

Customer behaviour is changing

Prior to COVID, digital interactions were already establishing a foothold as an alternative to voice. However, since the pandemic there has been a surge in the use of digital. This was in part down to increases in customer demand but also constraints on offline availability as physical premises closed and contact centres migrated advisors to work remotely. At the same time average handling time increased as both customers and colleagues dealt with the challenges that the coronavirus brought.

Voice is here to stay. Customers will always prefer the telephone channel for time-sensitive and complex interactions. What is clear however is that customers want alternatives.

In this report we have explored who customers are interacting with and why; serving vulnerable customers; the need for businesses to provide true omni-channel and self-serve options, noting that the best approach for customers and contact centres varies by sector and by customer journey.

With thanks to

Led by CCMA Research Director, Stephen Yap, the CCMA and Odigo conducted 500 interviews from 24-27 September 2020 with UK consumers. Fieldwork was conducted via the Glow platform and the Dynata panel. Quotas were set by age, gender and region to ensure a nationally representative sample.

We invited 16 contact centre professionals representing a diverse mix of vertical markets, contact centre types and experiences to a series of focus groups in October 2020 to explore the themes uncovered in the consumer survey. The CCMA and Odigo extend their sincere thanks to these individuals for their generous participation in the study.

Paul Baxter, Managing Director,
Marmalade Insurance

Kirk Bradley, Head of Consumer Call Centres,
BUPA Insurance UK

Carl Bromley, Head of Customer Experience, Ageas

Joe Brownless, Director of Customer Experience,
Affinity Water

Jane Cummins, Business and People Enablement
Manager, AIB

Helen Davies, Customer Service Manager,
Brandon Hire Station

Claire Hawkes, Head of Customer Assist,
Tesco Bank

Dominic Hull, Head of Contact Centre,
Connect Distribution

Lisa Olds, Head of Customer Account
Management, PerfectHome

Catherine Oehlers, Head of Customer Support,
Bowers Wilkins

Kenny Prest, Telephone Assurance Manager, NS&I

Anita Renyard, Senior Manager, Mortgage Services,
TSB Bank

Rula Samara, Contact Centre Manager,
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Jason Stanton, Sales Excellence & Customer
Services Director, Wex Europe Services

Charmaine Vallance-Poole, Head of Customer
Experience, Holland and Barrett

Bill Wilson, Digital Strategy Lead, Severn Trent

Foreword

In recent months most if not all contact centres have witnessed significant changes in customer demand and, in response, have made profound changes to the operation. Staying on top of fast-changing customer behaviours remains top of the contact centre agenda for the foreseeable future.

To assist contact centre leaders in understanding customer behaviours the CCMA, in partnership with Odigo, conducted this landmark study into customers' channel choices and preferences and

how these are evolving. It combines quantitative consumer benchmarking with qualitative insight from a wide range of contact centre professionals.

The results are in and they are fascinating. I hope you will enjoy reading the findings as much I did, and that you will find value in them for your work and your organisation.



Leigh Hopwood,
CEO, CCMA

Odigo is delighted to sponsor CCMA's fascinating and insightful 2020 research into changing customer behaviours, preferences and expectations connected to brand interactions. The results are in – communicating about wide-ranging issues, at all times, from multiple devices and across different channels is the present and future of customer experience.

At Odigo we are committed to developing technology that ensures customer experience (CX) is put first and our clients can deliver customer service that is convenient, personalised and effective. The dynamic, fast-changing nature of modern business, across all sectors, means organisations need robust, scalable and flexible solutions that enable swift reactions and proactive engagement.

CCMA's research supports our view that no business can adopt a one size fits all approach to meeting customers' needs and exceeding their expectations. Additionally, the importance

of providing customised, intuitive and seamless CX has never been clearer. CCMA's Customer Interactions in a Post-COVID World skilfully and coherently explains how to stay ahead of the curve, be remembered and increase customer loyalty, which is especially key during a pandemic. The opportunities that digitisation and disruptive technology bring to customer service are changing mindsets and habits across generations. Whether a baby boomer aiming to pay a bill, a Gen Z wanting to complain or a millennial looking to buy a new product, businesses of all types need to be prepared to provide service that turns disparate interactions into one smooth conversation.

For anyone looking to learn more about a rapidly evolving industry, CCMA's latest research truly is a must-read!



Neil Titcomb,
Managing Director UKI, Odigo

Five Discoveries for Contact Centre Leaders

1. Deliver on your omni-channel strategy

Contact centres overall still have a way to go to meet customers' omni-channel expectations.

2. Customer take-up of digital and self-serve will continue to accelerate

Ramp up digital self-serve for simpler transactions and reserve the telephone only for more complex, urgent and emotional interactions and product categories.

3. Support vulnerable customers anonymously

For vulnerable customers, channels that offer a degree of anonymity (while still being assisted) can be preferable.

4. WhatsApp will become even more of a priority

WhatsApp and other private-messaging platforms are growing quickly in popularity with customers and providers. They offer the feeling of a personal service and deliver responsiveness.

5. Channel offerings will be increasingly linked to journey and customer segmentation

Customer segmentation, well established in the marketing function, is starting to appear in contact centres as a means of matching channel to customer preference and interaction type.

Contact volume varies by sector

We asked customers to tell us the types of businesses and organisations that they had been in contact with since 1 June 2020 (covering an approximately four-month period prior to the survey fieldwork).

Routine browsing and everyday shopping were specifically excluded, enabling us to focus on contact centres and advisors as well as intentional self-serve interactions.

As shown in Fig. 1 a difference across sectors was observed, with the most-contacted sector (grocery/supermarket) having been in touch with four times as many customers as the least-contacted sector (household goods).

Grocery and supermarket businesses attracted the largest proportion of interactions, with 39 per cent of people having had contact since June. The next most popular sectors were banks which had contact with 34 per cent of people, followed by utilities which had contact with 29 per cent of people.

Sectors in contact with smaller numbers of people include household-products (10 per cent), consumer electronics companies (11 per cent) and travel and transport (11 per cent), the latter no doubt experiencing diminished demand due to the pandemic.

Fig. 1: Interactions by sector	Have had contact since 1 June
Grocery/supermarket	39%
Bank	34%
Utility (electric, gas, water)	29%
Mobile phone/home phone/broadband	28%
Insurance	22%
Council/government	20%
Non-grocery retailer	17%
Automotive (including dealership, service garage, parts and vehicle rental)	16%
Airline/bus/train	11%
Consumer electronics (white goods, audio-visual, PC/computing/mobile devices)	11%
Household-goods manufacturer (household products not including white goods or consumer electronics)	10%

Base: n=500 customers

A large proportion of queries are to help with upcoming purchases

We asked customers to tell us the reasons for their interactions, including contact initiated by the customer and contact initiated by the provider.

As shown in Fig.2, the most common reason for contact was a query related to an existing purchase or account: 38 per cent of people had been in contact for this purpose.

The next most common reason for contact was to make a purchase. 35 per cent of people had been in contact with a provider specifically to buy or to

book. This specifically excludes routine shopping, revealing the importance of the contact centre as a revenue-generating channel.

The next most common reasons for contact were to enquire about a product or service (26 per cent) and a query related to a future purchase (23 per cent). This further underscores the role that contact centres and channels play in the path to purchase and informing purchase decisions.

As expected, reasons for contact vary by sector.

Fig. 2: Reasons for interaction	Have had contact since 1 June
Existing purchase/account management	39%
Buying/booking	34%
Product/service enquiry	29%
Pre-purchase	28%
Complaint	22%
Delivery	20%
Invoicing/billing	17%
Warranty/repairs	16%
Refund	11%

Base: n=500 customers

In the automotive category 56 per cent of all interactions were to book a service, while in insurance 41 per cent of interactions were to purchase a policy and in banking 35 per cent of interactions were related to account transactions.

Phone is (still) the dominant contact channel...

46%

of people in the UK have had a customer service interaction by phone in the past 4 months

Telephone is still by far the most common contact channel. As Fig.3 shows, 46 per cent of people in our sample reported having had at least one phone call with an organisation in the prior four months. The next most common channel were physical stores/offices (used by 28 per cent of people and no doubt lower than it would have been prior to the pandemic), followed by live chat (24 per cent).

Fig. 3: Contact channels used	Have used since 1 June
Phone call with a human advisor	46%
In a physical store/office	28%
Live text/web chat with a human advisor	24%
Chatbot	21%
IVR	15%
Self service e.g. via provider's website	15%
SMS/text	14%
Social network such as Facebook, Twitter, Instagram	14%
Private messaging app such as WhatsApp, Facebook Messenger	14%
Video call with a human advisor	12%
Post	12%

Base: n=500 customers

...but customers want alternatives

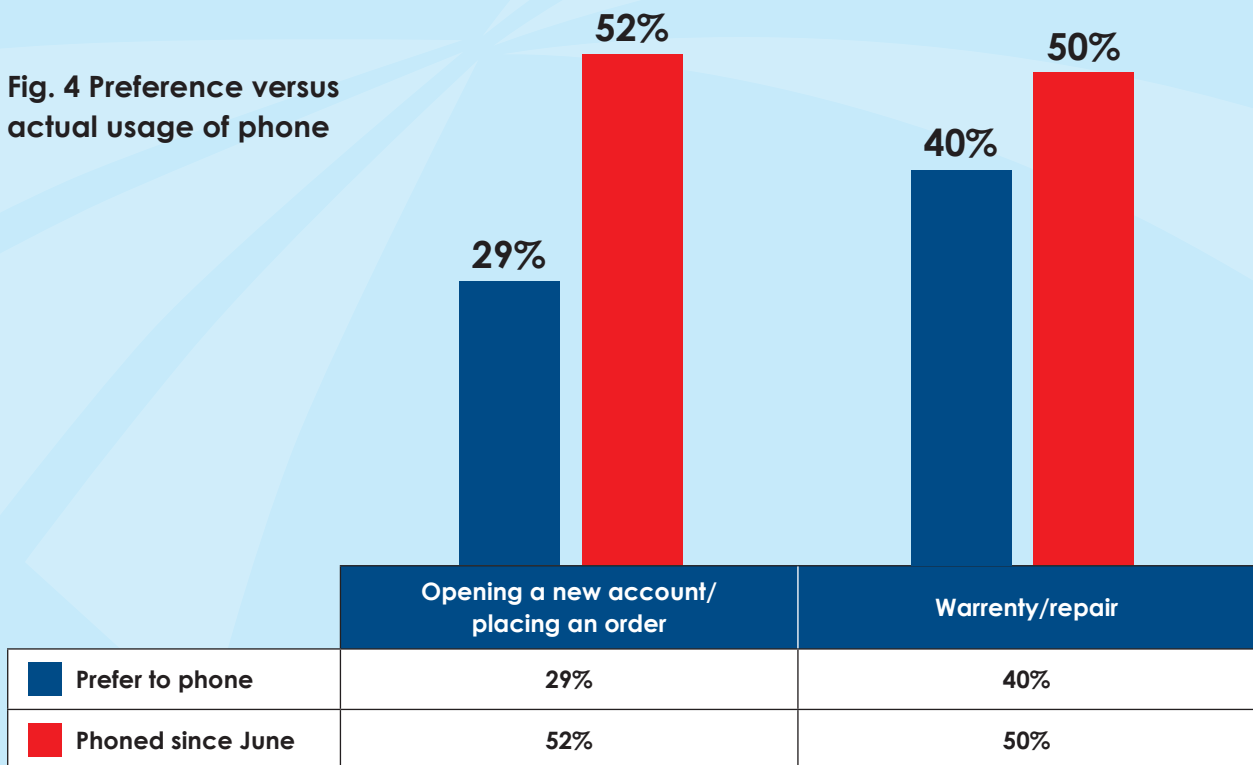
Despite the predominance of phone there is clear evidence that customers want alternative contact methods and that contact centres overall have yet to fully deliver against omni-channel expectations, at least for certain types of interactions.

Fig.4 illustrates the gap between channel preference and actual behaviour for three types of customer journeys. 52 per cent of all interactions to open an account or place an order were

handled over the phone. However, only a much lower proportion of customers – 29 per cent – actually prefer telephone over other channels for an account-opening or purchase transaction.

Warranty and repair interactions also show a higher proportion of actual usage for phone (used for 50 per cent of all such interactions) versus preference (40 per cent of people prefer the phone for warranty and repair queries).

Fig. 4 Preference versus actual usage of phone



Base: n=500 customers, n=174 account opening and purchase interactions, n=76 warranty/repair interactions

Why are some customers using the phone when they would prefer to use an alternative method?

For some financial institutions where authentication is critical, the phone is the only channel where this is possible.

"We can't authenticate via email. I would say up to three quarters of the email traffic you had to go back to customers or direct them to another channel because they wanted something specific about their account."

Kenny Prest, Telephone Assurance Manager, NS&I

“There are certain things we wouldn't want the customer to do. If there was a card blocked, we wouldn't want customers to [manually unblock].”

Jason Stanton, Sales Excellence & Customer Services Director, Wex Europe Services

For some types of journey it's common for customers to start on a digital channel but then pick up the phone for help.

“Although some people might think young drivers are used to digital channels, they tend to lack confidence when buying insurance and phone us for advice”

Paul Baxter, Managing Director, Marmalade Insurance

“The more commoditised the product, the more likely someone will do it online. Up the value and complexity chain and customers will want to speak to a trusted advisor.”

Bill Wilson, Digital Strategy Lead, Severn Trent

When queries are urgent and customers are anxious, they turn to the phone.

“Where there's emotions involved, customers want to talk to you.”

Anita Renyard, Senior Manager, Mortgage Services, TSB Bank

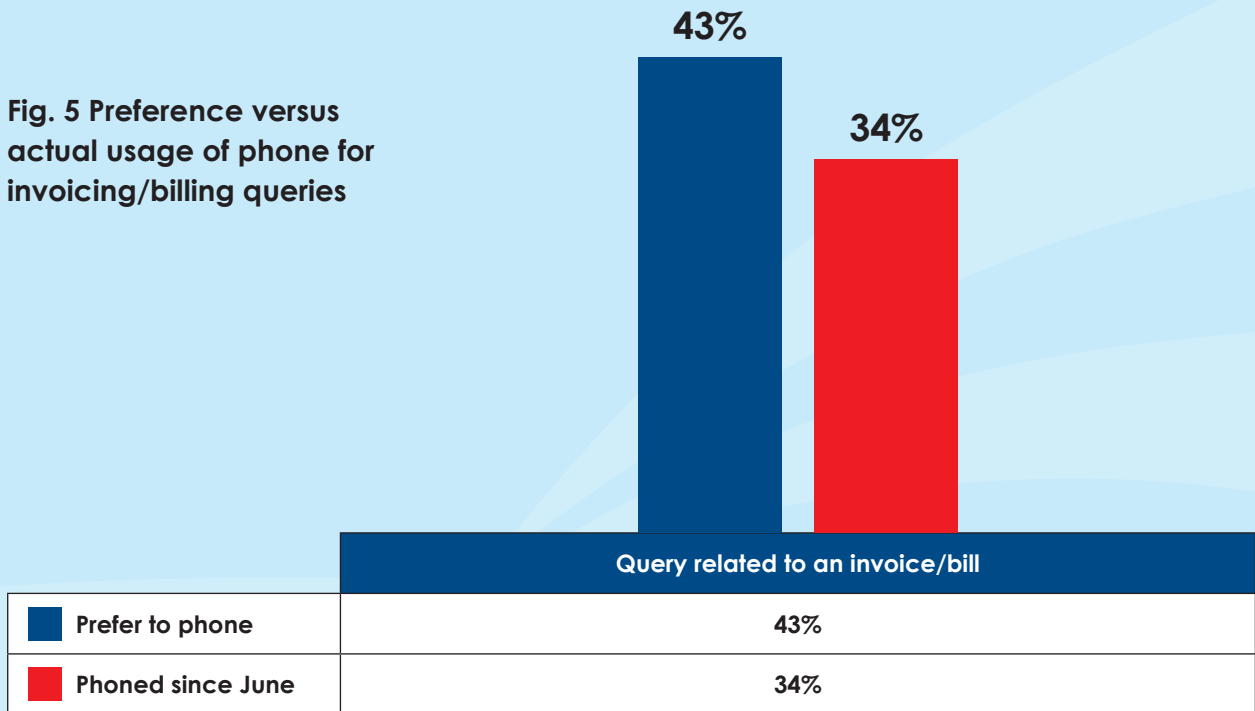
The evidence is clear: demand for omni-channel is here to stay (and accelerated since the pandemic), but customers will default quickly to telephone for pressing matters or when they encounter issues navigating through a self-serve journey – and that making a purchase, opening a new account and warranty/repairs are the journeys where this happens the most.

“The more simple administrative tasks customers are quite willing to do, but if you have an in-depth query or complaint, they absolutely want to speak with you.”

Jason Stanton, Sales Excellence & Customer Services Director, Wex Europe Services

Interestingly the opposite effect is observed when it comes to invoicing and billing queries. As Fig.5 shows, the proportion of customers who would prefer to phone for such queries (43 %) outstrips the proportion of invoicing/billing transactions actually handled by phone (34 %).

Fig. 5 Preference versus actual usage of phone for invoicing/billing queries



Base: n=500 customers, n=95 invoicing/billing interactions

Invoicing and billing is an example of a journey for which the telephone is ingrained in habitual behaviour, and providers are actively seeking to migrate customers to alternative options.

“40% of our customers call the service line just to make payments. We are implementing an IVR payment line.”

Rula Samara, Contact Centre Manager, Hitachi Capital

Of course, the increase in demand and therefore wait times since the onset of the pandemic have led customers to adopt alternatives despite habitual preference for telephone.

“90 per cent of our customers are using a [self serve] journey as opposed to 50 per cent [before COVID]. That’s only because the alternative is waiting sometimes up to 30 minutes to speak to an agent.”

Kenny Prest, Telephone Assurance Manager, NS&I

30% of customers using the phone had to wait too long to be connected.

For vulnerable customers, phone is not always best

Providers are dealing with more vulnerable customers than ever before. COVID-19 and lockdown have exposed individuals and families to new hardships. For some people, the desire for a certain degree of anonymity drives them away from the telephone towards alternative channels for help.

“Our most vulnerable customers would potentially prefer text or chat rather than have to call us.”

Rula Samara, Contact Centre Manager, Hitachi Capital

“We’re always veered away from live chat because of the intricate nature of the conversations and how long the average handle time is, but we’re now looking at a solution for chat.”

Lisa Olds, Head of Customer Account Management, Perfect Home

Marked differences in omni-channel usage by sector

Phone is the dominant contact channel overall, but customer usage of telephone varies from sector to sector.

The greatest reliance on telephone is in the automotive and insurance industries, where 60 per cent and 51 per cent respectively of all interactions among surveyed customers occurred via phone.

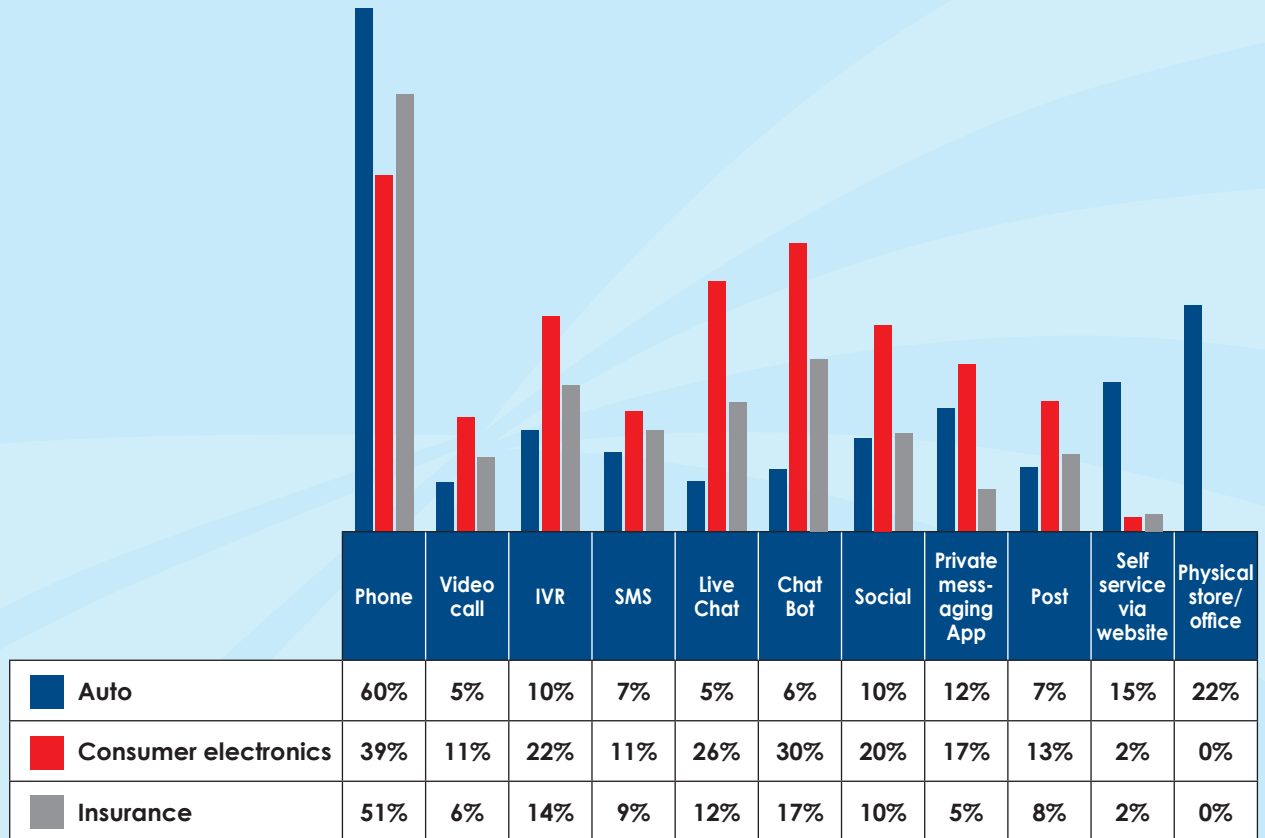
Telephone is far less dominant in non-grocery retail, where just 19 per cent of all interactions among surveyed customers were handled by telephone. In this sector phone interactions are actually

outstripped by live chat which comprised 23 per cent of all interactions.

Many providers are investing heavily to enhance omni-channel capabilities, accelerated by demand pressures brought on by the pandemic.

Omni-channel usage is most established in the airline/bus/train sector and in consumer electronics. While the telephone is still the most widely-used channel for consumer electronics (39%), chatbots (30%) and live chat (26%) are not far behind.

Fig. 6 illustrates the differences between three selected sectors: automotive, insurance and consumer electronics.



Base: n=500 customers, n=81 automotive interactions, n=54 consumer electronics interactions, n=108 insurance interactions

For insurers there are a number of reasons why the majority of interactions still happen by phone: ringing insurers to price-match quotes, for example, or needing to verify application or claims information submitted online.

“Insurance is not straightforward. There’s lots of information you need to be put in and even customers who quote online like to make sure they’ve got things right.”

Carl Bromley, Head of Customer Experience, Ageas

Utilities is one of the sectors that sees relatively high usage of social as a contact channel, with social accounting for 18 per cent of all customer interactions with utilities.

“A lot of people have woken up to creating a [social] strategy and have seen that customers are prepared to use it. We’ve seen 400 per cent increases in social traffic since the pandemic and it’s not slowing down.”

Bill Wilson, Digital Strategy Lead, Severn Trent

Self-serve preference also varies by sector...

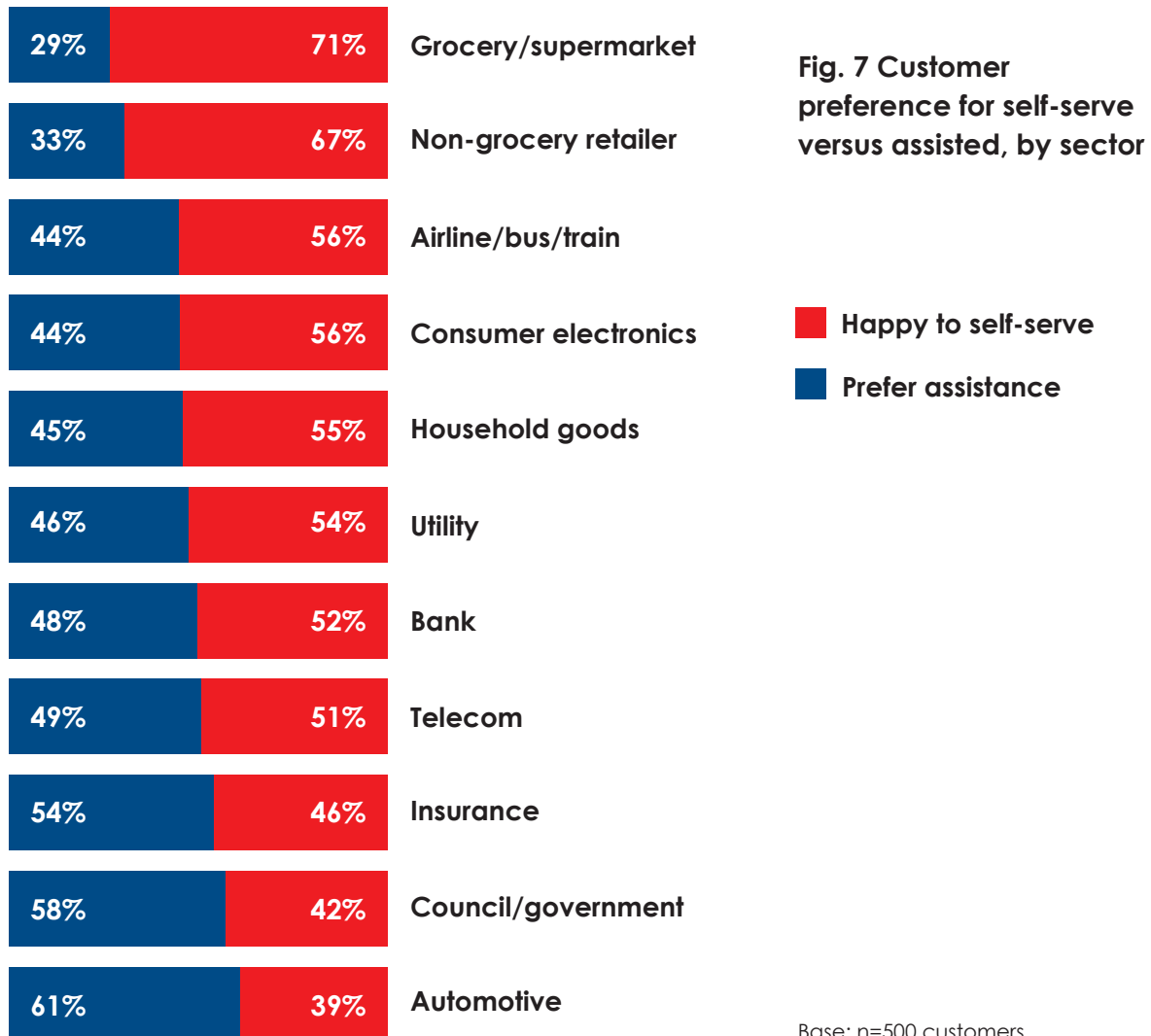
Much has already been written about the acceleration of digital transformation brought about by the pandemic. Customers including those who may have been reluctant to use digital channels before the pandemic have now embraced them with gusto, and providers have responded by quickly ramping up digital options.

and started pushing customers through them. What we found is that we managed to balance [demand] so that 50% was coming through phone and 50% through digital. Instead of delivering our omni-channel project in 18 months we're now going to deliver it over nine months due to customer demand."

Rula Samara, Contact Centre Manager, Hitachi Capital

"When COVID hit, our phone lines got to 300% over forecast. It brought forward a planned omni-channel project. We launched web enquiry forms

As Fig. 7 illustrates, there is a wide variation across sectors when it comes to customer preferences for self-serve versus assisted.



Customer acceptance of self-serve is strongest in retail: 71 per cent of grocery customers and 67 per cent of non-grocery retail customers are happy to self-serve when they have queries. On the other end of the spectrum sit automotive and council/

government, whose customers have a much stronger preference for advisor assistance. (Which helps to explain why the automotive sector is where telephone is most dominant, as shown above.)

...and by journey type

As Fig. 8 reveals, acceptance of self-serve is greatest when opening a new account or making a purchase: 54 per cent of customers are happy to serve themselves for these purposes. On the other hand, 70 per cent of customers would prefer to

be assisted when making a complaint, and 68 per cent want assistance when querying an invoice or bill. (The latter observation helps to explain the preference for telephone for billing-related interactions as discussed earlier in this report.)

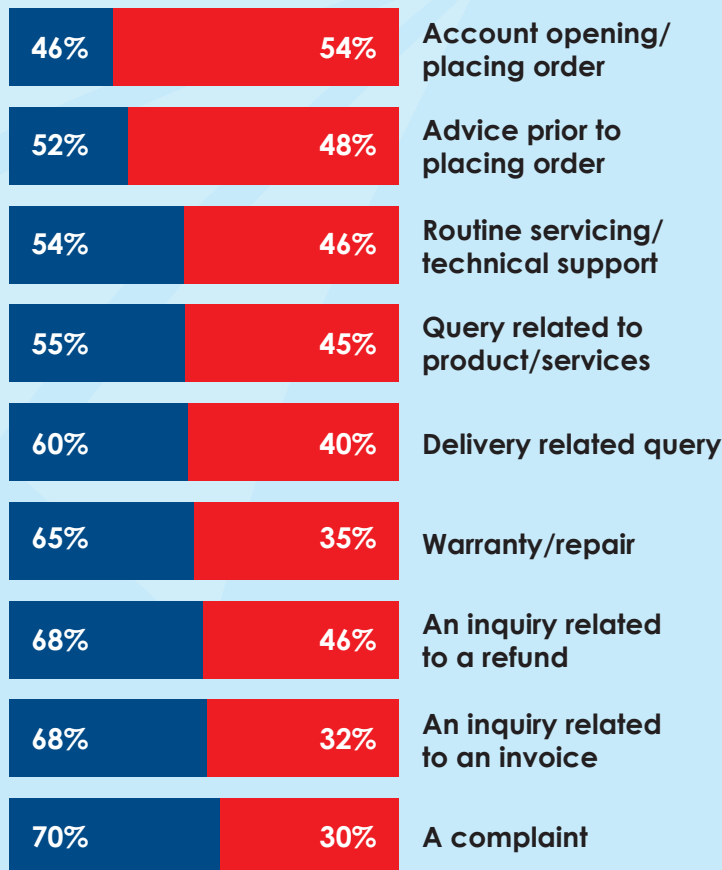


Fig. 8 Customer preference for self-serve versus assisted, by journey type

■ Happy to self-serve
■ Prefer assistance

Base: n=500 customers.

In response to changing customer preferences, many providers are actively pursuing a self-service strategy.

“Our plan is to set the country directors targets to improve self-serve. For some of our smaller customers where margins are small, the cost to

serve is much higher. We’ve debated different service tiers where smaller customers will need to self-serve or potentially pay more.”

Jason Stanton, Sales Excellence & Customer Services Director, Wex Europe Services

To encourage take-up organisations are working toward expanding self-serve options and capabilities to match those available on advisor-assisted channels.

While the overall trend is to encourage customers to self-serve where possible, for some organisations there are still important reasons to speak with the customer on the telephone. For organisations in low-involvement categories that typically have little contact with the customer, interactions are not just about managing demand – they present opportunities to build a relationship.

“Insurance is something where people shop around every year and have no contact with their insurance company. Sometimes it might be helpful to get a customer on the phone at the right time, to give them good service and show what you can do for them.”

Paul Baxter, Managing Director, Marmalade Insurance

Matching the channel to the journey

As demand for and provision of omni-channel options proliferate, considerable scrutiny is being placed by contact centres on the strengths and weaknesses of different channels and how these align to the specific characteristics of different customer journeys.

For example, some providers are ramping up video-based self-serve content, or video chat for technical queries such as setting up apps.

“With technical things people like to see what they’ve got to do.”

Paul Baxter, Managing Director, Marmalade Insurance

Synchronous versus asynchronous communication is emerging as a hot topic in contact centres, with attention focusing on how asynchronous channels can relieve the load on advisors compared with traditionally resource-intensive synchronous channels such as telephone.

“We’ve introduced two-way messaging via WhatsApp and have seen a huge migration of customers to this. There has been a huge uptick in CSAT scores as customers find WhatsApp so much easier. Expectations are managed – they know it’s not going to be an immediate response but they’re able to deal with the asynchronous nature of the request.”

Bill Wilson, Digital Strategy Lead, Severn Trent

“I am seeing many more use cases for asynchronous chat, moving beyond web chat and to things like Messenger/WhatsApp or via apps. It lends itself to more complex queries, for example helping with healthcare queries where the customer has their own record plus they can do it in their own time and at their own convenience. And so can we.”

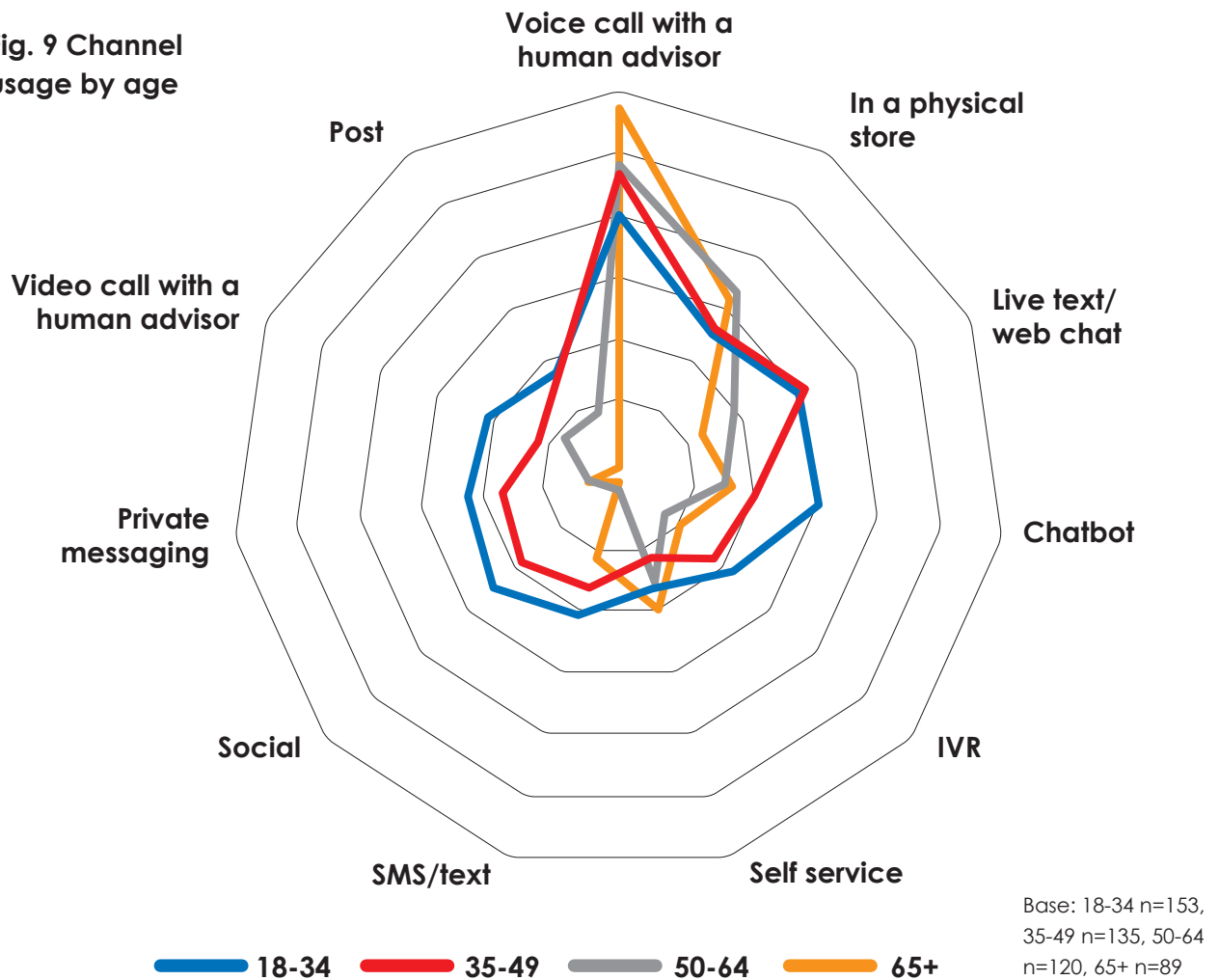
Kirk Bradley, Head of Consumer Call Centres, BUPA Insurance UK

Will customer segmentation become commonplace in the contact centre?

In addition to differences in omni-channel usage and preference across sectors and journeys, our research also reveals significant variation depending on the age of the customer.

As illustrated in Fig. 9, older customers tend to gravitate to telephone and physical outlets while younger ones exhibit higher usage of digital channels such as private messaging, social and chatbots.

Fig. 9 Channel usage by age



Perhaps surprisingly, usage of self-serve is quite consistent across age groups; evidence of how normalised self-serve has become since the pandemic.

“COVID changed the perception of channels for some of the demographic groups that we historically thought were not open to our [self-serve] channels. We set up a number of lines for people who might

never have [self-served] before, such as the elderly and the vulnerable who have reasons to avoid visiting a branch. The counter value of that in the short term is that there has been a rise in telephone contact from these groups as they become more familiar [with using self-serve channels].”

Jane Cummins, Business and People Enablement Manager, AIB

While self-serve has become normal for young and old alike, certain customer groups are clearly earlier adopters of digital channels than others. In response, some contact centres have begun to deploy customer segmentation in their thinking and execution.

“If someone lives in London and if they are between the ages of 18 and 34 city centre you know their life is fast paced, and what they want is quick action. They wouldn't want to call us but would prefer quick app access.”

Rula Samara, Contact Centre Manager, Hitachi Capital

“Management information and analytics can give you indicators into call behaviour and you can adapt your resourcing model accordingly. We know and actively plan, for example, that customers with certain occupations ring more often and spend longer on the telephone.”

Kirk Bradley, Head of Consumer Call Centres,
BUPA Insurance UK

Of course, age by itself makes for a very crude segmentation – other factors such as whether a customer is likely to be mobile or home-based come into play.

“Our small-business customers like a plumber on the road aren't going to want to pick up the phone. They're happy to self serve and to live chat with us.”

Jason Stanton, Sales Excellence & Customer Services Director, Wex Europe Services

By deploying customer segmentation, contact centres can predict which channels will be best aligned to each customer even for customers who have not previously indicated a preference. Segmentation thinking is particularly useful for contact centres that serve diverse customer bases - for example specifically targeting younger working professionals with SMS and digital channels and retaining telephone for other customers.

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us!**

Not a member?

There is no better time to join us. The industry is changing and we are giving our members more opportunities to learn, to network and to support each other.

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