

Customer Service Trends for 2022:

Preparing for the Future
of Customer Service

2021 illuminated the importance of customer service (CS)

teams across industries as they became an integral component of organizations' efforts to pave a path towards success post-pandemic.

Dealing with factors such as unprecedented customer query volumes, operational reconfigurations, and increasingly high expectations for effortless experiences, CS professionals have been working tirelessly on the frontlines to help their organizations keep up with demand and keep their customers happy.

And while the urgency and chaos that CS teams have faced as the COVID-19 crisis has unfolded may wane in the months ahead, their value will only continue to grow. With the acceleration of digitization that's been occurring over the last 18 months, businesses today now face more competition than ever before.

As such, the need to deploy cross functional strategies that meet the expectations and needs of today's customers is critical.

At the center of this is a brand-defining customer service strategy that accounts for the fact that CS has become a major competitive differentiating factor, and a top consideration for consumers when deciding who to do business with. In fact, 95% of consumers consider CS in some capacity when making purchase decisions.

With this in mind, Stella Connect by Medallia wanted to dig into how consumers have evolved their expectations for service and highlight the trends that will impact customer service teams in 2022 and beyond. To do so, we commissioned a research study, composed of a survey administered to more than 2,100 consumers in the US and UK.

[Here's what we found.](#)

1. Consumer Patience Will Continue to Decrease



It's fair to say that consumers' rising standards have led to a customer service revolution, where brands of all sizes have learned to leverage the interactions they have with their buyers as a unique selling point. Indeed, companies' consistent raising of the customer service bar, in parallel with consumers' ever evolving expectations, has ushered in a new era where exceptional customer service has greater bottom-line benefits than ever before. On the other hand, this has also made great service harder to achieve -- and bad service more costly.

According to our research, **60% of consumers** across the US and UK say that they will **stop buying from a brand after a poor customer service experience**. And these aren't empty threats either.

In the last year, **53% of consumers** say they have **switched brands due to a poor customer experience**. This is a dramatic jump from the year prior, when we found that only a third of consumers (33%) said they'd switched to a competitor after a negative customer service experience with a business -- a point that paints a clear picture of customers' waning patience and the challenging road ahead for brands and their CS teams.

What's interesting -- yet perhaps unsurprising -- is the role that younger generations are playing in pushing these CS boundaries, and subsequently, the pressure that's being placed on brands to consistently rise to their customers' standards.

Labelled by many as the most influential buyers in history, Millennials' idealism and Gen Z's pragmatism have certainly resulted in differences of opinion on many topics for these cohorts. But when it comes to expectations for top-tier service every time, their views are more closely aligned. In the US, Millennials were the most likely generation (60%) to say that they had switched brands due to a customer service experience that they felt fell short, while in the UK, Gen Z was significantly more likely to say this than other generations (72%).

60%

of consumers will stop buying from a brand after a poor customer service experience.

Of course, flawless customer service is something all businesses strive to achieve, and something that every customer enjoys. But the truth is, it's not always attainable. Even the best customer service strategies will have missteps, which is why service recovery efforts have become just as important as their delivery blueprints. More on that in a bit.

In this environment where many CS teams are having to do more with less, customers plummeting patience is an even greater cause for concern. Especially as consumer preferences, expectations, and now, tolerances, fluctuate.

In fact, while past studies from PWC have found that 59% of American consumers say that they will stop doing business with a brand after "several" bad experiences, our own survey shows that **67%** of US and UK shoppers say that they **would stop doing business with a brand after only two or three poor customer service interactions**. Furthermore, **70%** state that they would **only reach out to customer service two to three** more times if their initial issue wasn't resolved, before leaving a negative review or switching brands.

With less room for error and patience waning, it's clear that organizations are operating under challenging circumstances to ensure that they're delivering a customer service experience that makes their brand, rather than breaks it. With so much on the line, their **use of real-time data and analytics** will be pivotal, as they seek to **stay in touch with the fluctuating needs of their customers, optimize service for the metrics that matter most**, and ultimately, **improve overall satisfaction**.

67%

of consumers would stop doing business with a brand after only two or three poor customer service interactions.

2. The Need for Speed Will Continue to Increase



Accustomed to offerings like next day delivery, one-click ordering, and 24/7 customer help lines, speed and convenience have quickly become key factors for success for brands today. And while this need for speed has evolved dramatically since the advent of social media and real-time conversations, the evolution of the omnichannel customer experience has not only led to today's buyers wanting fast responses on more platforms, but a desire -- and expectation -- for the entire process to be easy, too.

Gone are the days where consumers tolerated lengthy hold times, inefficient messaging tools, and drawn out resolutions for their issues. In fact, despite there being so much focus on personalization and the criticality of building deep customer relationships with customers, it turns out that these aren't the most important facets of great service for consumers.

According to our research, both US and UK consumers ranked **response time as what matters most to them** when contacting customer service. This was ahead of *agent knowledge about products and services, overall time and effort needed to resolve an issue, personalized communication and resolution, and finally, agent tone and communication style.*

As to how long they're willing to wait to speak with an agent, **more than a third (35%)** of US consumers and just under **3-in-10 UK** consumers say they'd **only wait up to 5 minutes for a response** from customer service. Overall, it appears that British consumers may be slightly more patient than Americans, with over half (51%) of UK respondents saying they'd be willing to wait between 6 and 10 minutes compared to 43% of US respondents.

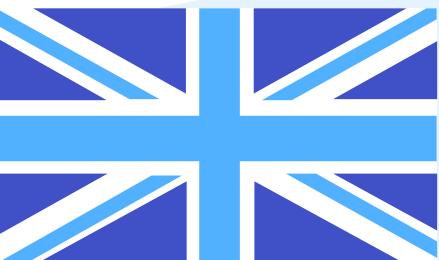
32%

of consumers would only wait up to 5 minutes for a response from customer service.

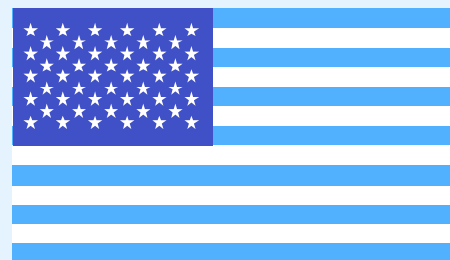
Both sets of consumers' patience wanes significantly however, when faced with wait times of more than 10 minutes. Just 14% of US consumers and 14% of UK consumers say they're willing to wait up to 15 minutes for a response from a customer service agent, with these statistics falling to 8% and 6% respectively when faced with more than a 15 minute wait.

What the above speaks to is the **value of good training for customer service teams** as they aim to **keep their customer effort score (CES) low** and get to the root of their customers' issues quickly. This is, after all, what today's consumers demand, as they increasingly place higher value on quick resolutions than the opportunity to build better relationships with the brands they do business with.

This isn't to say personalization isn't a key factor for success. [Research from Epsilon](#) shows that 80% of customers say they are more likely to do business with a company if it offers personalized experiences. Meanwhile, our data found that customers across the US and UK **expect a reasonable amount of personalization from the customer service teams** they interact with, with 47% of Americans and 57% of Britons saying they expect them to know their name and their previous purchases.



**Consumers in the UK
have higher standards
for personalization from
customer service teams
than consumers in the US.**



It also appears that **UK consumers have higher standards for personalization** than their US counterparts, with just 23% of British shoppers saying they only expect customer service teams to offer "basic" personalization compared to 41% of Americans who said the same.

Interestingly, even amidst the rapid digitization that has been fueled by COVID-19, **consumers still prefer traditional channels much more than newer digital options**. 41% of consumers across the US and UK say that the phone is the most likely channel for them to seek out when they have a customer service issue, followed by email (28%) and chat (20%).

3. Customers Will Be More Vocal About Their Experiences



As mentioned above, mistakes are inevitable when it comes to customer service, no matter how buttoned-up an organization's strategy is, or how skilled their team is. This was the case pre-COVID, before consumers' attitudes were shaped by the uncertainty of the pandemic, and it's very much the case now when the room for error is smaller and the stakes much higher. And in an environment where the Voice of the Customer (VoC) is more influential and easier to share than ever before, just one mistake can significantly have a deleterious impact on a brand's reputation and bottom line.

According to our research, **40%** of US and UK consumers say that **after a poor customer service experience, they will share that experience online** -- a marked increase from last year, when 35% said the same. This suggests that customers are becoming more vocal when it comes to sharing their experiences with others, a trend that's compounding the pressure on customer service teams who are already working in taxing conditions.

Similarly, just under half (49%) of American and British consumers say that after a poor customer service experience, they will tell their friends and family to stop buying from the brand. Again, we observed a **substantial increase in the use of Word of Mouth (WoM) amongst consumers**, especially in the US market where last year, just 38% of shoppers said they would tell their friends and family to halt doing business with a company if they had a negative experience.

40%

of consumers say they will share their experience online after a poor customer service interaction.

49%

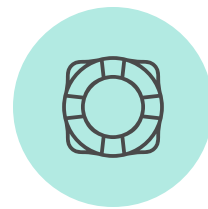
of consumers will tell their friends and family to stop buying from a brand after a poor customer service experience.

This highlights the incredible influence that WoM continues to have, and the opportunity that exists for businesses to leverage it as a powerful growth tool. When brands **treat customers as their biggest advocates, they have the potential to drive meaningful results**, as illustrated by the fact that WoM marketing produces [roughly \\$6 trillion](#) in consumer spending each year.

Of course, it's absolutely crucial that organizations take the time to understand what their customers really think about their brand so that they can create experiences that better meet their needs. This is something that's especially true today, when C-suites are increasingly asking their customer success teams to [move their initiatives out of the experimental phases](#) and start proving their bottom line worth.

Conducting Voice of the Customer research is key to **completely understanding the overall customer journey**, finding ways to **improve CX**, and driving **increases in customer KPIs** like customer satisfaction (CSAT) and loyalty. Keeping track of feedback is imperative in doing this, but it's only half the battle. Brands must also signal to their customers that they're listening, that they matter, and that they treat every review as an opportunity to strengthen their offerings.

4. Service Recovery Will Lead to Powerful Opportunities



Poor service experiences are damaging, but they can also present powerful opportunities. For example, the [Service Recovery Paradox](#) tells us that if a brand's ability to execute service recovery -- the resolution of a problem from a dissatisfied customer -- surpasses the customer's original expectations, a paradox emerges and the customer actually becomes more loyal than if the brand had never made the initial mistake.

Our research supports this, with an incredible **97% of consumers** across the US and UK saying that **if a brand turned a poor experience into a positive one** by solving their problems immediately, **they would do business with that brand again**. Further, more than a quarter of

consumers (26%) across both nations agree that they're **more likely to leave an online review about a poor experience turned into a positive one**, than an excellent experience or a poor experience.

97%

of consumers would do business with a brand again if they turned a poor experience into a positive one by solving their problems immediately.

Indeed, it's a truly unique situation for brands to find themselves in -- leveraging missteps as a means to boost loyalty, customer retention, and even trust. It's also an incredibly effective way for them to drive future engagement, with our research finding that **88% of consumers are more likely to leave feedback (positive or negative) regarding a customer service interaction if they knew it would help the agent improve their ability to service the needs of customers.**

Indeed, the customer service mindset is often one of prevention, with teams allocating the majority of their energy and resources toward ensuring that problems don't arise. But in a highly complex and competitive landscape where customers are increasingly expecting brands to be "on," this mindset isn't always unreasonable. As such, it's crucial for organizations to embrace issues as opportunities to form deeper, more personal relationships with customers.

And with **84%** of US and UK consumers saying that when customer service solves a problem for them, **they feel more emotionally connected to the brand**, then this is certainly possible.

With the modern customer journey built on high-tech and low-touch, it's clear that service recovery gives organizations an undeniable opportunity to **humanize interactions between customers and provide learning moments for team members.**

Pursuing Great Customer Service in the Post-COVID Era

Customer service teams perseverance has been a shining light throughout the ups and downs of the last 18 months. And while consumers' rising expectations are a sign of the indelible impact that the events of the last couple of years have had on the customer service industry, it's also a **sign of brands' consistent ability to rise to the occasion in any environment.**

And as these needs, wants, and expectations continue to shift, one thing remains clear: **customer service teams have a critical role to play in their organization's success going forward.** While this places significant responsibility on CS teams, when armed with an in-depth understanding of their customers' new standards, the tools to consistently resolve their issues in real-time, a commitment to sourcing feedback, and a mindset to turn mistakes into powerful opportunities, customer service teams can continue to help their organizations thrive.

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