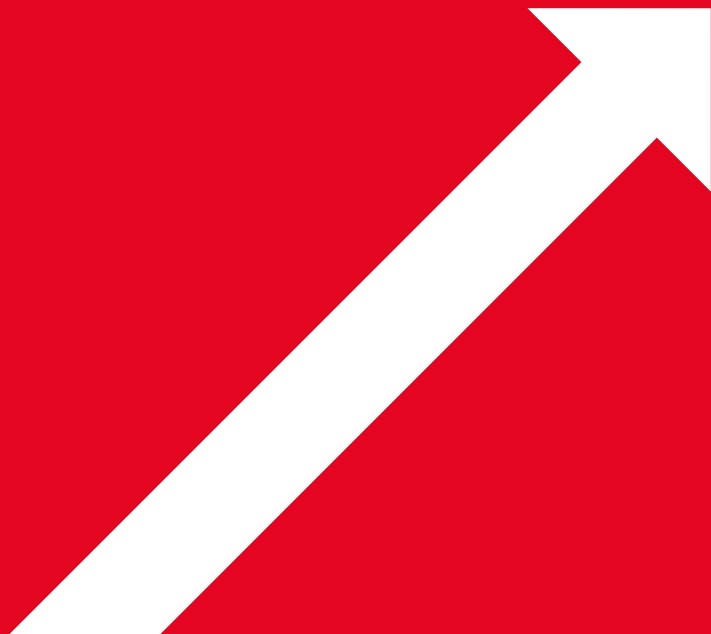
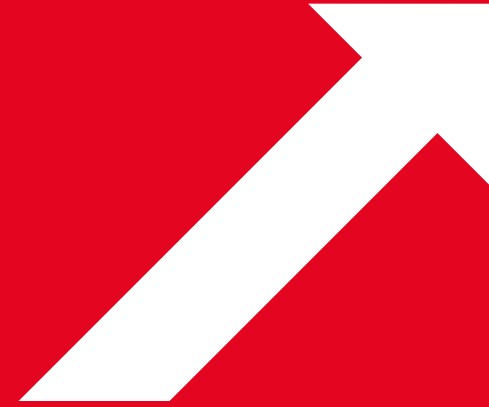


converting
**customer
experience**

into
revenue

how to meet
expectations
at every
stage of the
buying cycle



Introduction

Since the dawn of commerce, we've known that good customer service means good business. Making life easier for your customers and creating satisfaction gives you an edge over your competitors.

There are other factors too, of course. Price and product offering are important. But in the digital age, we've seen the playing fields level for these two aspects. Consumers can grab a connected device from their pocket and search the entire marketplace for what they want; and no doubt they will find it quickly and at the best price.

In today's commerce market, the customer experience is the way to differentiate. Yet the vast number of communication channels makes this an increasingly challenging task.

So what does a great multichannel experience look like? Where are the pain points in the customer journey that lead to frustration or, worse, defection to a competitor?

This report uses research conducted with 1,000 UK consumers to investigate the entire consumer buying cycle, exploring the pain points in that journey and, critically, providing insights into how they can be addressed.

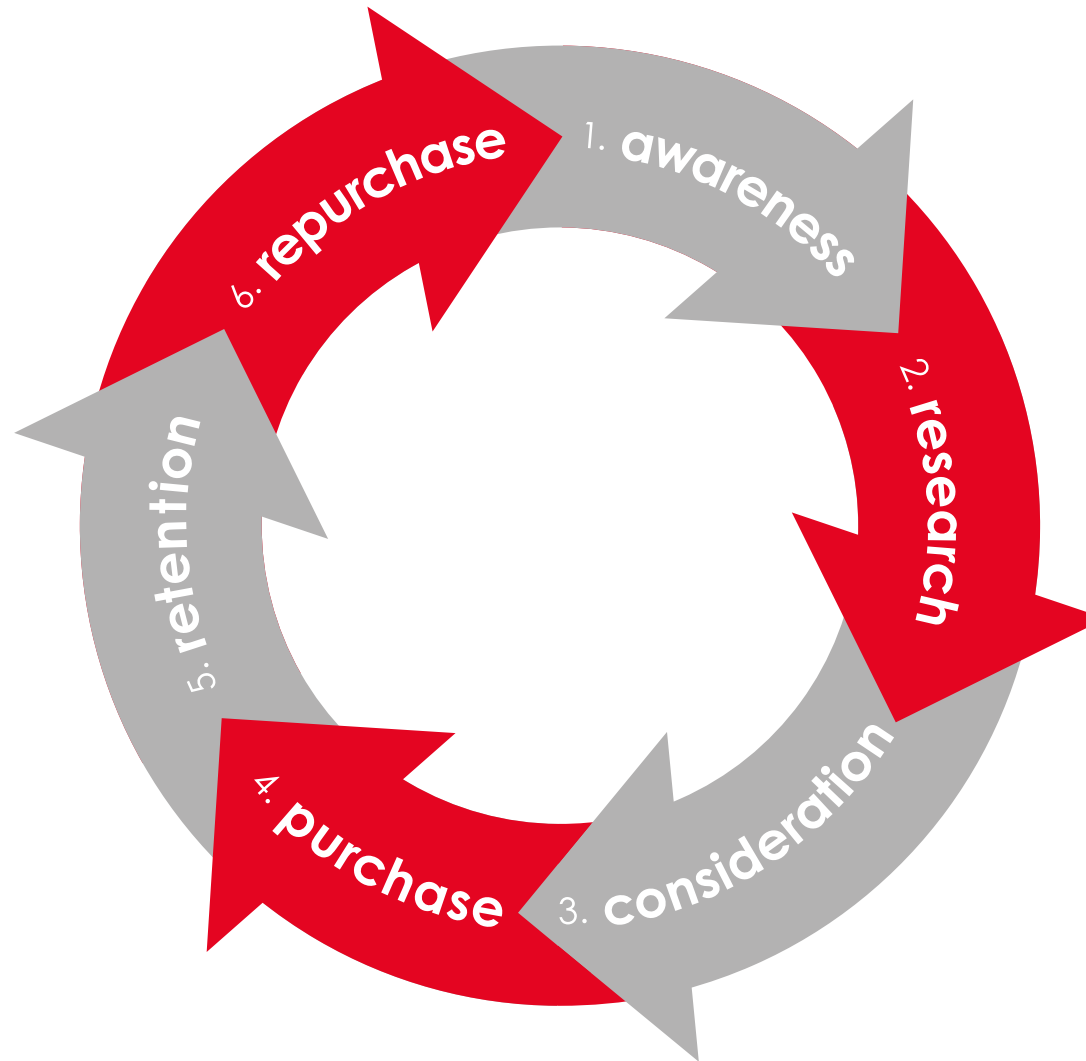
It reveals:

- UK businesses are losing a huge £234 billion to competitors by failing to provide a satisfactory customer experience
- 92% of consumers have had a poor customer experience and 46% have moved to a competitor as a result
- The impact of making information easily accessible, responding to queries promptly and using the right channels for communication

If your role touches the customer experience, whether that's in marketing and optimisation or at an operational level running a customer service department or contact centre, this report will help you to create customer experience strategies that impact the bottom line.

The buying cycle

In this report we address the customer experience considerations at each stage of the buying cycle, from the moment consumers first become aware of your organisation or a need for your products, to the research and purchase process, and then generating loyalty to create repeat business.



1. Awareness

The stage at which a consumer is first gaining awareness of their need and of your organisation may seem counterintuitive to link to the customer experience.

This is the domain of marketing, surely? However, the best possible way for prospects to hear about your business is via recommendation, and this is where positive customer experiences can really make an impact.

Recommendations are the most trusted information source when making a purchase (source: Nielsen), so generating positive awareness starts with your current customers.

Perhaps surprisingly, our research shows the bar doesn't have to be super-high to achieve those recommendations either. It's more about getting the basics right, with quick response times and short telephone hold times being the most likely experiences to lead to recommendations. In addition, going one step further to put customers in touch with the right customer service agent can do wonders for gaining recommendations - and subsequently new customers.

What customer experiences would encourage you to recommend a business to friends and family?

A quick response via email

50%

A short hold time when calling

45%

Being directed straight to a call centre agent with expertise on my query

38%

A call centre agent who understands my issue

37%

Being given the option for a call back rather than queue

28%

TIP Use intelligent routing for incoming calls and emails. This will shorten response times and ensure customers are speaking to customer service agents who are best-placed to handle the query quickly and effectively

2. Research

The research stage has been transformed by the advent of digital and mobile channels.

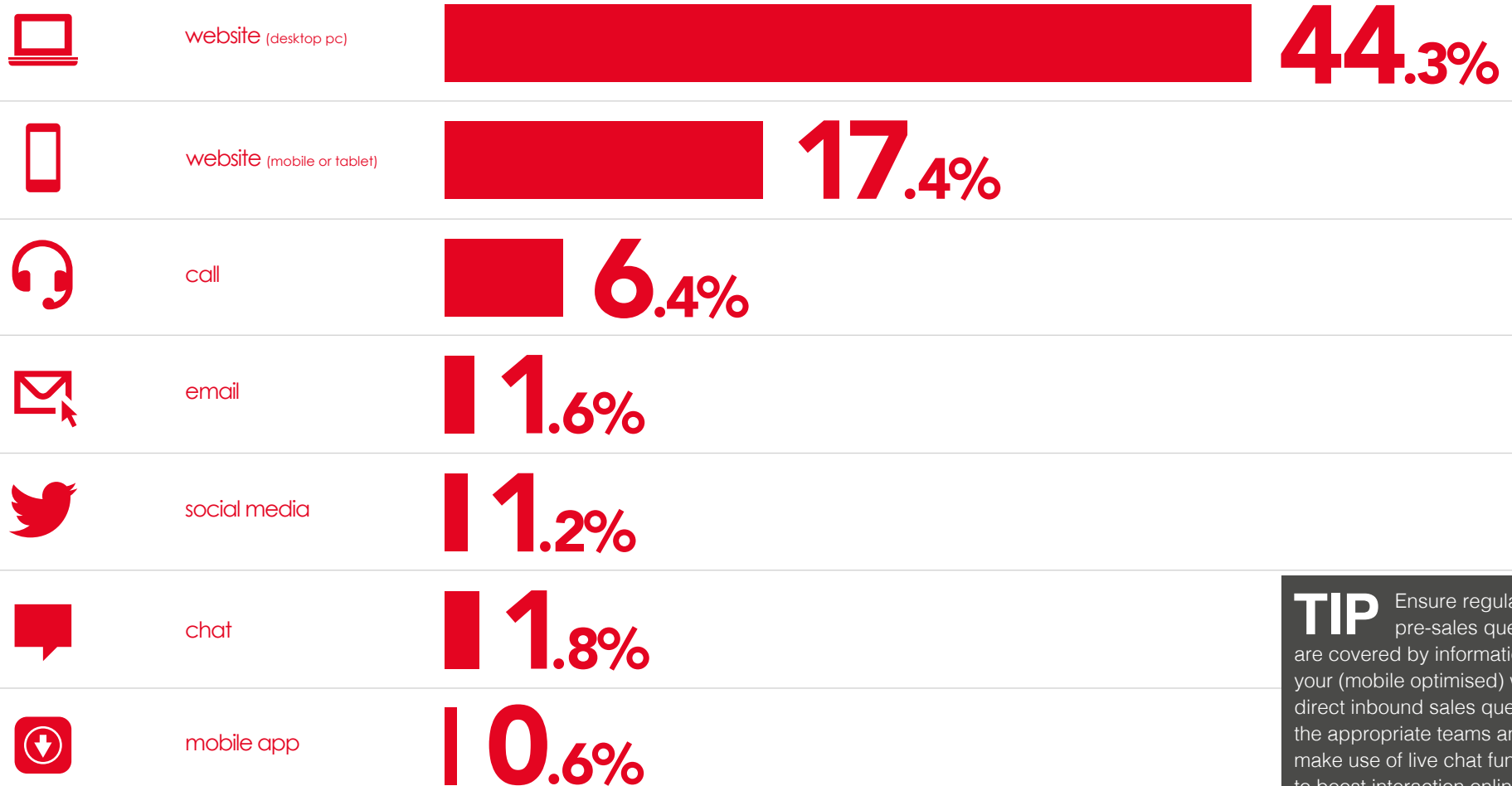
Consumers can not only research products with ease, they can scour the internet to find out whether a provider is good to do business with, visit their website and social channels, and check reviews.

Across the board, our findings shows that when researching a new purchase or provider, consumers will go to a website. That said, more than a quarter of these consumers will do so from a mobile device, so optimising your site for tablets and smartphones is important.

The focus on website visits doesn't mean customer interaction needs to be off limits either. While on average only 2% of consumers will initiate a live chat during the research stage, organisations have an opportunity to proactively offer a chat with a live agent to visitors on their site, improving the customer experience and building a strong rapport at this critical stage.

A still significant proportion will also call your business, so it continues to be vital to ensure your customer service operation is equipped to effectively deal with inbound sales queries.

When researching a new purchase or provider, where do you look?



TIP Ensure regular pre-sales queries are covered by information on your (mobile optimised) website, direct inbound sales queries to the appropriate teams and make use of live chat functionality to boost interaction online.

3. Consideration

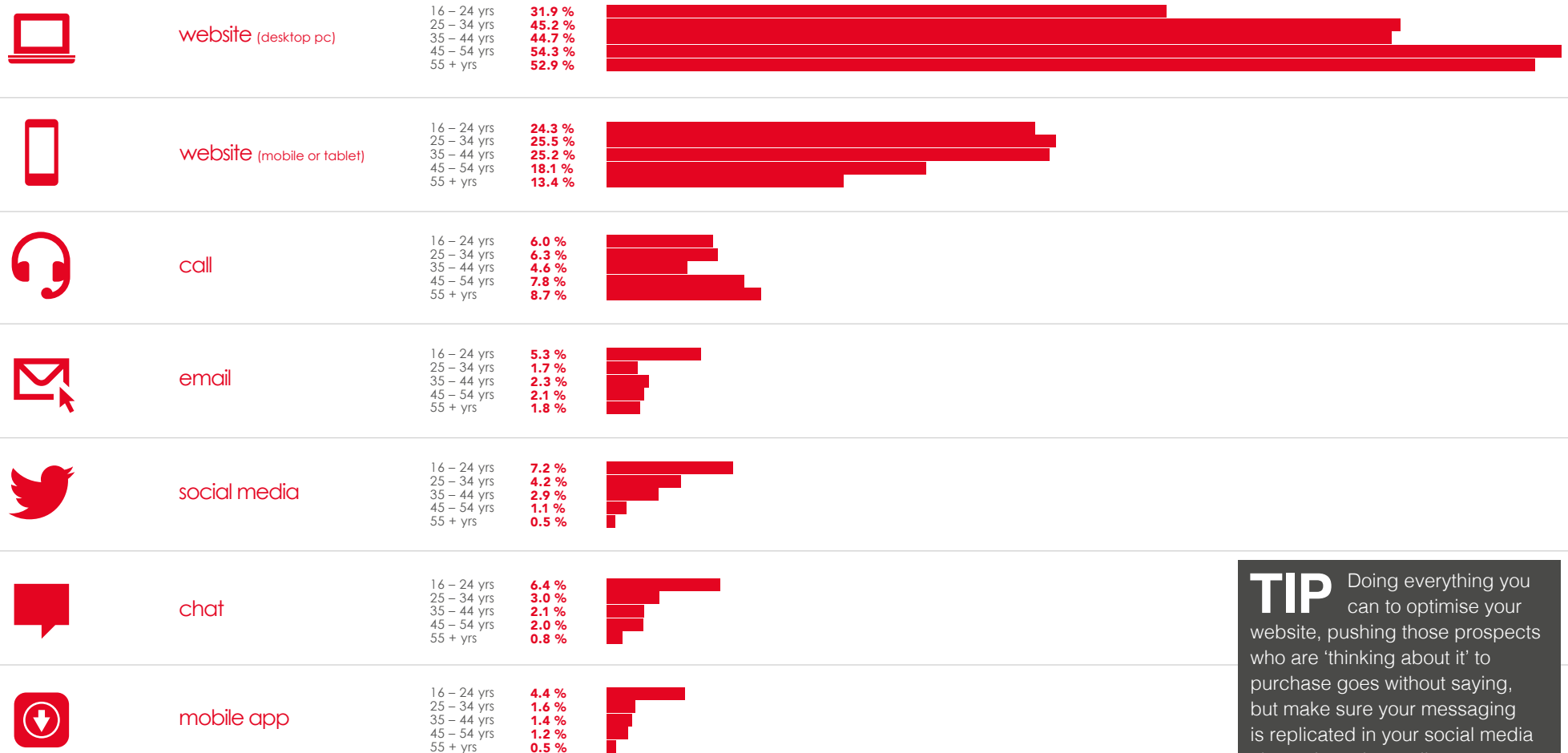
Before the point of purchase, which Google calls the 'Zero Moment of Truth', consumers are likely to spend time just mulling over their decision.

The sheer abundance of choice offered by digital channels can have the effect of extending this period.

Our research explored the channels that consumers are likely to check before 'taking the plunge', focusing on differences across age groups. While older generations

are likely to check your website, the data reveals 16 – 24 year olds check a wide range of channels, suggesting they may well deliberate more than any other group. They are about as likely to check social media as 45 – 54 year old consumers are to call, highlighting how a good social media presence is increasing in importance.

You've decided to make a purchase, but need to check some details first. Where do you look?



TIP Doing everything you can to optimise your website, pushing those prospects who are 'thinking about it' to purchase goes without saying, but make sure your messaging is replicated in your social media channels and on calls.

4. Purchase

The point of purchase is, of course, where your prospects become customers. If they have all the information they need and the process puts no obstacles in their way that is.

So, naturally it's important that this process is as smooth as possible and abandoned purchase journeys are minimal.

Not all businesses get this right and around a third (31%) of purchases are abandoned at the point of sale because

the process wasn't easy enough or the right information was not available. Clothing retailers are most likely to be the victims, possibly due to the non-essential nature of these items, which are often an impulse buy. But that isn't to say higher value purchases don't get left behind too, particularly holidays and financial products.

Have you abandoned purchasing any of the following because it wasn't easy to find the information you needed?



So where do these purchases go awry?

If a customer has a query at the point of purchase, they are most likely to go to your website, but many will also turn to other channels, for example the phone, particularly for high value purchases. This is particularly the case for the older demographic, with those 55+ being more likely to call than check online.

On the other hand, millennials (those aged 16 – 34 years) are unlikely to call no matter what the value of their purchase is, so it's important to make the information available online.

As a customer, if you have a query with a business where are you most likely to look for information?

high value purchase query (e.g. car, house, building work)

low value purchase query (e.g. clothes, electronics, home ware)



website (desktop pc)

16-24 yrs **16.1%**
25-34 yrs **17.3%**
35-44 yrs **14.6%**
45-54 yrs **6.7%**
55+ yrs **6.0%**

12.9% 16-24 yrs
21.0% 25-34 yrs
18.7% 35-44 yrs
10.7% 45-54 yrs
8% 55+ yrs



website (mobile/tablet)

16-24 yrs **35.5%**
25-34 yrs **34%**
35-44 yrs **33.8%**
45-54 yrs **35.5%**
55+ yrs **25.6%**

32.3% 16-24 yrs
36% 25-34 yrs
37.4% 35-44 yrs
41.1% 45-54 yrs
36.5% 55+ yrs



social media

16-24 yrs **0%**
25-34 yrs **2.7%**
35-44 yrs **2.3%**
45-54 yrs **0.3%**
55+ yrs **0%**

3.2% 16-24 yrs
1.3% 25-34 yrs
2.7% 35-44 yrs
1% 45-54 yrs
0.7% 55+ yrs



other

16-24 yrs **6.5%**
25-34 yrs **2%**
35-44 yrs **1.8%**
45-54 yrs **2.3%**
55+ yrs **2.7%**

0% 16-24 yrs
2% 25-34 yrs
1.8% 35-44 yrs
3.7% 45-54 yrs
3% 55+ yrs



mobile app

16-24 yrs **0%**
25-34 yrs **2.7%**
35-44 yrs **3.7%**
45-54 yrs **1.7%**
55+ yrs **0.3%**

0% 16-24 yrs
0.7% 25-34 yrs
1.4% 35-44 yrs
0.3% 45-54 yrs
0.3% 55+ yrs



email

16-24 yrs **0%**
25-34 yrs **4.7%**
35-44 yrs **6.8%**
45-54 yrs **8%**
55+ yrs **10%**

9.7% 16-24 yrs
6.7% 25-34 yrs
11% 35-44 yrs
10.4% 45-54 yrs
15% 55+ yrs



chat

16-24 yrs **0%**
25-34 yrs **4.7%**
35-44 yrs **2.3%**
45-54 yrs **1.7%**
55+ yrs **3.3%**

6.5% 16-24 yrs
4.7% 25-34 yrs
1.8% 35-44 yrs
1.7% 45-54 yrs
0.7% 55+ yrs



call

16-24 yrs **6.5%**
25-34 yrs **12.7%**
35-44 yrs **16.9%**
45-54 yrs **26.8%**
55+ yrs **35.2%**

3.2% 16-24 yrs
11.3% 25-34 yrs
7.8% 35-44 yrs
14.7% 45-54 yrs
21.6% 55+ yrs

- Most customers look to websites first with queries
- Younger generations are less likely to pick up the phone
- Customers are much more likely to call in relation to high value purchases

TIP Minimise abandoned purchases by ensuring the right information is presented where your customers are most likely to look for it.

5. Retention

Businesses put a lot of effort into acquiring new customers, but the reality is that the people most likely to buy are those who have bought from you previously.

Retention is where great customer experience really comes into its own, yet many organisations take the 'pitch and ditch' approach, focusing hard on selling, but forgetting all about the customer once they've bought.

Simple mistakes like passing a customer around your contact centre or failing to make customer information and background available to agents will be very likely to lead them to leave you for your competitor.

How likely are the following customer service experiences to lead you to consider switching to a competitor? (Answered **likely** or **very likely**)

3 in 4 people

73.1% Being passed around multiple contact centre agents

71.8% A contact centre agent not understanding my query

71.4% Having to repeat my query to multiple contact centre agents

71.1% Difficulty finding how to contact customer service

2 in 3 people

65.8% Being kept waiting on hold for longer than I expect

65.5% Waiting in contact centre queues with no call back option

65.5% Dealing with an agent who has no knowledge of my previous interactions with the business

65.5% Not being able to receive an offer I've seen marketed when contacting a company

65.1% No online contact form or email

1 in 3 people

38.3% No response via social media

36.6% No online chat

The story is the same when it comes to providing the right information in the right place. Customers will expect organisations to make it easy for them to find what they are looking for.

As a customer, where do you go to for information about a purchase?



website (desktop pc)



website (mobile/tablet)



call



email

Opening hours

46%

19.5%

14.2%

3.7%

Estimated delivery time

47.3%

15.1%

13.2%

6.8%

General enquiries about a product or service you are already using

41.3%

13.5%

19.4%

8.4%

To find out service status in the event of a fault or service disruption e.g. if a web service is down, or your power is out

38.4%

12.6%

25.6%

5.2%

A complaint

31.1%

9.7%

24.3%

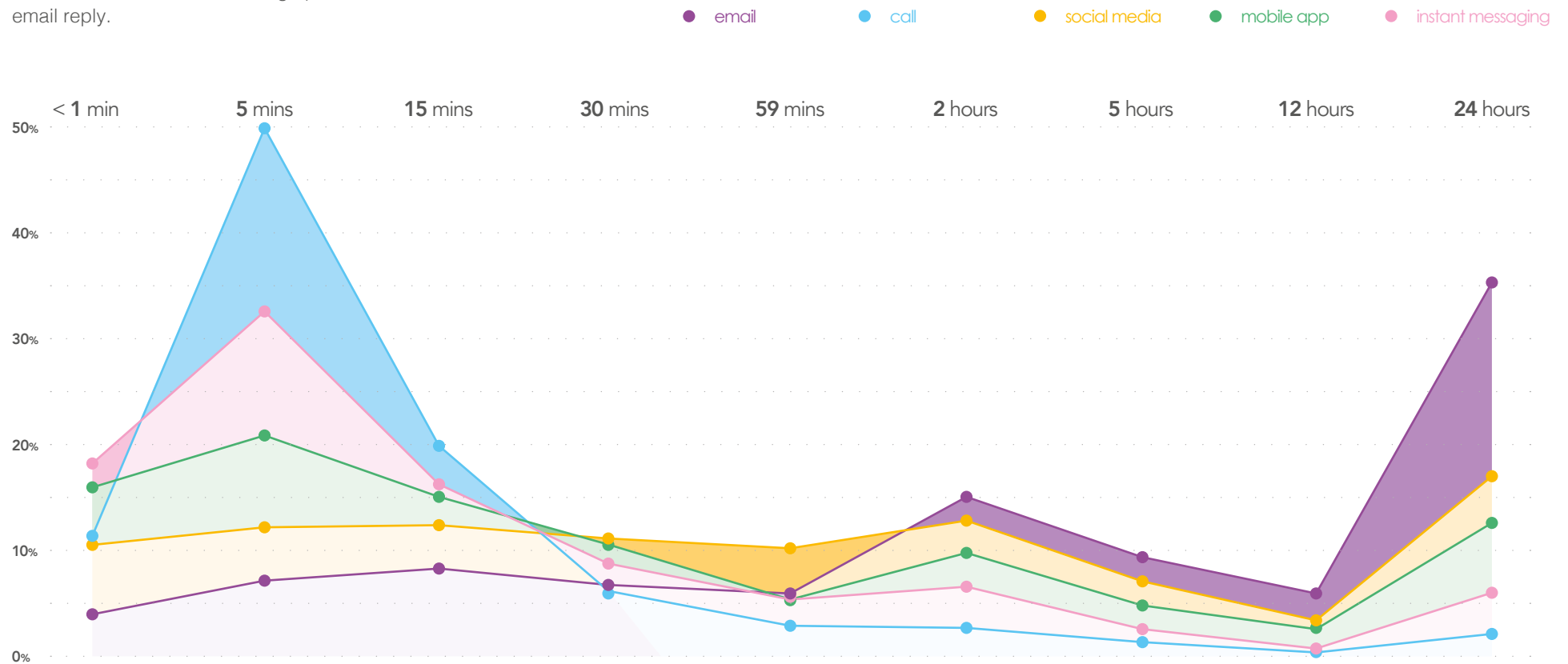
15.8%

- Post purchase, customers are still likely to go to your website for information first

- Customers are more likely to pick up the phone when something goes wrong, like a complaint or service outage

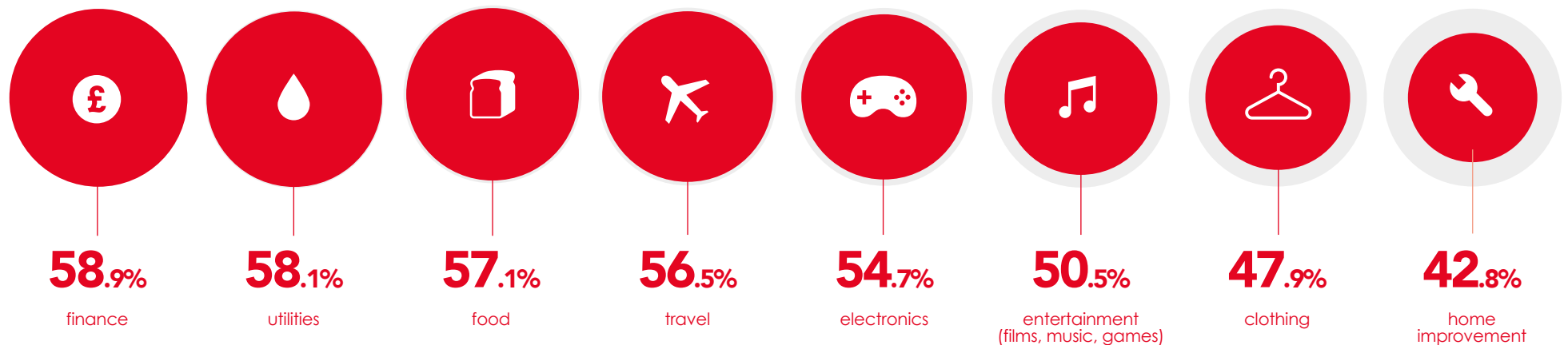
Response times can have a big impact on the customer experience and nearly a third (32%) of UK consumers will go to another business 'straight away' if their expected response times to queries are not met. Those response time expectations differ by channel, with the majority expecting not to have to be left on hold for longer than five minutes, but a third allowing up to 24 hours for an email reply.

If you contact a business on the following channels, how long do you think is reasonable to wait for a response?



In addition to overall customer service frustrations and potential issues, our research explored the effectiveness of customer service across many sectors, revealing it can differ depending on the type of organisation the consumer is interacting with. Finance and utilities, the sectors that are highly regulated and regularly come under criticism, come out top in delivering more positive experiences.

How would you describe the level of customer service in the following sectors? (Answered **good** or **very good**)



TIP Get the basics right by ensuring call queues are short and agents have relevant customer information at their fingertips.

6. Repurchase

Retaining brand loyalty is a first step, but what do you need to do to gain the loyalty of your existing customers and incite actions that lead them to buy from you again?

Again, it is about getting the simple things right. Quick responses, short hold times and customer service agents who have the right information to hand will make it hard for your customers to consider a competitor. A personal experience can also have a very positive effect, and this can be enriched by adding elements of interaction and giving customers the opportunity to provide feedback.

How likely are the following experiences to lead you to do business with a company again? (Likely and very likely combined)

All of these experiences are likely to lead your customers to buy again:

81.5%

A quick response via email

78.8%

A call centre agent that understands my issue and knows about my previous interactions with the company, without me having to explain it

78.4%

A short hold time when calling

77.8%

Dealing with an agent who had full details of all my previous communication, regardless of the channel I used

77.7%

Being directed straight to a call centre agent with expertise on my query

74.4%

A company providing the information I am looking for before I have asked for it

74.2%

Being given personalised information (e.g. a delivery estimate) while on hold

73.7%

Being given the option to be called back at a time of my choosing rather than wait in a call centre queue

66.3%

Being given the opportunity to feedback to the business on the service I received

62.3%

A quick response via instant message

55.9%

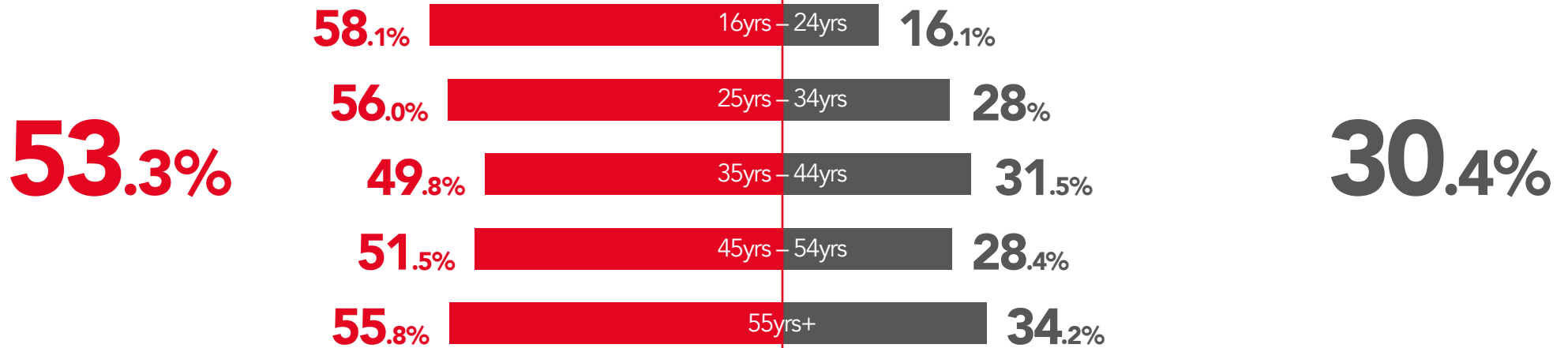
A quick response via social media

It could be easy to assume 'customer feedback' means complaints, but in fact the majority of feedback consumers provide is positive, particularly for younger generations – it seems we do get slightly more cantankerous in our old age.

Have you ever given feedback to a business following communications with its customer service team?

yes, **positive** feedback

yes, **negative** feedback



Even when feedback is negative, it's still an opportunity to sell. If you follow up with customers who have left negative feedback, in an appropriate way, you will find they will be more likely to do business with you again, or even recommend you to a friend.

Enrich the customer experience by giving consumers the opportunity to provide feedback, and always respond to that feedback, even when it is negative.

You can turn a negative experience into a positive for almost a third of complaints – with something as simple as a follow up call

I would be more likely to be loyal to a business that followed up on negative feedback



I have been contacted by a business after giving negative feedback



I would be more likely to recommend a business that followed up on negative feedback



About magnetic north

Magnetic North is a leading provider of cloud telephony, cloud contact centre and cloud call recording technology.

Magnetic North provides organisations of every size with high-availability, secure, enterprise-class solutions at a fraction of the cost of traditional systems, together with transparent pricing, out-of-the-box integration and continuous product innovation. Established in 1999, Magnetic North has over 135,000 users globally.

As a registered carrier and ISP, with a direct interconnect to the London Exchange, Magnetic North offers paramount reliability. With ISO 27001 certification and as a PCI Council partner, whatever legislation organisations are working under (including everything from Data Protection to FCA, OFT to OFCOM), Magnetic North work hard to ensure compliance.

In November 2015, Magnetic North was acquired by West Corporation, a global provider of communication and network infrastructure solutions. The strong backing from its new parent company will allow Magnetic North to focus on continued investment in product and solution development.

www.magneticnorth.com