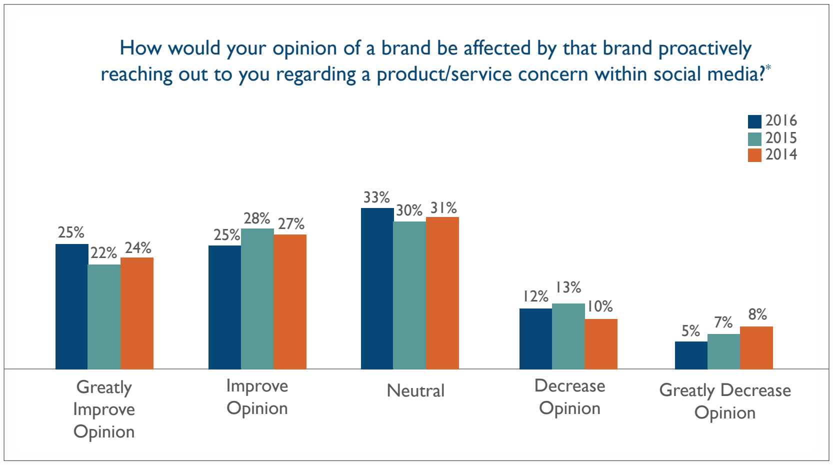
"Didn't resolve my issue, just directed me to their general phone number"

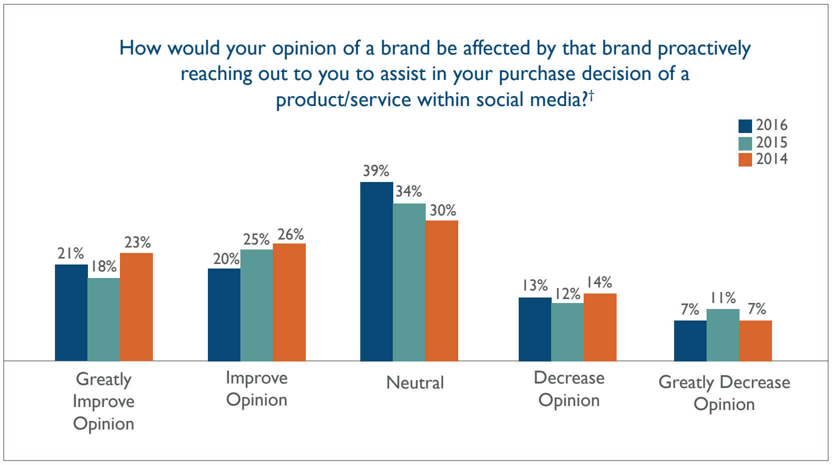
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 353 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 310 online responses. Sample: National Adult Internet Population.

OPINIONS ON PROACTIVE APPROACH

Channel-Specific — Social Media Care (cont.)

In a question we asked in each of the past three years, consumers continue to demonstrate a moderately positive sentiment toward proactive customer care within social media. Not only was a small uptick observed in the "Greatly Improve Opinion" response in 2016, it was paired with small declines in both "Decrease Opinion" and "Greatly Decrease Opinion." For brands that wonder about the impact of a proactive approach to customer care within social media, a good portion of consumers appear to be giving the green light; but brands should seek to understand if this holds true for their specific target audience.





As opposed to proactive customer care, proactive sales within social media was a slightly different story. While the balance of consumers would experience either an improved or neutral impact on brand opinion as a result of receiving proactive sales assistance within social media, these numbers are not as strong as those in the customer care-related hypothetical (above). Even still, companies will want to better understand how their specific customers view this issue — especially since many organizations are beginning to explore a proactive sales approach to social media engagements.

NEW Questions

Do you think it's appropriate for brands to proactively reach out to consumers on social media to assist with customer issues?**

YES: 53%

Do you think it's appropriate for brands to proactively reach out to consumers on social media to assist in purchases decisions?††

YES: 50%

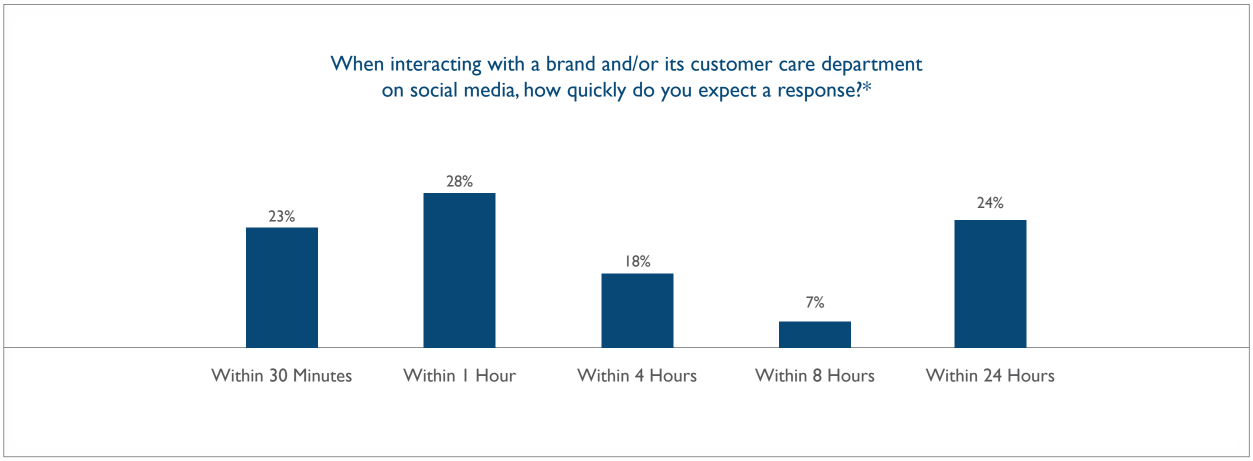
To add additional clarity to the questions of taking a proactive approach within social media, we added two new questions in 2016. These questions are an attempt to simplify the responses above. If taken along with the results at the top of the page, what these two data points seem to suggest is that while many consumers might think it inappropriate for brands to proactively reach out to consumers via social media, the majority of these wouldn't have their opinions negatively influenced, as evidenced by the "Neutral" responders in the questions above. That said, companies should still strive to seek out the attitude of their specific customer on this important topic.

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 224 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 216 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 212 online responses. Sample: National Adult Internet Population.
††Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.

RESPONSE EXPECTATIONS AND USE OF SOCIAL MEDIA

Channel-Specific — Social Media Care (cont.)

In past years, the CXMB Series had broken Social Media Care response expectations down by community. Since those responses didn't differentiate themselves enough to warrant such a breakdown, we've revised our approach to combine results together, resulting in the question below. Like previous years, if brands are able to respond via social media within one hour, they'll be able to meet the expectations of roughly 75% of all consumers. Naturally, these expectations vary by demographic, so brands should seek to understand the expectations of their specific customers.



NEW Question

Within the past 12 months, have you used social media to research or resolve an issue without actually engaging the brand or its care department?†

YES: 52%

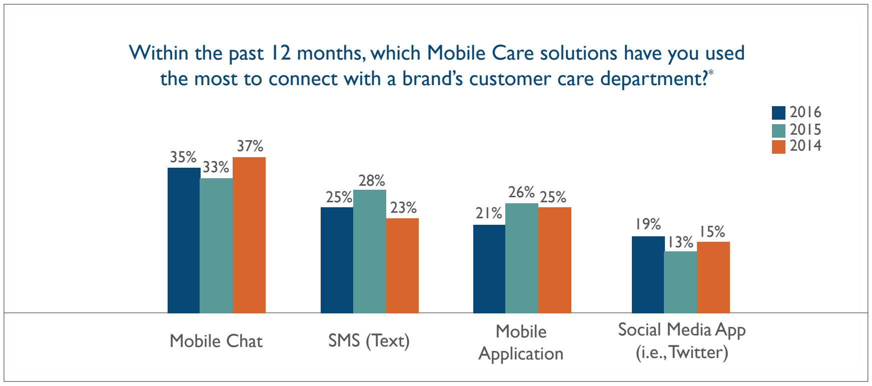
As has been discussed in the industry for years, social media engagements have an important one-to-many component. In other words, when a brand provides public assistance to a customer via social media, that solution isn't just viewed by that single customer, but rather any number of customers who might also be experiencing a similar issue. We wanted to begin to get an understanding of this aspect, so we introduced a new question for 2016 (above). The results showed that within the past year, a slight majority of Social Media Care users took to social media to research or resolve an issue without an actual brand engagement. This activity could be taken to mean peer-to-peer assistance, or even passive research on brand channels. These results provide a strong argument for brands to try to publicly resolve issues whenever possible, bolstering the one-to-many impact of Social Media Care.

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 214 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 211 online responses. Sample: National Adult Internet Population.

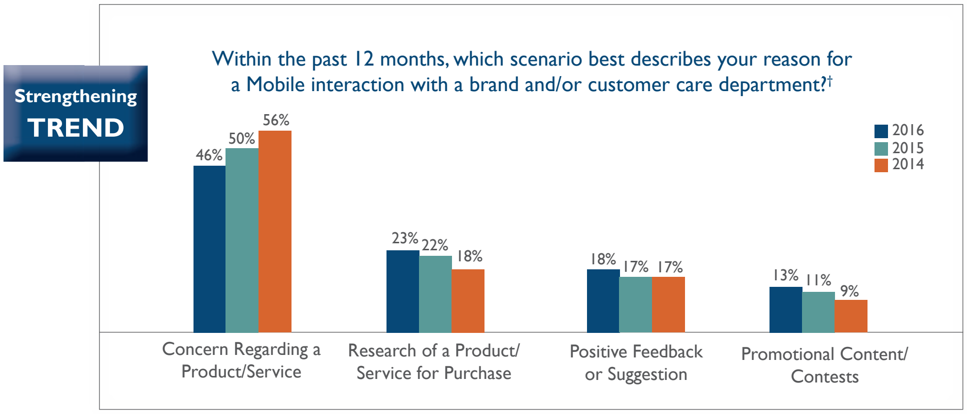
SOLUTION USE AND REASON FOR INTERACTION

Channel-Specific — Mobile Care

The Mobile Care channel continues to see a fairly even distribution of use across solutions, with slightly more volume passing through Mobile Chat solutions. Results from 2016 registered an increase in Social Media App use (+46%), along with a drop in Mobile Application use (-20%). This development could be explained by the fact that social media companies are constantly pushing the envelope on platform and app features. This puts constant pressure on brands to further evolve their own brand apps, often at a pace that is difficult to maintain. So long as consumers continue to find that greater responsiveness through social media, and social media apps provide a better user experience, this migration is likely to continue.



While almost half of all Mobile Care traffic continues to focus on "Concern Regarding a Product/Service," a trend away from this is emerging. "Research of a Product/Service for Purchase" has seen a 28% gain since 2014. Companies should be asking themselves if the Mobile Care solutions they provide are offering a simple way for their customers to resolve issues. At the same time, they must ensure they are providing essential product/service research tools, especially if more of their customers continue to look to the Mobile Care channel as a place for learning about products and services prior to purchase.

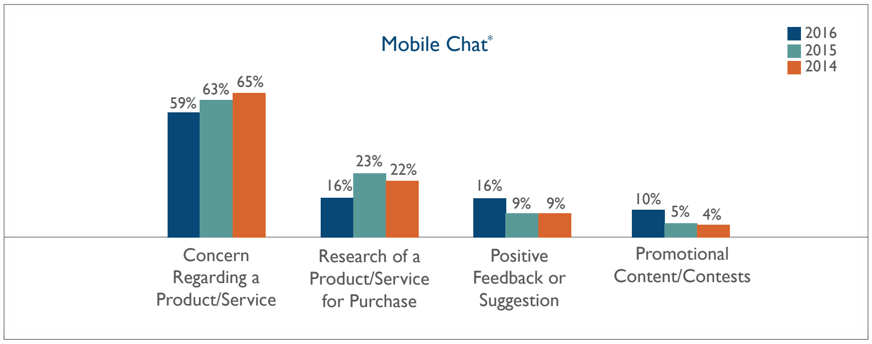


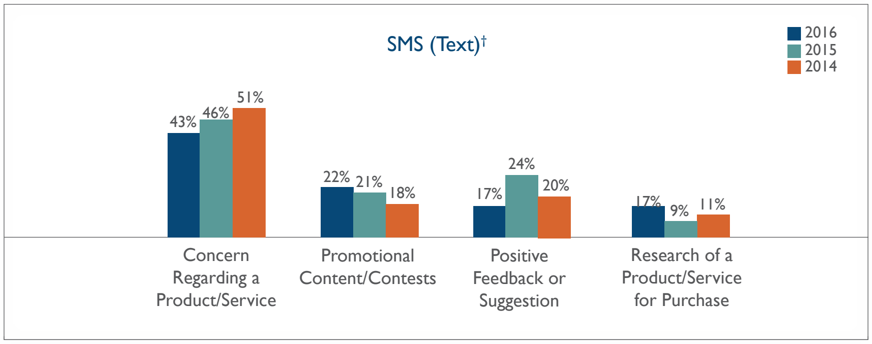
*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 212 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 316 online responses. Sample: National Adult Internet Population.

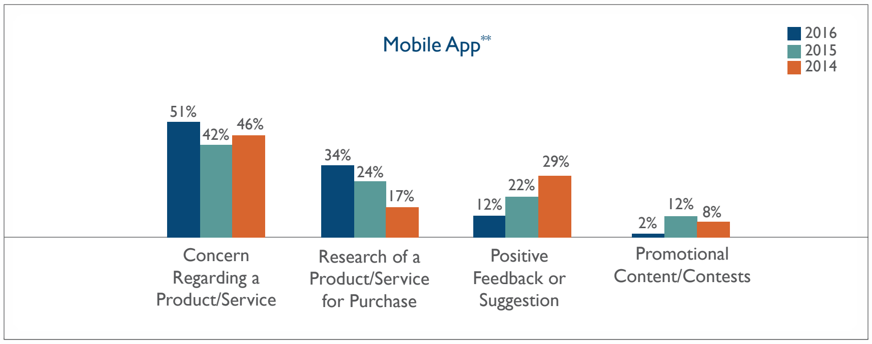
REASON FOR INTERACTION BY SOLUTION

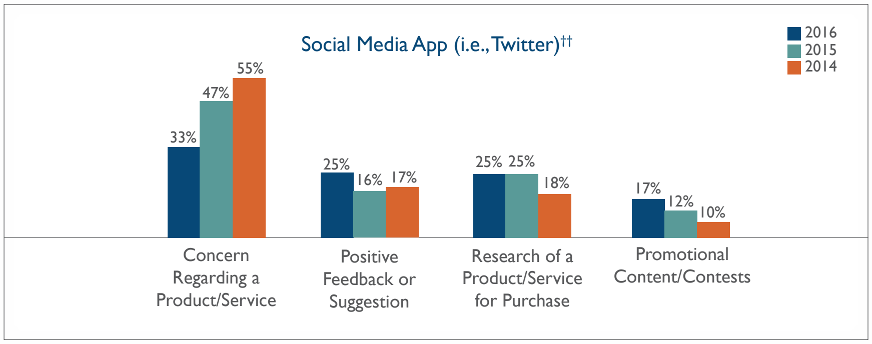
Channel-Specific — Mobile Care (cont.)

Below is a breakdown of the reasons why consumers interact with brands by Mobile Care channel solutions. As demonstrated in the results on the previous page, "Concern Regarding a Product/Service" continues to recede across the majority of channel solutions. The one exception is Mobile App, where use for the purpose of issue resolution was up 21%. As mentioned on the previous pages, brands need to take care to include easy-to-use issue resolution functionality across their Mobile Care solutions. They also need to direct the appropriate type of traffic to the Mobile Care channel, while accounting for the potential increase in product/service research and purchase use within the channel.







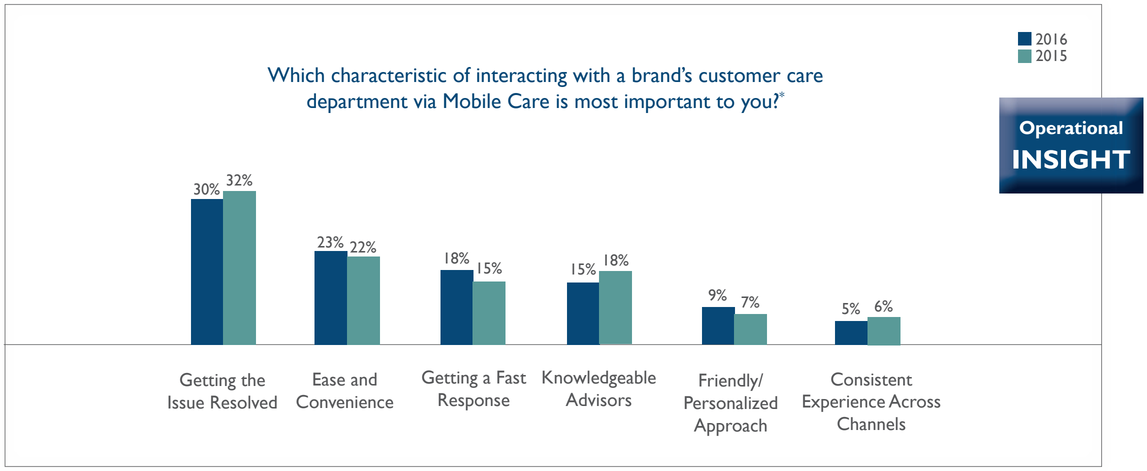


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 70 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 46 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 41 online responses. Sample: National Adult Internet Population.
††Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 36 online responses. Sample: National Adult Internet Population.

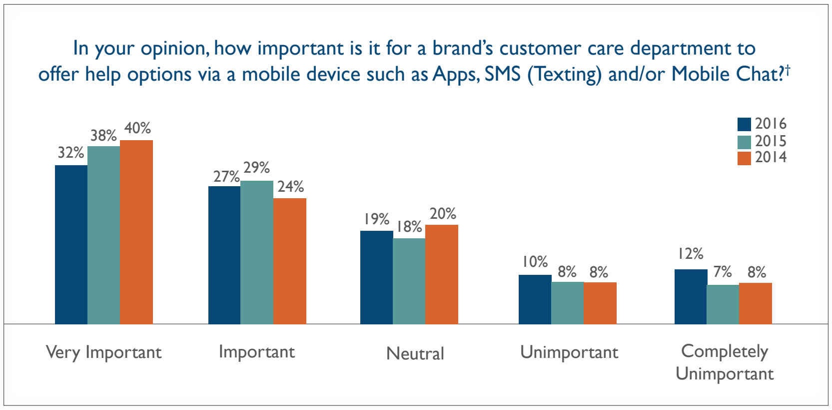
SOLUTION USE AND REASON FOR INTERACTION

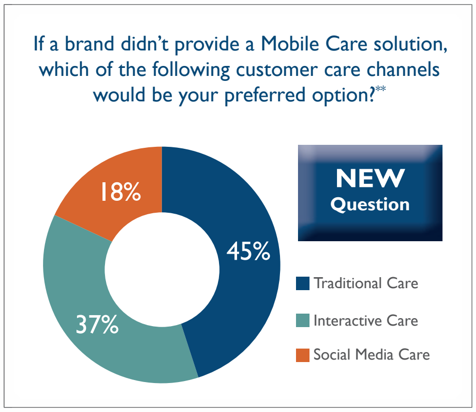
Channel-Specific — Mobile Care (cont.)

The one thing that has remained constant in the below results over the past three years is that Mobile Care users are still all about resolving their issues in an easy, convenient and fast manner. Companies should take this as a call to action to empower their front-line agents, and ensure that the technology and tools deployed in the Mobile Care channel are easy to access, easy to understand, capable and provide a fast path to resolution.



While the numbers slipped in 2016 (bottom, left), nearly 60% of all consumers continue to voice the opinion that it is either "Important" or "Very Important" for customer care departments to offer help via Mobile Care channel solutions. As better SMS/Text solutions and apps are developed, this number is sure to strengthen. When asked which channel they'd turn to if a Mobile Care solution wasn't available, most would opt for Traditional Care, followed closely by Interactive Care.



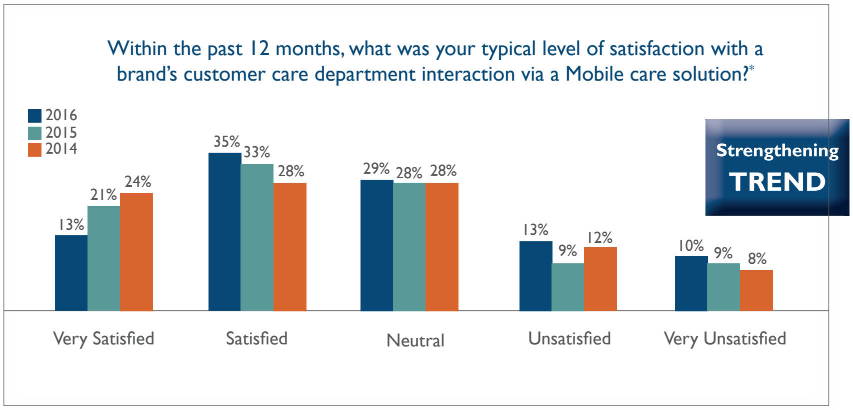


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 272 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 429 online responses. Sample: National Adult Internet Population.

SOLUTION USE AND REASON FOR INTERACTION

Channel-Specific — Mobile Care (cont.)

The consumer's level of satisfaction with the Mobile Care channel saw a drop of 11% among those indicating Very Satisfied/Satisfied year-over-year (48% in 2016 versus 54% in 2015), as well as an increase in those answering Very Unsatisfied/Unsatisfied. More concerning is that "Very Satisfied" has fallen 46% since 2014. That said, the Mobile Care channel fared well against its channel counterparts, which came in at 46% (Traditional Care), 47% (Interactive Care) and 50% (Social Media Care). But in general, these levels are far below where the need to be to impress consumers. To help boost the level of satisfaction, brands should focus on the areas that consumers indicate as most important: resolution rate, ease, convenience and speed.



A follow-up question was included along with the satisfaction level question above. Below are a number of verbatim that highlight the most common reasons why consumers responded "Unsatisfied" or "Very Unsatisfied." As with other channels, the most common concerns focused on agent performance, inability to resolve the issue and canned responses. Many of these issues related directly to agent empowerment and training, areas where brands should consider directing greater attention.

NEW Question

Was there anything specific about your interactions that has caused you to rate your level of satisfaction as you have in the previous question?*

"They kept forwarding me to other people and never solved the problem"

"Slow, unable to help"

"Less than knowledgeable customer service reps"

"Promotional content is annoying and constant"

"Formula answers did not resolve the issue"

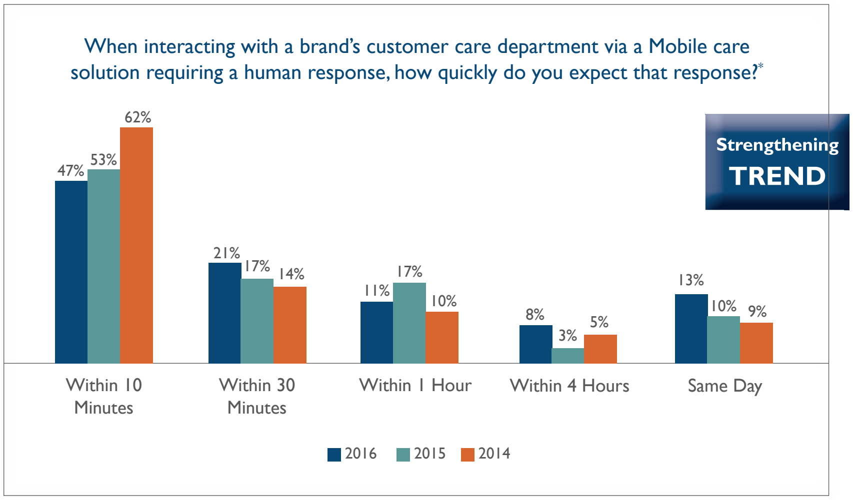
"Lack of interest and no authority to do anything"

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 292 online responses. Sample: National Adult Internet Population.

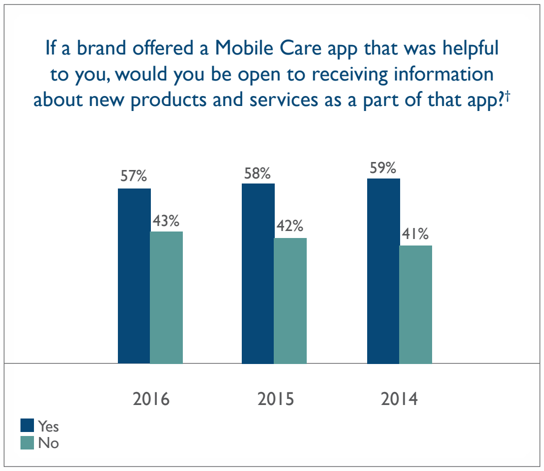
SOLUTION USE AND REASON FOR INTERACTION

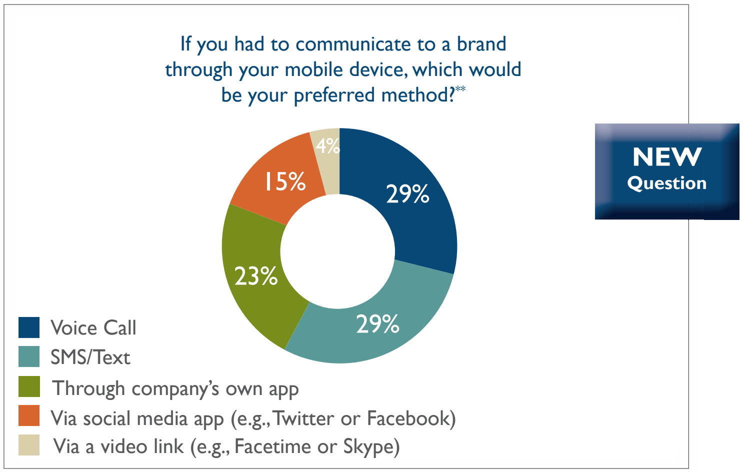
Channel-Specific — Mobile Care (cont.)

With regard to response time expectations, and unlike what was seen in Social Media Care, consumers have much higher expectations for Mobile Care solution responsiveness. Whereas more than 75% of all consumers would have their expectations met if a response came within one hour via Social Media Care, only 32% of consumers would have those same expectations met in Mobile Care. And almost half expect a response within ten minutes. It's likely that this difference in expectations can be chalked up to consumers' general experience with mobile devices. While these lofty expectations have been easing over the years, brands should still be aware of what their specific customers expect.



As indicated at bottom left, a fairly strong majority of consumers continue to indicate that they'd be open to receiving information about new products and services via a Mobile Care app, assuming the app was helpful. And in a new question for 2016, we asked consumers to indicate their preferred contact method through a mobile device. These results will be especially interesting as they develop over time, but for now, the majority of consumers fall evenly into Voice Call and SMS/Text, with another quarter or so of consumers opting for communicating through an app. If a company is just getting started in Mobile Care, a SMS/Text solution is a good place to start, since SMS/Text is often less expensive than a robust app solution that might also include two-way communication.



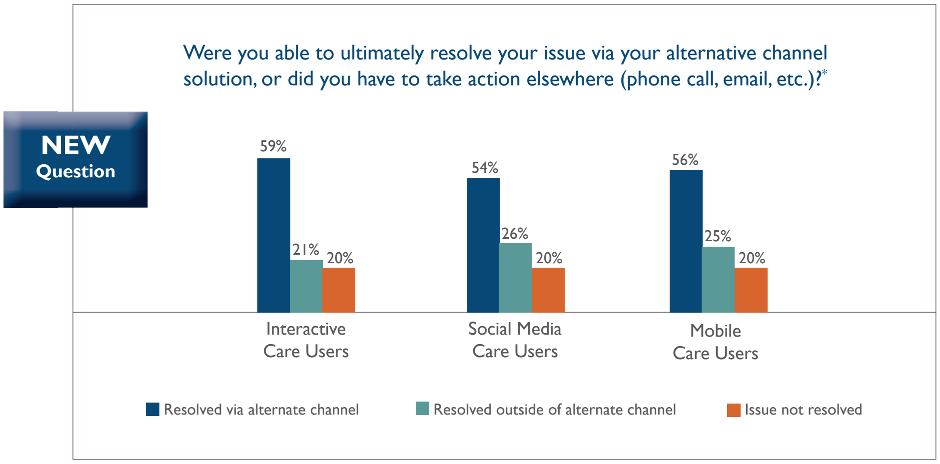


*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 207 online responses. Sample: National Adult Internet Population.
†Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 204 online responses. Sample: National Adult Internet Population.
**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 202 online responses. Sample: National Adult Internet Population.

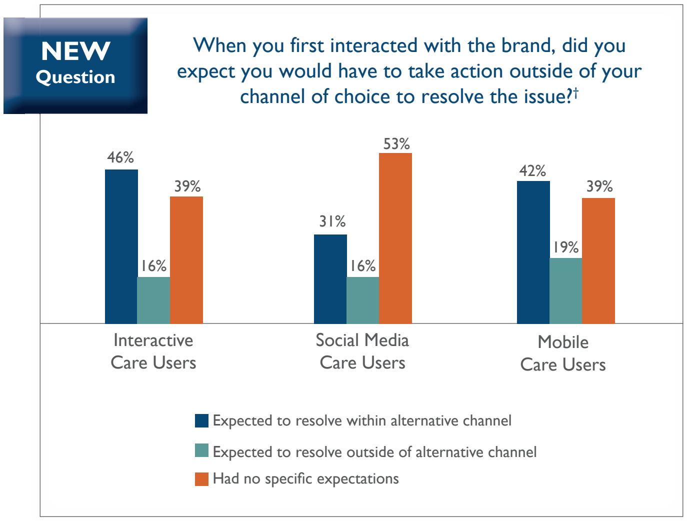
RESOLUTION BY CHANNEL AND EXPECTATIONS

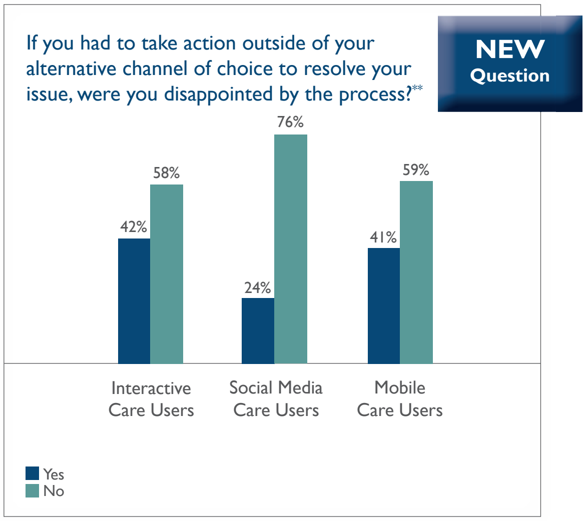
Channel-Specific — Alternative Channel Journey

According to survey participants, alternative channels provide a fairly consistent resolution rate, regardless of channel. Interactive Care registered the highest in-channel resolution rate at 59%, followed by Mobile Care (56%) and Social Media (54%). This means that in roughly 40-45% of all cases, the alternative channel was unable to resolve the issue on its own, requiring the consumer to either shift channels or simply deal with an unresolved issue. That being the case, the overall resolution rate (resolved both in and outside of the alternative channel) was roughly 80% when the resolution process began in any one of the three alternative channels.



Among the alternative channels, consumers have the highest resolution expectations of Interactive and Mobile Care (below, left). Not only do fewer Social Media Care users have expectations that their issues will be resolved in their channel of choice, they bring fewer expectations in general. As a result, Social Media Care users are less likely to be disappointed when they need to take action outside of the Social Media Care channel (below, right), whereas both Interactive and Mobile Care saw more than 40% of consumers disappointed by a process that took them out of channel. Companies should consider these differences as they develop plans for enhancing the issue resolution capabilities of their alternative channels, especially if they plan for a phased approach. By boosting the resolution capabilities of Interactive and Mobile Care first, it's likely they'll disappoint fewer customers (assuming channel volumes are equal).





*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 437 (Interactive Care), 590 (Social Media Care) and 393 (Mobile Care) online responses. Sample: National Adult Internet Population. †Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 425 (Interactive Care), 554 (Social Media Care) and 372 (Mobile Care) online responses. Sample: National Adult Internet Population.**Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 210 (Interactive Care), 314 (Social Media Care) and 207 (Mobile Care) online responses. Sample: National Adult Internet Population.

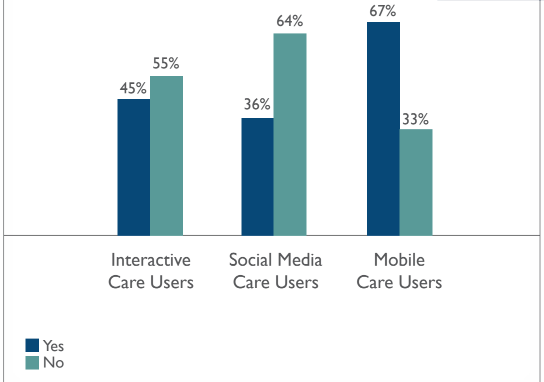
ALTERNATIVE CHANNELS FOR SALES

Channel-Specific — Alternative Channel Journey (cont.)

When it comes to utilizing alternative channels for purchasing and/or researching products, Mobile Care dominates its peers. A full two-thirds of survey respondents who were screened as users of Mobile Care indicated that they regularly use the channel for the purpose of purchasing or researching products. This compares to only about one-third of Social Media Care users, and a little less than half of Interactive Care users. Brands should be keen to seize on this activity and bolster the eCommerce capabilities they provide via their Mobile Care solutions, especially since consumers are likely to only increase this behavior.

Do you regularly use (Interactive Care/ Social Media Care/Mobile Care) solutions to purchase or research products?*

NEW Question



In an effort to highlight brand leaders, we asked consumers to identify which brands provide the most useful product research and/or purchase solutions within alternative channels. Below are the brands consumers mostly commonly named, in order of prevalence. It's worth mentioning that Amazon was indicated more than twice as often as any other brand. In the Mobile Care channel alone, Amazon was named by 15% of all participants.

NEW Question

Which brand(s) provide the most useful support for purchasing or researching products in your alternative channel of choice?†

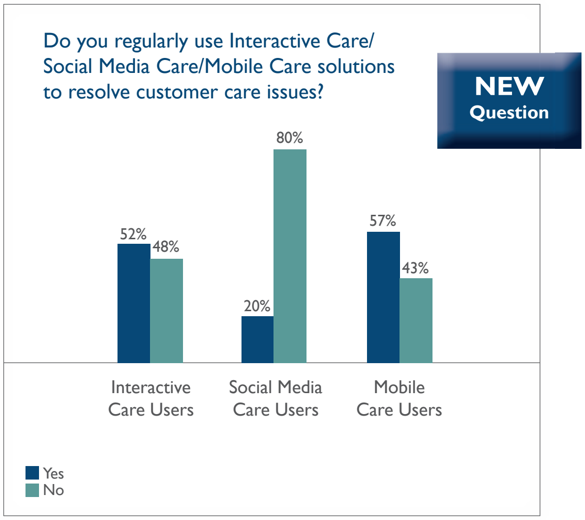
Interactive Care Users	Social Media Care Users	Mobile Care Users
Amazon	Amazon	Amazon
Verizon	Nike	Apple
Microsoft	Target	Verizon
Google	Walmart	Ebay
Apple	Costco	Walmart
HP	Coca-Cola	Zappos
Samsung	Ebay	Groupon

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 366 (Interactive Care), 491 (Social Media Care) and 327 (Mobile Care) online responses. Sample: National Adult Internet Population. †Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 202 (Interactive Care), 221 (Social Media Care) and 202 (Mobile Care) online responses. Sample: National Adult Internet Population.

ALTERNATIVE CHANNELS FOR CARE

Channel-Specific — Alternative Channel Journey (cont.)

As far as resolving customer care issues goes, Interactive and Mobile Care were more closely aligned versus the research and purchase question on the previous page. Social Media, on the other hand, lagged behind on regular use for both sales and issue resolution. These results continue to reinforce previous findings that demonstrate a high level of channel dedication among users of Interactive Care and Mobile Care compared to Social Media Care users (Page 28). If brands want to increase their volume of Social Media Care engagements, they need to develop an understanding for what drives channel dedication and loyalty, and also gain a deeper understanding of their customers' perceptions regarding Social Media Care's capacity to resolve customer care issues.



As with purchase/research use (previous page), we asked consumers to identify which brands provide the most useful alternative channel solutions for resolving customer issues. Below are the brands consumers most commonly listed, in order of prevalence. Similar to the product purchase and research results, Amazon was mentioned far more than any other brand across all channels.

NEW Question

Which brand(s) provide the most useful support for resolving customer issues in your alternative channel of choice?

Interactive Care Users	Social Media Care Users	Mobile Care Users
Amazon	Amazon	Amazon
Google	Google	Google
Verizon	Nike	Verizon
Microsoft	Coca-Cola	Apple
Apple/AT&T/Comcast/ Samsung	Netflix/AT&T/Walmart	Sprint

*Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 366 (Interactive Care), 491 (Social Media Care) and 327 (Mobile Care) online responses. Sample: National Adult Internet Population. †Methodology 2016 data: Conducted by Google Consumer Surveys, April 2016 and based on 202 (Interactive Care), 221 (Social Media Care) and 202 (Mobile Care) online responses. Sample: National Adult Internet Population.

CHANNEL-SPECIFIC RESULTS — CONCLUSIONS

Key Findings

- Phone as the most used Traditional Care solution saw a 12% year-over-year decrease (from 65% in 2015 to 57% in 2016), while Email saw a sharp year-over-year increase of 50% (from 22% in 2015 to 33% in 2016)
- 50% of consumers said they would have a "Decreased" or "Greatly Decreased" opinion of a brand if that brand completely eliminated email customer care support
- Acceptance of Video Chat continues to grow, with 16% of consumers indicating they'd opt for Video Chat over Online Text Chat in 2016, up from 12% in 2015
- When given the option of which method they'd like to use to communicate with brands through a smartphone, 29% said by Voice Call, 29% said by SMS/Text and 23% said by brand app
- 53% of consumers think it appropriate for brands to proactively reach out on social media to assist with a customer issue, while 50% think the same of a brand proactively reaching out to assist in a purchase decision
- On average, use of a single alternative care channel provides a resolution 56% of the time, a fairly low number compared to Traditional Care and/or a multi-channel approach

The Channel-Specific Results section provided a few surprises in 2016. Most notable was the shift in Traditional Care's traffic mix, which saw an overall decrease in channel use and consumer preference for the channel. At the same time, in a question aimed at identifying which Traditional Care solution consumers use most, Phone saw a measurable decrease, while Email use spiked upward.

Among the other channels, Mobile Care was a bright spot, showing strong year-over-year gains both in use and preference. There was also an indication that consumers are increasingly turning to mobile apps to research and shop for products and services. Brands will want to consider this rise in use, specifically the rise in the use of mobile as a research/shopping platform as they evolve their apps.

While Interactive and Social Media Care use held steady year-over-year, there continues to be a steady increase in the percentage of consumers who would opt for Video Chat over Online Chat. Given the growing popularity of technologies like Periscope, brands should seek to understand what this trend might mean not only for their Interactive Care channel, but also other that channels that can support live video as a medium.

Critical Questions Brands Should Be Asking Themselves

Are traffic changes among Traditional Care solutions like phone and email changing as expected? How are these changes impacting our alternative channels?

As acceptance of video chat grows, have we examined its usefulness at our organization? Do we understand how our customers view video chat as a customer care or pre-sales solution?

Are we doing enough to enable FCR and improve issue resolution rates within our alternative channels? Do we understand what our customers expect from alternative channel solutions?

MULTI-CHANNEL MANAGEMENT

Jeff Camp — TXU Energy

Choice is the fundamental basis for the multi-channel experience. The companies who succeed in delivering the multi-channel experience for their customers recognize the importance of providing a choice for them, rather than imposing one on them.

Texas' retail electric market is one of the most robust and competitive industries anywhere, and its primary product – electricity – is, in part, a commodity but in many respects a necessity. There are 60-plus providers competing for the right to serve 6 million residential consumers in the state, and the diversity of this customer base's needs and expectations from their provider is far-reaching.

For TXU Energy, meeting customers how, when and where they are is a competitive imperative, one which requires us to have a robust, multi-channel service and engagement strategy. In recent years, we have invested heavily in expanding our offerings, and today we have one of the most comprehensive service portfolios in the market, including: phone, natural-language IVR, web, social media, mobile, email, online chat, distributed payment locations and other methods of engagement.

While we have a sizeable segment of our population that prefers traditional, agent-based service, we have seen a dramatic shift in the past five years to self-service. In fact, more than 78 percent of our customer engagements come through one of these self-service channels.

In addition to making these channels available, we are working hard to ensure that they are seamlessly connected. Customers should not have to start over with each new interaction with the company when they switch to a new channel of engagement. We measure customer effort and satisfaction across our engagement channels and have gathered more than 40,000 survey responses from our customers. They consistently tell us that having multiple options for engagement is a must in this fast-paced world. In fact, our self-service platforms and our mobile tools rank as high as, and in some cases even higher than, live-handled interactions.

In the end, we want to direct customers to the channel that best serves their need – when and where it arises.

Jeff Camp

Jeff Camp serves as VP of Contact Center Operations, which is responsible for delivering world class customer experiences through the efficient and effective execution of the strategies and programs of the retention, acquisition, and customer service efforts for Residential and SMB customer segments. Jeff oversees CCO line of business teams of Acquisition, Retention, and Service as well as support functions including Process Management, Quality Analysis, Learning & Development, Change Management, Forecasting and Planning, Customer Experience Design and Regulatory Response. CCO defines and administers business rules and processes designed to streamline the agent experience and ultimately provide the world class customer experience TXU Energy customers both deserve and require, supporting customers across live agent and robust self-service channels. The team is comprised of 275 internal employees and over 900 external agents in dedicated outsourced relationships.

Prior to joining TXU, Jeff served as Executive Vice President of Countrywide Home Loans and VP of Customer Contact Management for North American insurance operations for JCPenney Financial Services. Mr. Camp graduated Magna Cum Laude with an undergraduate degree in Finance and Economics from Western Washington University, and completed the graduate marketing program from SMU.

CONNECTING A DIGITAL UNIVERSE WITH CUSTOMER CARE

Matt Zurcher — HomeAdvisor, Inc.

As the nation's leading home services marketplace, HomeAdvisor is working hard to create a variety of digital experiences that offer homeowners an instant connection with quality pros. But creating a seamless online experience isn't always about the latest and greatest in technology — sometimes it's about the people behind it. Here's how HomeAdvisor's Customer Care Advisors are helping to create and inspire a robust, multi-channel customer experience.

The Multi-Channel Experience

Desktop: For many homeowners, finding a trusted, quality pro for home projects is a challenging, and often, intimidating task. So, in order to better connect homeowners with home professionals — and grow our volume of quality pros — HomeAdvisor strengthened its core experience by developing Instant Booking and Instant Connect. Instant Booking is an on-demand scheduling tool that helps homeowners schedule quality pros in more than 1,000 project categories with just a few clicks of a button. The simplicity of Instant Booking streamlines the scheduling process and alleviates one of the major pain points of hiring a pro. HomeAdvisor's Instant Connect feature connects homeowners with a trusted pro without the hassle of dialing or phone tag. Customers simply enter their project details, match with the right pro and get a call within minutes to discuss the job — resulting in less waiting and more doing.

Mobile: HomeAdvisor is also working in the lightning-fast world of mobile applications to continue to innovate around how contractors and homeowners connect. HomeAdvisor's mobile application offers a quick way to find trusted pros, search ratings and reviews, look up project costs and book online appointments. As our fastest growing channel, the HomeAdvisor mobile application is quickly becoming the hotspot for repeat usage — which means that consumer-brand dialogues in this area are important.

Voice: HomeAdvisor is also working to innovate the smart home space with a first-of-its-kind home services Alexa Skill. This voice-activated tool gives homeowners a hands-free connection to an available service pro in less than a minute. While less common than mobile or desktop channels, voice-activated tools are quickly becoming more commonplace in the digital space — especially in smart home applications.

The People Behind It

There are those who believe technology is all that's required to create a great customer experience. HomeAdvisor feels differently. With a stable of 450 internal agents, that number is up 50 percent since 2015, HomeAdvisor is able to offer consumers a personal touch by fielding questions, educating customers or recommending alternative methods of finding a contractor. "We work with our four core values — attitude, integrity, ownership and innovation — to support the products and technology that define HomeAdvisor," Matthew Zurcher, Senior Vice President of Customer Care, said.

CONNECTING A DIGITAL UNIVERSE WITH CUSTOMER CARE (CONT.)

Matt Zurcher — HomeAdvisor, Inc.

The insight of Customer Care Advisors also helps connect HomeAdvisor's channels. Speaking with thousands of home professionals and homeowners each day — HomeAdvisor's Customer Care Advisors will take around eight million calls this year — gives Customer Care a unique view into the likes and dislikes of HomeAdvisor users. That information helps the product, development and marketing teams frame the changes and upgrades needed to perfect HomeAdvisor's digital innovations. Listening and responding to the wants and needs of users is a huge opportunity to strengthen the connection between channels. The feedback of HomeAdvisor's 450 advisors is key in linking digital platforms and cohesive customer experiences.

Connecting digital channels also relies on providing customers with an aggravation-free platform to ask questions and give opinions. "It's important to have people behind the technology," Zurcher said. "We want customers to find what they want, whether it's helping contractors change profile information or talking with homeowners to help them better understand our newest suite of features, we want to make it easy — people expect things to be easy."

Through our on-demand technology and focus on customer service, HomeAdvisor is able to transcend traditional platforms and provide a high-quality experience on every platform and channel.

Whether it's a suite of desktop tools that help book and contact pros, a mobile platform that give users a robust set of features on the go or voice-activated technology that books a pro in minutes, HomeAdvisor is striving to connect homeowners and pros with a diverse, powerful array of digital tools and features. But, in order to maximize the effectiveness of a digital toolbox, it's imperative to have a customer care team connecting it all.

About HomeAdvisor

HomeAdvisor is the leading online provider of the tools and resources Homeowners need to complete their home improvement, maintenance and repair projects. With HomeAdvisor, homeowners can view average project costs, find local pre-screened home professionals and instantly book appointments online. Our resources are free to homeowners, with no membership or fees required.

Matt Zurcher

Matt Zurcher is Senior Vice President of Customer Care at HomeAdvisor, Inc. In this capacity he oversees inbound and outbound interactions supporting B2B and B2C partnerships. He works with an outstanding management team that inspires him through their hard work, passion and GSD attitude. Matt has been at HomeAdvisor since 2000. Prior to that he was a Surface Warfare Officer in the US Navy.

ABOUT THE STUDY'S METHODOLOGY

Google Consumer Surveys reports on the inferred age and gender of anonymous respondents based on the websites users visit, as well as their location based on IP addresses. Income and urban density are then approximated using census data for particular geographic regions. Inferences, as they relate to these categories, may not be available for all survey participants.

Please note that it's possible that Google Consumer Surveys may mis-categorize people. For example, if someone visits websites that are usually frequented by younger people, they may be categorized as younger than their actual age. Similarly, if a household uses a shared computer, we may categorize that "user" based on the combined interests of the household.

Provided the complexities of participant screening questions through the study's body of surveys, we present unweighted findings. When targeting an audience representing the U.S. Internet population, Google Consumer Surveys attempts to find respondents that match the distribution of people in the U.S. by age, gender and location as reported in the U.S. Census Current Population Survey (CPS). When outliers were observed in the data as they relate to the inferred age, income, gender and urban density, we made an effort to highlight these findings.

ABOUT THE STUDY'S AUTHORS

Execs In The Know

For over 15 years, Execs In The Know has built a reputation of excellence in the Customer Management Industry and a worldwide community of over 50,000 Customer Experience Professionals. Execs In The Know connects people to engaging industry content, thought leadership, current trends, peer-to-peer collaboration, networking and industry employment opportunities. Examples of this can be seen at their Customer Response Summit events, roadshows, webinars, workshops, Blog Talk Radio segments, Industry Benchmarking Series, blogs, thought papers and social communities.

To learn more about Execs In The Know, visit www.ExecsInTheKnow.com.

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COPC Inc. is an innovative global leader that empowers organizations to manage complex customer journeys. The company created the COPC Customer Experience (CX) Standard and provides consulting, training and certification for operations that support the customer experience. Founded in 1996, COPC Inc. began by helping call centers improve their performance. Today, the company works with leading brands worldwide to optimize key customer touchpoints and deliver a seamless experience across channels. COPC Inc. is privately held with headquarters in Winter Park, Florida, U.S. and has operations in Europe, Middle East, Africa, Asia Pacific, Latin America, India and Japan.

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