

Creating Loyalty Among Digital Customers

With smartphones and other handheld devices becoming just as powerful as laptop and desktop computers, more and more consumers are taking advantage of the ease and convenience of digital channels. People can now shop or pay a bill or renew a service at any time from just about anywhere.

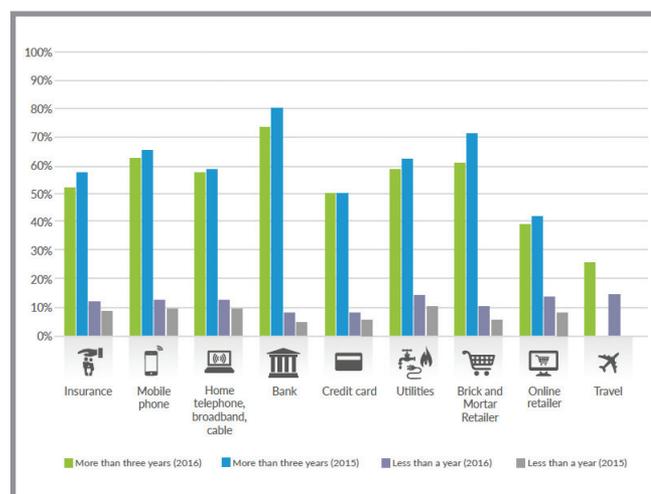
While many companies have embraced this digital freedom, they may be encountering an alarming trend —today's digital consumers are less loyal than customers of the past. In fact, a recent study conducted by Opinium Research found higher attrition rates among digital consumers.*

After polling more than 24,000 consumers in 12 countries across nine industry sectors†, researchers found that customer retention is down from the 2015 version of this study, with the percentage of customers staying with providers for more than three years declining from 61 percent in 2015 to 53 percent in 2016. On average, nine percent of UK customers have been with providers for less than one year, which is the same as in 2015. However, the figure was 10 percent in the U.S., an increase from eight percent in 2015.

The Critical Link Between Customer Service and Retention

The convenience of being able to conduct business online has also made it convenient to shop with different companies and switch service providers — the antithesis of customer loyalty. In fact, the study revealed that consumers who have good customer service experiences in traditional service venues — on the phone or in-store — are more likely to behave positively toward a brand than when online. These consumers are:

- 38 percent more likely to renew their product or service, even if it isn't the least expensive option.
- 27 percent more likely to sign up to an organization's loyalty program.
- 19 percent more likely to leave a positive review.



Customer Retention Figures Across Vertical Sectors

In addition, consumers showed strong preferences for phone or in-person interactions. The research found that:

- 74 percent of respondents don't like dealing with companies that don't provide a phone number.
- 65 percent of respondents feel they receive better service speaking to someone than online.
- Almost half (49 percent) of respondents think their inquiries are likely to be ignored via email.
- Nearly seven of 10 (68 percent) respondents feel they can negotiate a better deal in-store or on the phone rather than online.

* This research was commissioned by Verint from June 23 to July 20, 2016 in association with Opinium Research LLP, a UK-based research company. Interviews were conducted among 24,000 consumers in the following countries: Australia (2,000), Brazil (2,000), India (2,000), France (2,000), Germany (2,000), Japan (2,000), Mexico (2,000), Netherlands (2,000), New Zealand (2,000), South Africa (2,000), UK (2,001) and US (2,000). The research was conducted online, in the local language for each country, and respondents were incentivized to participate.

† Sectors surveyed: bank, bricks and mortar retailer, credit card, insurance, mobile phone provider, online retailer, telecommunications, travel, utilities.

The Need for a Personal Touch

Despite the data above, companies should not fear today's digital consumer. In fact, the research uncovered a potential way to improve the retention of this crucial group of customers.

Back when shopping and interacting with businesses was almost exclusively done in person, creating loyalty was fairly easy to achieve. The sales person or company representative just did whatever it took to help the customer. That personal attention often led to happy and loyal consumers. The study revealed that a more personal touch in customer service continues to help drive retention and loyalty. In fact, according to the research, the percentage of customers who like it when service is personalized to them has increased significantly from 52 percent in 2015 to 80 percent in 2016.

The research also shows that consumers feel more positive about a brand when they interact directly with a person, so organizations need to consider how to make the digital experience more personal and "human" to improve customer loyalty. Chatbots and virtual assistants are examples of how technology is evolving to deliver this kind of experience.

"Humanizing" Digital Engagement

So, how can your organization deliver personalized service across digital channels? One key is to listen to your customers and use their input to drive a "voice of the customer" strategy that provides a framework for when to offer digital or traditional customer service. Use the data you gather each time you interact with them to understand when and how to personalize and expedite their journey with your organization.

But, it is not an "either/or" proposition. There may be times when customers in digital channels would benefit from more traditional types of service, and vice versa. You need to be able to offer both types, so avoid improving digital service channels at the expense of more traditional options.

Another key to success is to give your customers the ability to communicate with you as and when they wish, in the way that's most convenient for them. It's important to have the right tools, technologies and resources in place to understand their needs, history and concerns so that you can deal with requests quickly and efficiently. Take a look at your operations and internal processes.

How effectively do they support efficient, personalized engagement? Be sure to examine this from the customer's point of view, since what is most convenient for your organization may not be the most desirable in the eyes of your customers. Ultimately, successfully engaging customers and securing their loyalty means embedding a customer-centric culture across the entire organization.

Contact Verint today to learn how our solutions can help you deliver personalized service across channels. To download the full research report, visit: www.verint.com/digital-tipping-point.**

** As part of this study, Verint partnered with research and advisory firm IDC to launch the report titled The Digital Tipping Point: How Do Organizations Balance the Demands for Digital and Human Customer Service?

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