The New Customer Expectations for the Contact Center

Understanding the key factors shaping the customer service experience

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Introduction

Often perceived as cost centers, contact centers are now being recognized by innovative organizations as foundational pieces to improving customer experiences, driving customer retention, and gaining an advantage over the competition — all of which are critical today and in times of uncertainty. More and more C-suite and CX leaders are focusing on the contact center as a way to increase organizational efficiency and improve the broader customer experience.

Medallia Institute research on the Secrets Behind a Successful Customer Experience Program indicates that in comparison to laggards, companies that are customer experience leaders are more likely to prioritize:

- **Improving quality of customer support experiences,** by 2.1x

- **Improving consistency of customer support experiences,** by 2.3x

- **Creating frictionless cross-channel experiences,** by 2.5x

And the potential ROI of investing in the customer service experience as part of a broader customer experience strategy is sizable. Medallia Institute's study finds that CX leaders are 26x more likely than laggards to experience year-over-year revenue growth of 20% and are 2.8x more likely to meet their financial targets.

The challenge for customer experience and contact center leaders is ensuring seamless customer service across a growing list of channels, and keeping up with changing expectations for customer support interactions — particularly as these expectations vary across key age groups: Gen Z, Millennials, Gen X, and Baby Boomers.

New research from Medallia Institute reveals consumers' top expectations for the contact center and how these differ across generations. These include key actionable insights that can help guide and strengthen your organization's contact center strategy.

The findings shared here are based on a survey from Sense360 by Medallia conducted in October 2022 of 1,047 people in the United States who indicated they had interacted with a company's customer support team within the last 6 months.

Executive Summary: Key Findings

Our research results reveal 5 new customer service experience expectations that brands need to be prepared to address, including demands for:

01

Quicker and more convenient customer support experiences

- 60% of survey takers are only willing to spend 10 minutes or less on a company's website to find an answer or solution before taking another action.

02

More personalized customer service interactions

- 95% of survey takers say it's important that contact center agents help them find a solution that meets their needs and that they take the time to understand why they're contacting customer service.

03

Human interactions — communicating with real, empathetic people, not bots

- Getting the chance to communicate with a human (instead of a bot) is the top factor that determines which customer support channel consumers opt for.
- 87% of consumers say demonstrating empathy during a customer service interaction is important.

04

High-quality customer service experiences that strengthen loyalty

- 52% of survey takers agree that a negative customer service experience would impact their willingness to recommend a brand the first time it happens.

- 66% say it would motivate them to consider other companies.

05

The opportunity to provide feedback about the customer service experience after each interaction

- 73% of consumers say they would like to provide feedback after an interaction.

In addition to these customer service experience expectations, we also uncovered two interesting takeaways about how various age groups feel about the contact center experience:

01 **Preferences for different methods and channels to resolve customer issues vary among age groups**

- Baby Boomers are more likely to prefer traditional customer service channels, compared with Gen Z and Millennials. More than half of Baby Boomers prefer to reach out to customer service directly, compared with only 32% and 34% of Millennial and Gen Z consumers. Gen X consumers fall in between, with 44% preferring this option.

- Talking to a representative in person is the #1 channel for Baby Boomers, while using online or mobile chat is the preferred channel for Gen Z and Millennial consumers.

02 **Different age groups may be more open to receiving customer service via a chatbot or automated voice assistant**

- Gen Z and Millennials are nearly 2x as likely to say that a recent customer service interaction with a chatbot or automated voice assistant was helpful, compared with Baby Boomers.
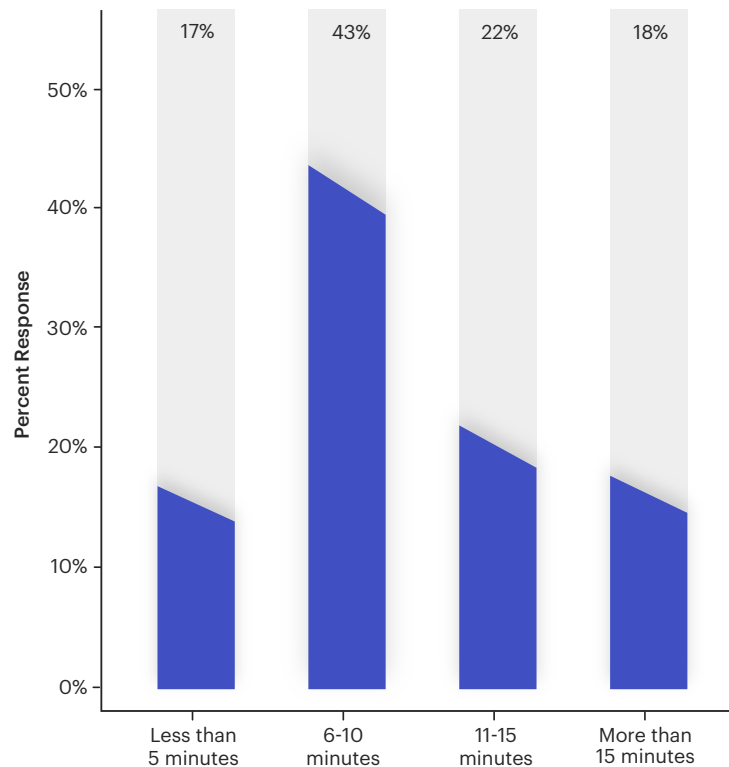
CUSTOMER SERVICE EXPERIENCE EXPECTATION #1:

Consumers want quick and convenient customer support experiences.

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When customer service issues arise, most customers aren't willing to spend more than 5 to 10 minutes looking for information online or waiting on hold.
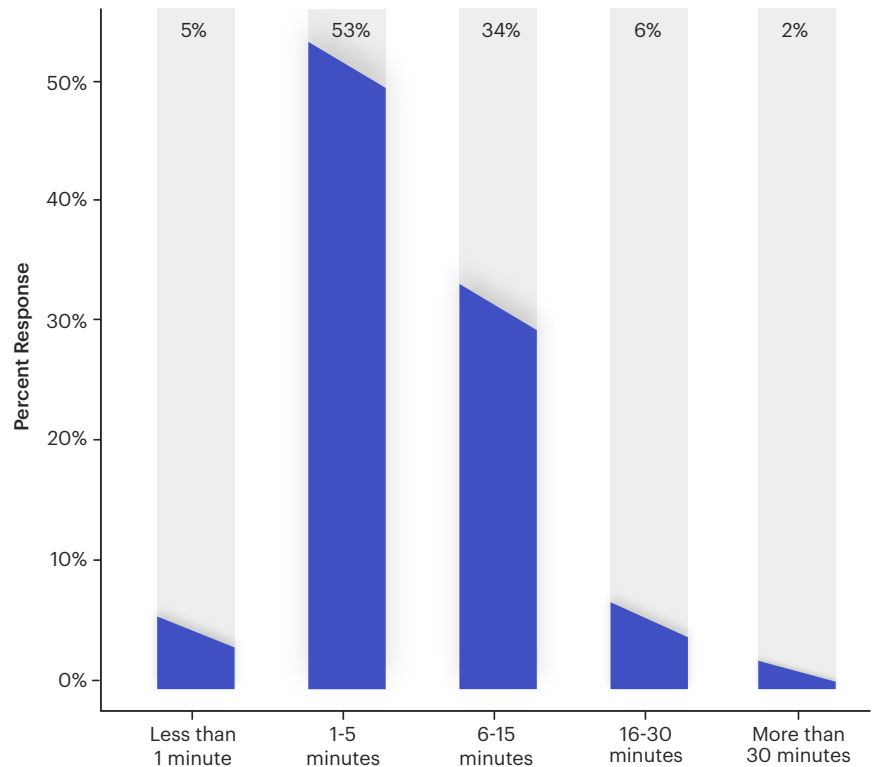
60% of survey takers say they're only willing to spend 10 minutes or less on a company's website to find an answer or solution before taking another action.

When asked what's a reasonable time to wait before being connected to a contact center agent, 58% of survey takers say up to 5 minutes.

Approximately how long would you be willing to spend on a company's website to find an answer or solution before taking another action?

	Less than 5 minutes	6-10 minutes	11-15 minutes	More than 15 minutes
Percent Response	17%	43%	22%	18%

In your opinion, what is a reasonable length of time to wait on hold before being connected to a contact center agent?

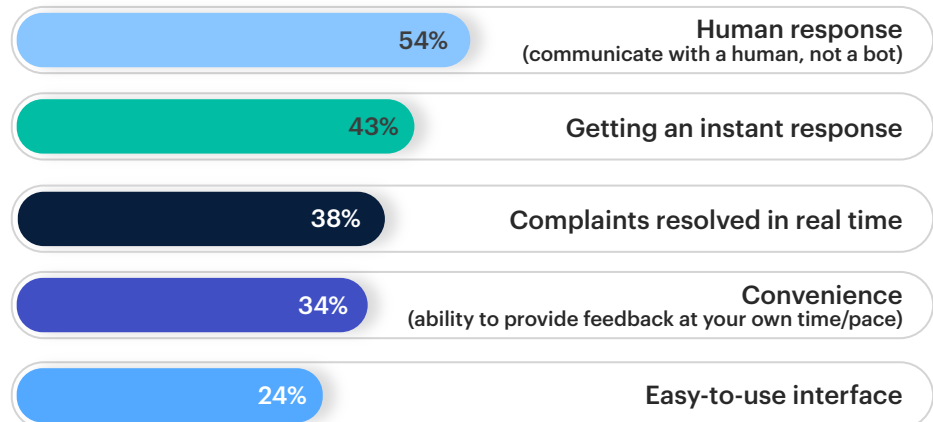|	Less than 1 minute	1-5 minutes	6-15 minutes	16-30 minutes	More than 30 minutes
Percent Response	5%	53%	34%	6%	2%

Getting instant responses and problems resolved in real time are 2 of the top 3 factors consumers care about the most when deciding which customer support channel to use.

When deciding which method to contact a company's customer service department, which of the following considerations are the most important to you?

54%	**Human response** (communicate with a human, not a bot)
43%	**Getting an instant response**
38%	**Complaints resolved in real time**
34%	**Convenience** (ability to provide feedback at your own time/pace)
24%	**Easy-to-use interface**

Note: Respondents were able to select up to three responses.

If given the chance to receive a call back instead of staying on hold, 66% of survey takers say they'd use this option.

% Consumers Who Say They'd Opt to Receive a Call Back Rather Than Wait on Hold

66

Baby Boomers and Gen X are more likely to say they'd like to receive a call back rather than wait on hold, with 71% saying they would, compared with only 63% of Millennials and 59% of Gen Z.
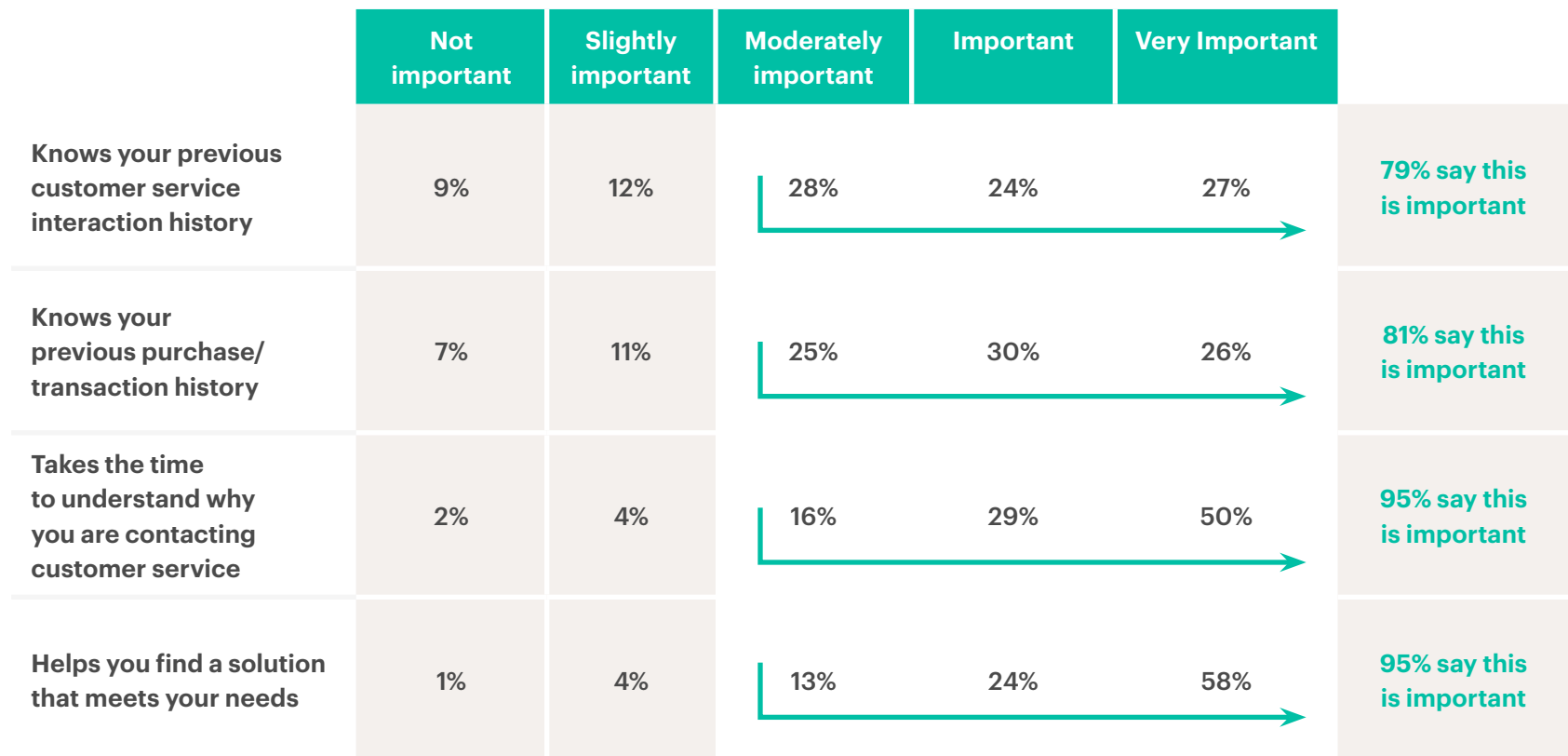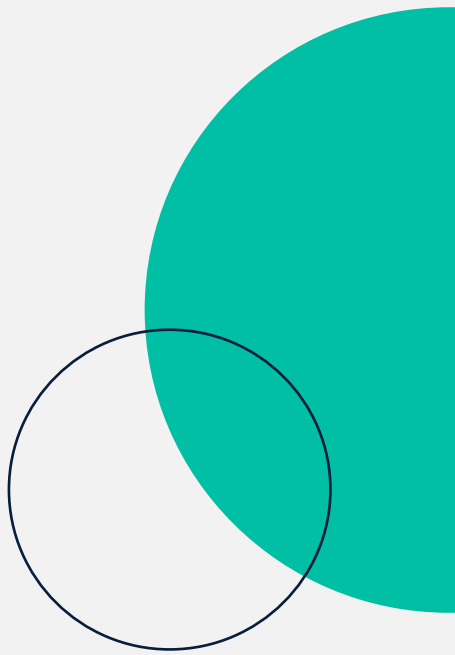
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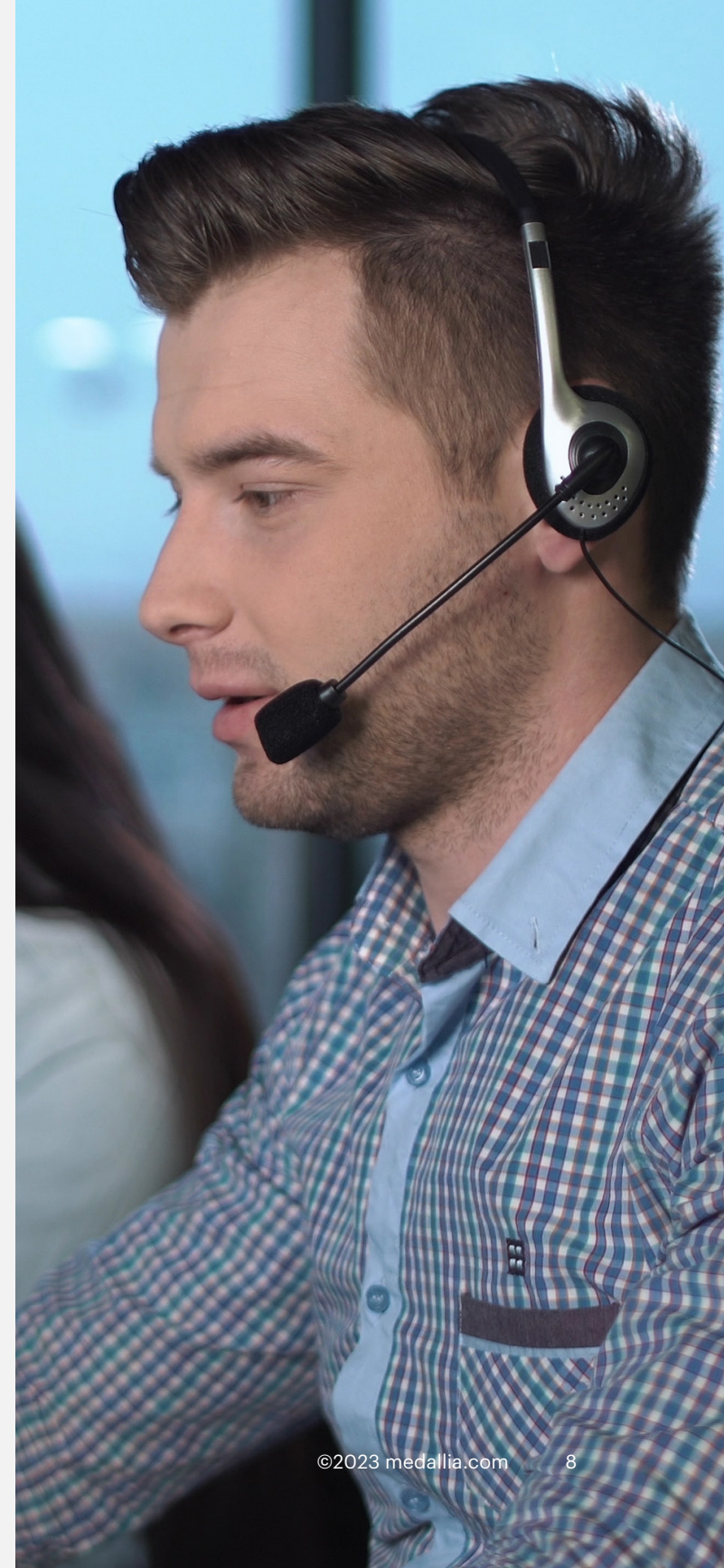
CUSTOMER SERVICE EXPERIENCE EXPECTATION #2:

Consumers expect personalized customer service experiences.

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The vast majority of consumers want contact center agents to know about their customer service interaction and transaction histories, to take the time to understand why they're reaching out to customer support, and to find personalized customer support solutions that meet their individual needs.

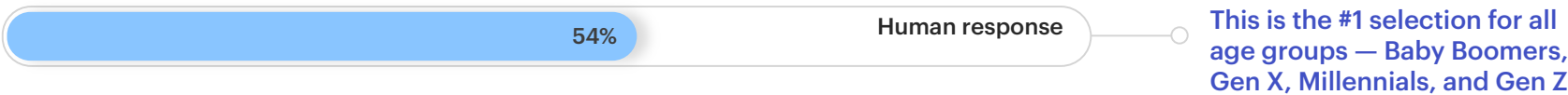**When interacting with the agent, how important is it to you that the agent…?**

	Not important	Slightly important	Moderately important	Important	Very Important	
Knows your previous customer service interaction history	9%	12%	28%	24%	27%	**79% say this is important**
Knows your previous purchase/ transaction history	7%	11%	25%	30%	26%	**81% say this is important**
Takes the time to understand why you are contacting customer service	2%	4%	16%	29%	50%	**95% say this is important**
Helps you find a solution that meets your needs	1%	4%	13%	24%	58%	**95% say this is important**

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Consumers want to interact with human contact center agents — not bots. And more than that, they expect customer support employees to be empathetic.
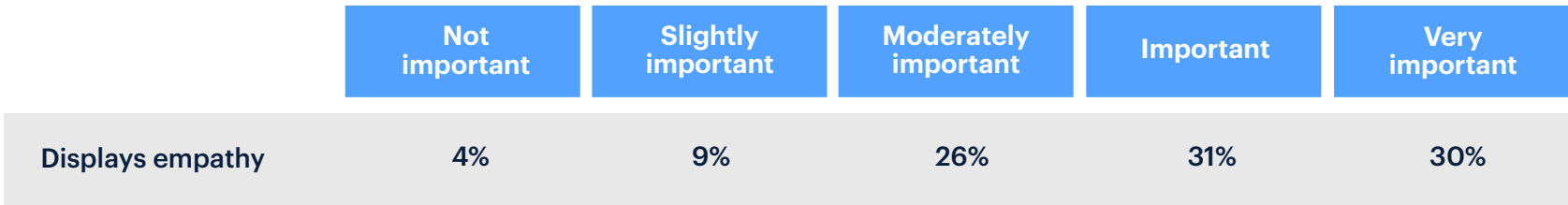
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Being able to communicate with a human (not a bot) is the #1 factor that influences which customer support channel consumers use.

When deciding which method to contact a company's customer service department, human response was the top choice by more than 10% over getting an instant response.

54%	Human response

This is the #1 selection for all age groups — Baby Boomers, Gen X, Millennials, and Gen Z

87% of survey takers say it's important that contact center agents demonstrate empathy.

When interacting with the agent, how important is it to you that the agent...?

	Not important	Slightly important	Moderately important	Important	Very important
Displays empathy	4%	9%	26%	31%	30%

Consumers expect quality customer service interactions to maintain their customer loyalty.

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More than half of consumers say that negative customer service experiences would impact their likelihood of recommending a product or service and would motivate them to consider competitor brands.

	% Agree & Strongly Agree
Would impact my willingness to recommend the brand the first time it happens	52%
Would impact my willingness to recommend the brand only after multiple negative experiences	62%
Would motivate me to consider products and services from other companies	66%
Can be forgiven if it happens only once	59%

The good news for businesses is that most consumers (59%) are willing to forgive a brand for a poor customer service experience — if it only happens once.


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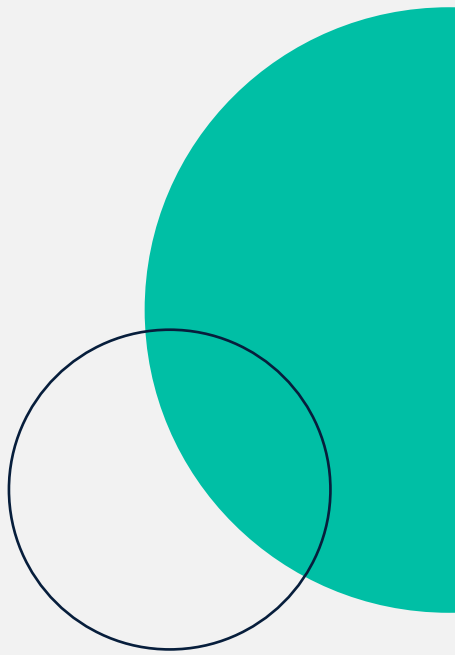
**CUSTOMER SERVICE
EXPERIENCE EXPECTATION #5:**

Consumers want the opportunity to provide feedback after a customer service interaction.

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The vast majority of consumers say they would like the chance to share feedback about their customer service experiences.

% Consumers Who Say They Want to Share Feedback After Interacting with Customer Service

73
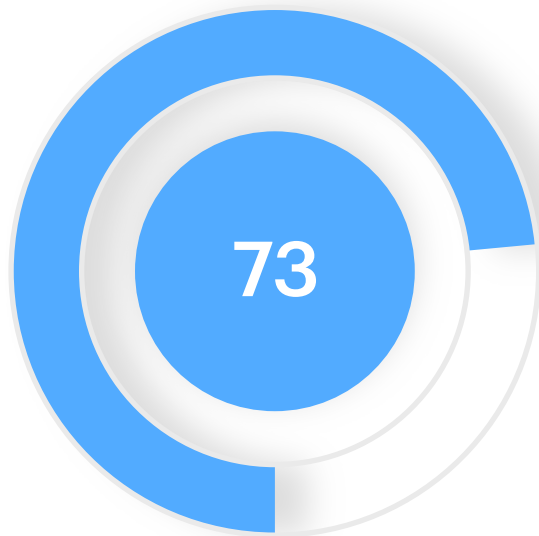
The top three channels where customers would prefer to provide feedback are via online reviews, email, and text message.

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Consumers are more likely to share feedback about positive experiences than negative ones.

For which types of experiences with customer service do you typically provide feedback?

Positive experiences with customer service only	20%
Primarily positive experiences with customer service	21%
Even mix of positive and negative experiences with customer service	39%
Primarily negative experiences with customer service	9%
Negative experiences with customer serrvice only	4%
I would generally not provide feedback about my experience with customer service	7%

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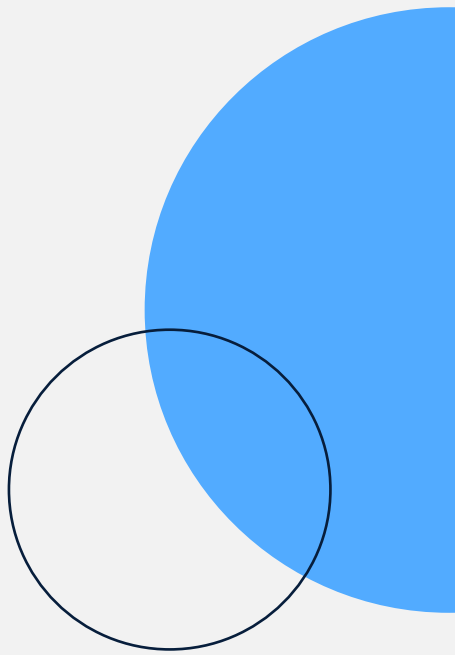
KEY FINDING #1:

Preferences for different methods and channels to resolve customer issues vary among age groups.

Baby Boomers are more likely to prefer traditional customer service channels compared with Gen Z and Millennials.

When you are experiencing a problem with a product or service and are trying to find a solution, where do you go first to find an answer?

	Gen Z	Millennial	Gen X	Baby Boomer
	%	%	%	%
I look for a FAQ section on the company's website to try to find an answer myself	32	28	32	34
I look for an answer using a different website (e.g., Google Search)	34	38	24	13
I reach out to the company's customer service department	34	32	44	51
Other	0.4	1.2	0.8	1.6

In general, what is your preferred method of contacting a company about an issue?

	Gen Z	Millennial	Gen X	Baby Boomer
	%	%	%	%
Calling into a contact center	23	23	26	30
Using online or mobile chat	36	37	29	20
Using an automated voice assistant	6	6	4	0.4
Sending an email	20	14	13	9
Talking to a representative in person	14	20	29	39
Other (please specify)	0.4	0.4	0.4	0.8

More than half of Baby Boomers prefer to reach out to customer service directly, compared with only 32% and 34% of Millennial and Gen Z consumers. Gen X consumers fall in between, with 44% preferring this option. Millennials and Gen Z are more evenly split between using the company's FAQs, looking for answers on other websites, and reaching out to the company's customer service department.

Talking to a representative in person is the #1 channel for Baby Boomers, while using online or mobile chat is the preferred channel for Gen Z and Millennial consumers. Gen X are evenly split, with talking to a representative in person and using online or mobile chat being tied for their preferred method.
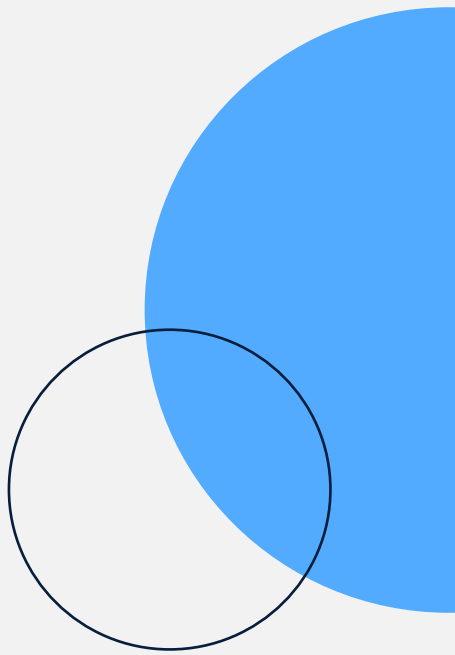
KEY FINDING #2:

Different age groups may be more open to receiving customer service via a chatbot or automated voice assistant.

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Gen Z and Millennials are nearly 2x as likely to say that a recent customer service interaction with a chatbot or automated voice assistant was helpful compared to Baby Boomers.

Generally speaking, how helpful was interacting with the chatbot or automated voice assistant?

	Gen Z	Millennial	Gen X	Baby Boomer
Helpful + Very Helpful	41%	41%	34%	22%

While only 22% of Baby Boomers say that a recent customer service interaction with a chatbot or automated voice assistant was helpful, 41% of Gen Z and Millennials say their most recent interaction with them was helpful. Gen X fall in the middle, with 34% saying their last interaction was helpful.

A similar share of participants by age group report being satisfied with their last interaction: Only 21% of Baby Boomers were satisfied, while 44%, 39%, and 35% of Gen Z, Millennials, and Gen X were satisfied, respectively.

Generally speaking, how satisfied were you with the chat or automated voice assistant?

	Gen Z	Millennial	Gen X	Baby Boomer
Satisfied + Very Satisfied	44%	39%	35%	21%

Only about 17% of Baby Boomers say the chatbot or automated voice assistant was able to resolve their issue or answer their question during their last interaction, compared with 50% of Gen Z and 43% of Millennials who found the exchange helpful. Gen X fell in the middle, with 32% saying they got their question answered or issue resolved.

Was your question or issue able to be resolved by interacting with the chat or automated voice assistant?

	Gen Z	Millennial	Gen X	Baby Boomer
Yes, the chatbot or automated voice assistant was able to provide an answer or solution in most or all cases	50%	43%	32%	17%
No, I generally needed to be redirected	49%	56%	67%	81%
Other (please specify)	0.8%	0.4%	1%	2%

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Conclusion

Customer service and the contact center play a crucial role in shaping the customer experience, driving customer retention, and fostering customer loyalty. Organizations that recognize the true potential of the contact center as a revenue driver and invest in efforts to improve those experiences will be positioned to improve business outcomes and get ahead of the competition.

As you consider ways to improve your company's customer service experience, keep these new expectations and key differences in preferences by consumer age group in mind. There's never been a better time to review your customer service experience and ensure that it's quick and convenient for customers to interact with your brand, that every interaction is high quality, personalized, and empathetic, and that customers have the opportunity to share their feedback about their experiences after each and every interaction using their preferred method.

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ABOUT THE STUDY

The findings presented here are based on an analysis from the Medallia Institute of a survey consumer panel that provider Sense360 by Medallia conducted in October 2022 of 1,047 people in the United States who indicated they had interacted with a company's customer support team within the last 6 months.

ABOUT THE RESEARCH TEAM

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With a Ph.D. in marketing from the University of South Carolina, Meike's work has been published in several academic journals, such as the Journal of Marketing, Journal of Marketing Research, and Journal of Public Policy and Marketing. At Medallia, she explores drivers and outcomes of customer and employee experience to inform organizational practices. Her previous experience includes roles at the University of Nebraska-Lincoln and University of Kentucky.

About Medallia

Medallia is the pioneer and market leader in customer, employee, citizen, and patient experience. As the No. 1 enterprise experience platform, Medallia Experience Cloud is the experience system of record that makes all other applications customer- and employee-aware. The platform captures billions of experience signals across interactions including all voice, video, digital, IoT, social media, and corporate messaging tools. Medallia uses proprietary artificial intelligence and machine learning technology to automatically reveal predictive insights that drive powerful business actions and outcomes. Medallia customers reduce churn, turn detractors into promoters and buyers, create in-the-moment cross-sell and up-sell opportunities, and drive revenue-impacting business decisions, providing clear and potent returns on investment. For more information, visit www.medallia.com

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