The Aspect Consumer Experience Index:
Millennial Research on Customer Service Expectations

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By
Aspect Software & The Center for Generational Kinetics

THE CENTER FOR GENERATIONAL KINETICS®

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“Millennials, mobile technology and social media are colliding to radically change customer service as we know it. This new generation will not tolerate waiting in lines, repeating their problem to five different people or being treated like a number. Companies that do not adapt risk obsolescence as Millennials become an economic powerhouse.”

-Joe Gagnon and Jason Dorsey, study co-authors
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Hello! We are glad you are here.

Aspect Software and The Center for Generational Kinetics are pleased to share the findings from our brand-new national research study with you. The responses and subsequent analysis bring to the forefront the changing consumer expectations that every company faces today—and strategies for what to do about it.

Our team of researchers, executives and strategists dove into the results to uncover the most surprising and actionable findings.

This national study looked at consumer attitudes, expectations, preferences and customer service priorities by generation. We paid special attention to the voice of Millennials, aka “Generation Y,” because their views on customer experience usher in an entirely new wave of digital expectations to the marketplace.

It’s important to note that most companies currently serve more than one generation of customers. When possible, we analyzed the findings in the context of another generation to highlight similarities and differences. The result is a comprehensive look at the changing consumer expectations driven by generation and technology that will affect every business.

Our conclusion includes five actions you can take right away to apply the cutting-edge findings to your business. Like you, we run businesses and want to make sure that this research drives top-line insights and bottom-line results.

We hope that you enjoy the study findings and how-to strategies as much as we enjoyed leading the research and analyzing the results.

To your success,

Joe Gagnon, SVP
Aspect Software

Jason Dorsey, CSO
The Center for Generational Kinetics
The “why” behind this research is simple: our clients recognize that different generations bring different expectations, varied communication preferences and new customer service patterns to the customer experience.

This new reality creates a challenging problem, as most companies were not designed to accommodate the divergent preferences of multiple generations of customers at the same time. However, this situation is not only the new normal—it’s also a mission-critical imperative for any company that wants to not only survive but grow. To do so, companies will need to be able to attract, engage, keep, solve problems for and satisfy four different generations of customers at the same time:

- Millennials (aka Gen Y), born 1977 to 1995
- Generation X, born 1965 to 1976
- Baby Boomers, born 1946 to 1964
- Traditionalists, born 1945 and earlier

Business leaders must learn to effectively serve all generations, from Traditionalists—who came of age when having a single phone line and TV was considered a huge breakthrough—to Millennials, who watch TV on their smartphone and may never own a landline telephone.

This extreme divergence between customer groups by generation and technology usage creates daily challenges for every company. Understanding and solving this never-before-seen customer challenge is the “why” behind this study and a passion for Aspect Software and The Center for Generational Kinetics.
A LITTLE ABOUT US AND OUR “WHY” BEHIND THE RESEARCH

Who We Are

**Aspect Software** helps companies around the world deliver remarkable customer experiences across every conversation and every channel by helping them align their engagement strategy with today’s growing consumer expectations. We do this by creating greater customer understanding and simpler, more engaging transactions and interactions that drive deeper customer loyalty—all through a single software platform. As the global leader in consumer engagement solutions, our unified interaction management, workforce optimization and back-office solutions seamlessly orchestrate people, processes and touch points for today’s top brands in aviation, financial services, healthcare, manufacturing, telecommunications and retail.

**The Center for Generational Kinetics** solves tough generational challenges for clients. We uncover new generational trends and truths that make every generation more valuable. We do this by leading original research and then applying our deep cross-industry experience to create new solutions that drive measurable results. Our clients range from industry leaders such as Mercedes-Benz and Four Seasons Hotels to venture-backed technology startups. Learn more about our generational and Millennial research, speaking and strategy at GenHQ.com.

Reach out to schedule a media interview or research review call.

We’d enjoy discussing the findings with you and your team.

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Companies are struggling with customers who have vastly different communication patterns, expectations and priorities by generation. These differences make it impossible for a “one-size-fits-all” approach to work, but where do executives start? What does the ideal customer experience look like now? What will the ideal customer experience look like in five years? How does the ideal customer experience vary by generation right now?

This research is important now because never before have CEOs, marketers and customer experience leaders been responsible for navigating such a challenging set of customer expectations colliding with rapid technological innovation. Suddenly, leaders are grappling with how to serve four generations of customers and integrate mobile, digital, social media, in-person and content strategies—all at the same time! Omni-channel is the channel.

And the challenge is only going to get more difficult, possibly much more difficult. Why? Four reasons:

1. The pace of technological development is accelerating, creating new and unexpected customer interactions and expectations. Technologies that weren’t commonplace five years ago are now normal for an entire generation (e.g., Twitter, Snapchat, Yik Yak, Facebook Messenger, etc.).

2. Patience with “waiting in line” and dealing with customer service representatives keeps getting shorter—and you could argue that customer expectations will continue to rise rapidly. This includes everything from customer service and engagement to loyalty and communication.

3. The 80 million Millennials, currently ages 19 to 37, are poised to outspend Baby Boomers in 2017. This means that the generation that drove the growth of many major industries and brands for the last 30 years is about to be overtaken by a new generation—one that largely doesn’t carry cash or adhere to traditional customer pathways.
4. Increased competition from traditional and non-traditional segments is shaking up various industries and putting legacy companies at risk. In fact, customer service by itself is now considered a growth strategy—see the case of Zappo’s and its “legendary” customer service. This strategy developed a booming business seemingly overnight in a crowded, legacy-filled category.

Understanding precisely what generations want, especially Millennials, from a customer experience and customer service perspective, gives you the insight you need to deliver on these expectations—which can mean the difference between growth and stagnation for a company.

This stark realization was the catalyst for doing this research and the quest to uncover what Millennials and each generation want now, as well as how you can adapt quickly. Solve the challenge, and you win for years, if not decades. We are here because we want you to win in this new customer dynamic.
Our research led us to engage Americans coast-to-coast and border-to-border. We specifically sampled a cross-section of America that mirrors the U.S. census for adults ages 18 to 65. This is considered the gold standard for national quantitative studies.

What we discovered was surprising and valuable.

To share with you what we discovered, we’ve divided this white paper into three sections. Each section reveals key findings from the research along with a high-level analysis. We included comparisons by generation, grouped answers as “a majority of all generations” or specified the generation whose data is being featured. We believe that this provides useful context to see how customer attitudes, preferences and expectations differ by generation. The paper concludes with five specific actions that you can take right away based on the research findings we uncovered.

Section 1: Customer Service = Customer Experience

Section 2: Communication Preferences Drive Customer Experience Expectations

Section 3: The Future of Customer Service is Self-Service
Section 1: Customer Service = Customer Experience

Our research uncovered that the average American interacts with some form of customer service 65 times per year. That’s like reaching out to customer service five or six times every single month! That’s a lot of customer service interaction.

Of all of the generations we studied, Generation X interacts the most with customer service, and Baby Boomers interact the least with customer service. In fact, Baby Boomers interact with customer service 20% less than Generation X! (Do you think it’s because Baby Boomers saved all those instruction booklets?) If you consider all of the groups that interact with customer service, Hispanics interact with customer service the most. Is your customer service offered in Spanish? If not, it should be.

How important is customer service to America? Really important (if that weren’t clear enough already). In fact, 76% of Americans view customer service as a “true test” of how much a company values them.

How strongly do Americans like or dislike interacting with customer service?

Almost a third of America—that’s over 100 million people—would rather clean a toilet than interact with customer service. A quarter of America would rather change a dirty diaper than interact with customer service. Those are pretty dirty jobs to simply avoid customer service interaction. This is truly a telling sign about the state of American customer service! Conversely, what an incredible opportunity that companies committed to delivering great customer service will have over companies that don’t get it right.

How much of an advantage?

Over 69% of Americans said that they are more loyal to organizations that “make me feel like they know me when I contact their customer service people.”
Surprisingly, the group that feels most underappreciated and least integrated into customer service? Not Millennials. It’s Baby Boomers. In total, over 60% of all generations feel underappreciated when it comes to customer service.

Section 2: Communication Preferences Drive Customer Experience Expectations

What drives differences in customer experience expectations and, as a result, customer satisfaction? It turns out that each generation wants something different when it comes to experiencing great customer service.

Millennials, more than any other generation (77%), think that customer service should be available in a wide variety of communication styles—10 points higher than Baby Boomers. Curiously, more females than males in every generation expect customer service to be provided in multiple channels.

Going further, we found that 40% of Millennials would prefer purely online customer service. This is double the percentage of Baby Boomers who say the same thing. This aligns with the generational trend that Millennials prefer when traditional interactions are offered via a screen rather than in person or on the phone—from banking to shopping to dating.

How do Americans feel about the state of customer service today? In short, not great.

Over 80% of Americans expect their customer service agent to be an expert. Yet 70% of Americans feel that this is not the case!

Going further, a majority of Americans report that if they have to repeat their customer information or their story to more than one customer service agent, they are going to scream. (I bet you know the feeling.)

What’s even more challenging is that the research showed that bad customer service leads to more than just a bad social media rant (which can be a nightmare in itself).
Over the past year, Millennials, more than any other generation, have moved away from at least one company because of bad customer service. This translates to billions of dollars in lost revenue and profit from existing customers because a company did not deliver good customer service.

Things get really interesting when customer expectations converge with other emerging trends, such as digital payment and SMS.

Forty-seven percent of Millennials say that they regularly use their smartphone to pay for things. This is more than three times the rate of Baby Boomers. If you want to grow and even maintain success, you’ll want to offer payment via SMS. Otherwise, you’re going to leave big money on the table.

Thirty-six percent of Millennials would contact a company more frequently if they could text them. That’s over 25 million customers. In fact, over 30% of all Americans would contact their company more frequently if texting were an option. Can you imagine the impact of reducing one or two extra customer contacts a year? Now add the impact of letting those customers pay by phone. The savings get large quickly.

Section 3: The Future of Customer Service is Self-service

When we dug deeper into customer service, we found even more surprising results.

We learned that a majority of Americans, of every generation, say that their customer service expectations have increased over the last three years. That means that what was good enough only three years ago is no longer good enough for over half of all customers in America.

The study also revealed that customer service expectations will change even more quickly as technology improves. Across every generation, online customer service is currently the most preferred type of customer service. Making a phone call is #2 in almost every category, but online customer service still wins by a wide margin.
However, when we asked the same question but with the caveat that “ease of use and privacy” were equal among the various communication options, America responded much differently. Specifically, the desire to engage with customer service by text and social media increased dramatically. In fact, online customer service dropped from #1 to #4 in preference!

Here’s the really good stuff: self-service customer service that leads to resolution can actually increase a customer’s positive view of a company’s overall customer service. In fact, over 65% of all Americans say that they feel good about themselves and the company when they can solve a problem without talking to customer service.

The group most comfortable getting their issue solved without talking to a human: Millennial females at over 70%. This finding is particularly important to pay attention to because female Millennials also happen to be “oversized influencers,” given their use of technology, tight social networks and eventual role as key decision makers within their household spending. All that is to say, keep an eye on female Millennials now for a glimpse of what spending will look like in the future.

When it comes to technology and customer service, the increasingly critical portal for getting issues resolved is a smartphone. In fact, 50% of all Millennials say that their smartphone is more important than their computer. This is more than any generation and more than double the report of Baby Boomers. So given the prevalence and reliance on smartphones, you should think mobile first when developing your online presence.

Looking ahead, 41% of Millennials say that they would be “truly satisfied” if they could use text messaging or SMS to connect with companies and organizations where they do business. This is almost double the percentage of Baby Boomers and a preview of what the future will look like over the next five to ten years. You better have a mobile strategy, or eventually, you won’t have customers.

How quickly will self-service rise to the top of the customer service options?
So what does all this mean for you? With all of the insights we uncovered, what actions should you take now? We identified five specific actions you can take right now to advance your results, creating outstanding customer service experiences with Millennials and each generation.

**Five Take-Action Strategies:**

1. **Quit the self-centered self-service, and develop an omni-channel self-service strategy** where your customers can seamlessly conduct an interaction with you on one channel and pick up where they left off on another without having to repeat themselves. Most customer self-service today is difficult to navigate and frustrating to experience, mainly because it is designed with a company cost-savings mindset. If the research findings tell us anything, it’s that self-service, when done right, is a preferred means of engagement for all generations. Because your customers want to try to solve their problems on their own first, give them the chance to do it. And do it in ways that are engaging, mobile and connected to the rest of your interaction channels so that if they get cut off or they can’t get a resolution, they can easily pick up where they left off when they talk to a live person.

2. **Shop yourself as if you were a Millennial.** Go through your entire purchasing pathway as if you were between the ages of 19 and 37. This would include searching for your brand, product or service online. Then go through the entire buying process with as little direct human contact as possible. Determine which steps are cumbersome, need to be omitted or need to be added. If you’re not sure how Millennials go through an experience, you can always hire a small group (think college kids) who are unfamiliar with your sales experience and let them report on what worked well for them and what didn’t.

3. **Interact with customer service as if you were a Millennial.** Pick a product, service or offering, and go online to see if you can get your question answered. Start with online self-service, and then try using social media and texting. When you find that customer service doesn’t
work through these channels, consider adding them or creating obvious workarounds that show Millennials that you know that they’re looking for those pathways, and you’ve got alternatives for them.

4. Create a self-help video library that is easy to navigate. Start by reviewing the most common questions or challenges that customers bring to you, and then create a simple video that shows how to solve each one. This could be how to set up an online account, how to replace a battery or how to exchange something previously bought. Use very clear names for each video so that customers can type in a specific question and get recommendations that match their query. The key is that the videos should include simple step-by-step instructions and be easily viewed on any mobile device. If you want to go even further, invite your customers to upload their own how-to videos and give prizes for the best ones.

5. Go to the customer service extreme. Imagine that you could no longer solve customer service problems with a phone call or in-person answer. What do you have to do differently to be able to quickly and easily help your customers get their problems resolved? Think through each channel, including social media, SMS and online search, as well as crowdsourcing. Going to the extreme will help you prepare now when that customer service situation becomes a reality.

About Our Research Methodology

The research study was led by Aspect Software and The Center for Generational Kinetics in partnership with Conversion Research. The research team conducted a national study of 1050 Americans aged 18 to 65 years with a 25% over-sample of Millennials. This was a custom-crafted study delivered online to Americans, regionally representative and divided by gender, as per the most recent U.S. Census projections with a 25% oversampling of those aged 18 to 34. The survey was conducted with a confidence interval of +/- 3.1, 19 out of 20 times.
Consumer Experience Revolution
2015: New Research on Millennials and Technology Shows Customer Service Is About To Change Forever

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By Aspect Software and The Center for Generational Kinetics

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