



Channel Surfing: Customer Care & the Multichannel Imperative

November 2003

Confidential & Proprietary

Research Objectives & Methodology

Research Objectives

The multichannel imperative is the need to provide customers with end-to-end access on all communication channels.

- Is the multichannel imperative really as ubiquitous as assumed?
- Provide new context for understanding disparate research findings about channel use and effectiveness
- Study multichannel imperative from customer perspective using all channels and everyday customer transactions

Research Methodology - Questionnaire

- Questionnaire designed by Customer Care Alliance with input from variety of companies/organizations
 - Part I – Channel preference by type of activity – 60 total activities
 - Part II – Use of channels during past 12 months – 10 channels
 - Part III – Most recent experience using channels – 10 channels
 - Part IV – Demographics and views on technology for customer care

Research Methodology – Channels

- Telephone - live agent
- Telephone - touch tone*
- Telephone – speech recognition*
- Visit in person
- Mail letter/form
- Fax letter/form
- E-mail letter/form
- Submit Web form
- Surf the Web
- Chat via Web

* The nomenclature *telephone – IVR* is used when reporting findings for nine channels (i.e., combining telephone – touch tone and telephone – speech recognition).

Research Methodology – Activities

- Doing research to buy a new car
- Doing research to find a family doctor
- Ordering a pizza for delivery
- Doing research to buy a new computer
- Doing research to select an internet provider
- Doing research to select a bank for your checking account
- Doing research to get a credit card
- Finding the lowest airfare for your vacation
- Doing research to select the right health insurance coverage
- When you want to buy a product, finding out the location of the nearest store that stocks that product
- Ordering prescription drugs
- Paying your monthly power utility bills
- Scheduling an appointment to get your telephone service fixed
- Reporting your cable television service is not working
- Buying a new car
- Getting medical advice from your doctor when you have the flu
- Complaining about a problem with a pizza delivery
- Buying a computer
- Doing research to select a software program
- Depositing a check in your bank account
- Applying for a credit card
- Finding a hotel for your vacation
- Applying for health insurance
- Checking the opening hours for a department store
- Buying a best selling book
- Canceling a magazine subscription
- Checking on the delivery date for the new car you ordered
- Reporting a medical emergency
- Getting technical support to solve a computer problem
- Buying a software program
- Finding out your bank balance
- Asking your credit card company to increase your credit limit
- Making an airline reservation
- Finding out if your health insurance covers a medical procedure
- Buying a new shirt
- Buying a ticket to an entertainment event (e.g. sporting or music event)
- Complaining about a broken cordless phone
- Asking a question about your car warranty
- Scheduling a doctor's appointment
- Complaining about a problem with your computer
- Getting technical support to install a software program
- Complaining about a problem with your monthly bank statement
- Activating a new credit card
- Making a hotel reservation
- Checking the status of a health insurance claim
- Buying a new television
- Buying groceries
- Completing a satisfaction survey about your car
- Complaining about your doctor
- Complaining about a problem you had using a software program
- Paying your monthly credit card bill
- Checking to see if your plane is scheduled to leave on time
- Getting help resolving a dispute over a health insurance claim
- Scheduling delivery and installation of a new washing machine
- Scheduling an appointment to get your car serviced
- Complaining about a monthly credit card bill
- Complaining to an airline about lost luggage
- Scheduling delivery of a new living room couch
- Complaining about a problem with your car
- Returning a shirt that doesn't fit

Research Methodology – Interviews, Sample & Response Rate

- 7+ minute telephone interview conducted by CareCall in September, 2003
- Nationwide household sample
- 1,000 completed interviews, 19% response rate
- Overall margin of error is +/- 3.1% at the 95% confidence level
- Some numbers may not equal 100 percent due to rounding or because question was a multiple response item (i.e., check all that apply)

Key Findings

Channel Use

During the past 12 months – yes or no – have you...?

Channel	% Used during past 12 months
Telephoned - live agent	81%
Telephoned - touch tone	81%
Visited in person	79%
Mailed letter/form	64%
Surfed the Web	56%
Telephoned - speech recognition	55%
Submitted Web form	43%
E-mailed letter/form	34%
Faxed letter/form	30%
Chatted via Web	7%

Channel Use by Gender

*During the past 12 months – yes or no – have you...?
What is your gender. Are you...?*

Channel	Male	Female
Telephoned - live agent	81%	81%
Telephoned - touch tone	79%	82%
Visited in person	83%	76%
Mailed letter/form	62%	65%
Surfed the Web	57%	55%
Telephoned - speech recognition	58%	53%
Submitted Web form	44%	41%
E-mailed letter/form	38%	32%
Faxed letter/form	28%	31%
Chatted via Web	8%	6%

Channel Use by Age

*During the past 12 months – yes or no – have you...?
How old are you. Are you...?*

Channel	% Used								
	All	18-24	25-30	31-35	36-40	41-45	46-50	51-65	65+
Telephoned - live agent	81%	83%	92%	94%	90%	92%	94%	83%	62%
Telephoned - touch tone	81%	100%	97%	94%	92%	92%	87%	86%	59%
Visited in person	79%	92%	94%	86%	86%	88%	90%	84%	76%
Mailed letter/form	64%	58%	74%	63%	62%	67%	74%	69%	55%
Surfed the Web	56%	83%	86%	80%	82%	76%	75%	54%	22%
Telephoned - speech recognition	55%	58%	73%	69%	65%	61%	63%	58%	35%
Submitted Web form	43%	33%	28%	41%	63%	60%	55%	43%	14%
E-mailed letter/form	34%	42%	47%	45%	52%	39%	46%	35%	15%
Faxed letter/form	30%	33%	39%	29%	29%	47%	42%	34%	11%
Chatted via Web	7%	33%	11%	16%	12%	10%	10%	5%	1%

Channel Use by Home Computer Access

*During the past 12 months – yes or no – have you...?
Do you have computer access at home?*

Channel	Yes	No
Telephoned - live agent	89%	59%
Telephoned - touch tone	89%	59%
Visited in person	86%	59%
Mailed letter/form	69%	51%
Surfed the Web	74%	8%
Telephoned - speech recognition	61%	39%
Submitted Web form	57%	4%
E-mailed letter/form	46%	4%
Faxed letter/form	36%	14%
Chatted via Web	9%	0%

Channel Use by Internet Usage

*During the past 12 months – yes or no – have you...?
Not counting e-mail, how frequently do you use the internet? Would you say that you use the internet...?*

% Used

Channel	All	Sev times/day	Once/day	Few times/week	Once/week	Few times/month	Never
Telephoned - live agent	81%	95%	91%	92%	91%	84%	59%
Telephoned - touch tone	81%	94%	90%	92%	91%	88%	59%
Visited in person	79%	92%	94%	86%	86%	88%	90%
Mailed letter/form	64%	75%	74%	69%	61%	71%	49%
Surfed the Web	56%	91%	76%	84%	70%	51%	6%
Telephoned - speech recognition	55%	67%	59%	60%	70%	67%	36%
Submitted Web form	43%	81%	65%	58%	36%	33%	2%
E-mailed letter/form	34%	66%	55%	42%	24%	24%	4%
Faxed letter/form	30%	51%	31%	32%	33%	34%	12%
Chatted via Web	7%	14%	9%	9%	3%	3%	1%

Channel Preference by Motivation

I'm going to read a list of common activities related to buying, using, or fixing the products and services that you use everyday. I'd like to know if you'd prefer to complete these everyday transactions by...

Motivation	% Prefer									
	Visit in person	Phone - agent	Surf Web	Mail	Fax	E-mail	Web form	Telephone - I/R	Chat	
Pre purchase	27%	29%	25%	7%	1%	5%	3%	3%	0%	
Purchase	45%	35%	8%	5%	1%	2%	3%	2%	0%	
Use	19%	51%	4%	16%	1%	2%	4%	4%	0%	
Complaint	30%	55%	2%	10%	1%	2%	1%	1%	0%	

70%-85%!

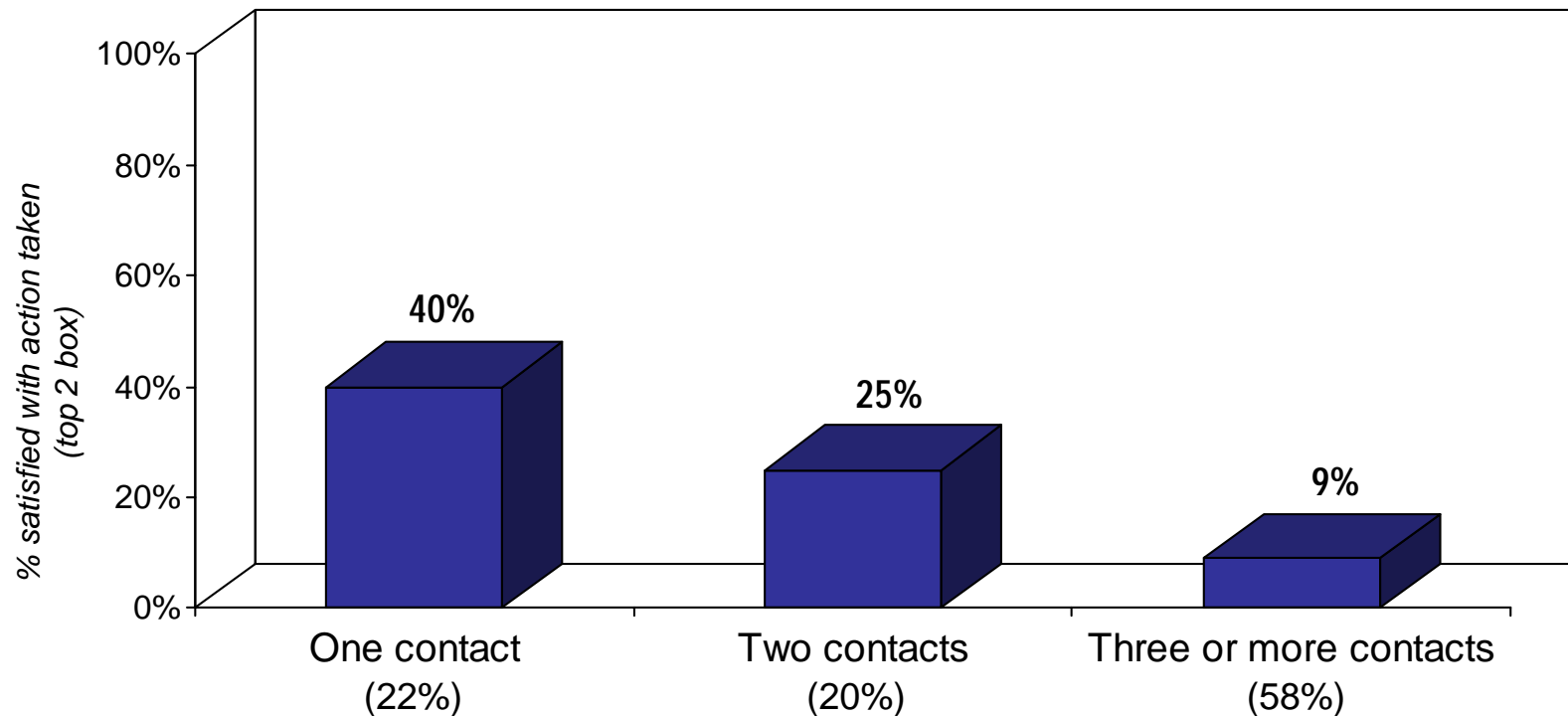
Channel Preference by Activity

I'm going to read a list of common activities related to buying, using, or fixing the products and services that you use everyday. I'd like to know if you'd prefer to complete these everyday transactions by...

Activity	% Prefer								
	Visit in person	Telephone - agent	Surf Web	Mail	Fax	E-mail	Web form	Telephone - IVR	Chat
Pre purchase									
Making an airline reservation	11%	41%	36%	2%	1%	2%	7%	0%	0%
Making a hotel reservation	11%	67%	14%	2%	0%	0%	4%	1%	1%
Purchase									
Buying a new car	94%	5%	1%	0%	0%	0%	0%	0%	0%
Ordering prescription drugs	44%	32%	4%	9%	3%	1%	1%	6%	0%
Buying a computer	59%	11%	24%	3%	0%	2%	2%	0%	0%
Use									
Finding our your bank balance	24%	30%	15%	5%	0%	4%	2%	21%	0%
Activating a new credit card	15%	41%	3%	16%	2%	1%	1%	24%	0%
Completing a satisfaction survey about your car	15%	15%	4%	48%	3%	3%	14%	0%	0%
Scheduling appointment to get your car serviced	11%	83%	1%	0%	0%	0%	2%	2%	0%
Scheduling a doctor appointment	6%	86%	0%	2%	1%	0%	1%	3%	0%
Getting technical support to solve a computer problem	18%	55%	1%	5%	1%	12%	4%	3%	1%
Complaint									
Complaining about a problem with your car	58%	41%	0%	2%	0%	0%	0%	0%	0%

Ping-ponging & Satisfaction with Action Taken

*When complaining, how many contacts did you make in an attempt to resolve this problem?
Which of the following statements best describes how satisfied you were with the action taken to resolve your problem?*



Source: *Customer Care – The Multibillion Dollar Sinkhole: A Case of Customer Rage Unassuaged*, Customer Care Alliance, September, 2003



Using More Than One Channel

Did you use any other channels of communication to complete this transaction?

Primary channel	% Using another channel
E-mailed letter/form	57%
Faxed letter/form	55%
Chatted via Web	41%
Surfed the Web	40%
Submitted Web form	37%
Telephoned - Speech recognition	34%
Mailed letter/form	33%
Visited in person	27%
Telephoned - touch tone	22%
Telephoned - live agent	21%

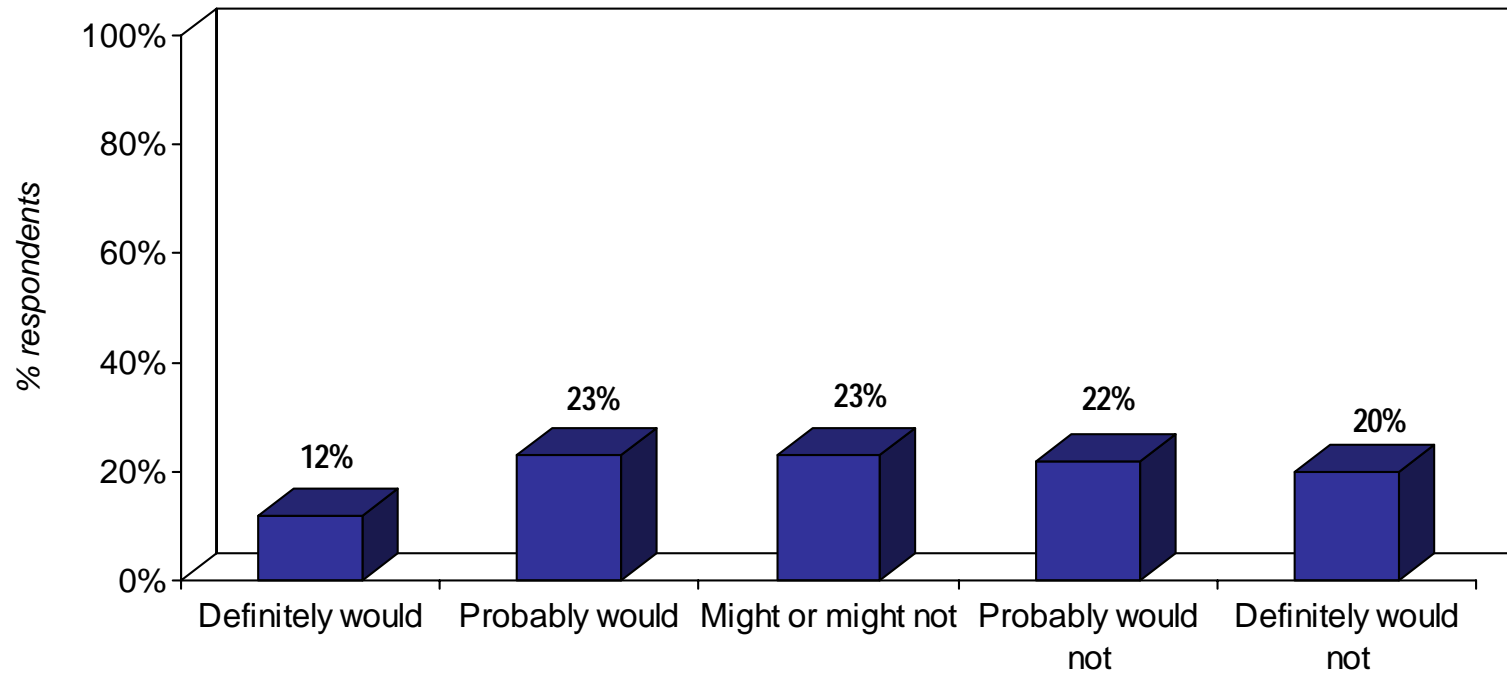
Technology Biases

I'm going to read a few statements about the impact of technology on customer care. Please tell me if you strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.

Attribute	% Strongly agree/agree
Companies use technology only to cut costs	49%
Companies could care less about how technology affects my satisfaction	37%
Companies rely too much on technology to provide customer care	71%
Technology-based customer care will replace all human customer care by 2025	42%
I'm frequently frustrated by the way companies use technology to avoid talking to me	80%

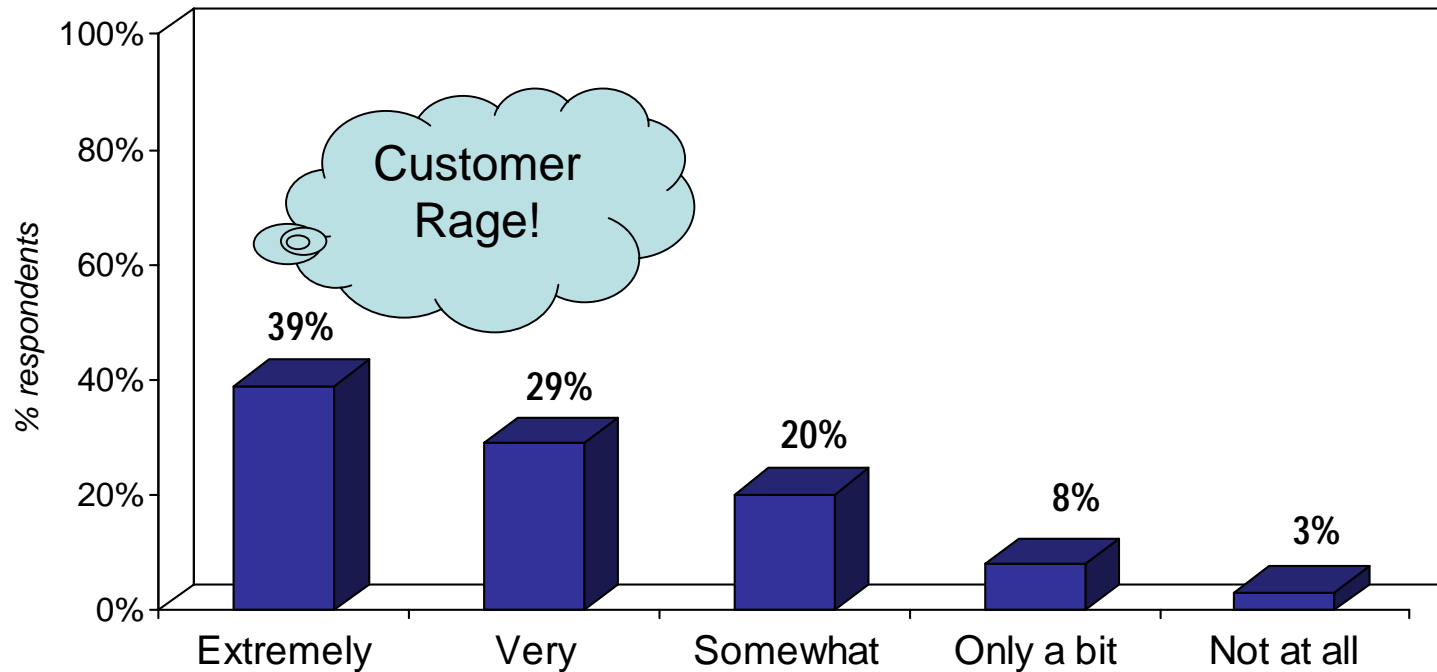
Importance of Talking to Live Agents

Would you be willing to pay a small, additional service charge for a product or service if the company promised you 24 hour telephone access to a live representative without the use of any automated telephone systems?



Customer Rage

Which of the following statements best describes how upset you were?



Source: *Customer Care – The Multibillion Dollar Sinkhole: A Case of Customer Rage Unassuaged*, Customer Care Alliance, September, 2003

What Complainants Wanted Vs. What They Got

*I'm going to read a list of things you might have wanted to 'get' to resolve this problem. Please tell me all of the things you wanted to get by answering yes or no.
As a result of your complaint to the organization that caused your problem, what did you get?*

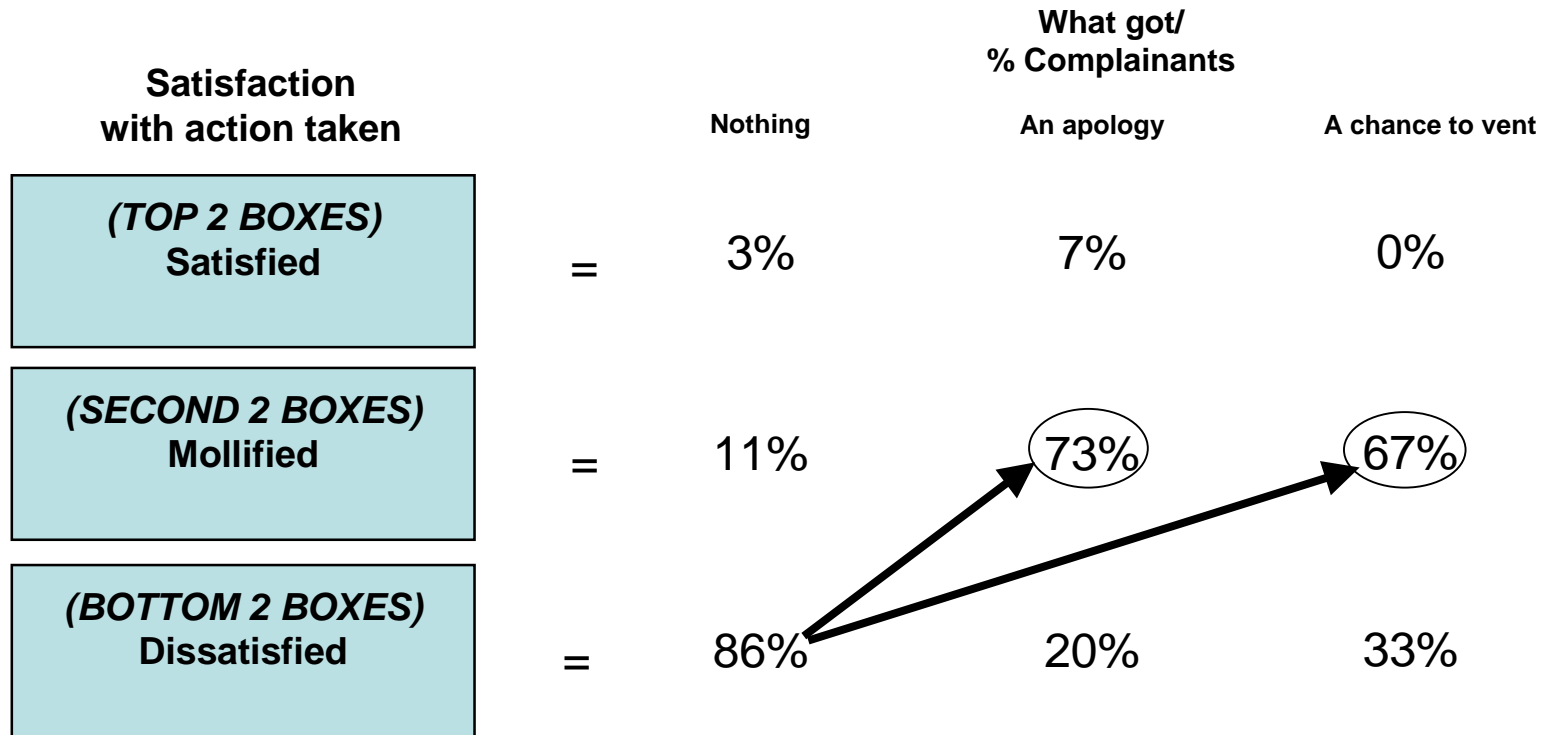
Remedy	% Wanted to	
	Get*	% What Got
Product repaired/service fixed	85%	24%
A chance to vent	65%	1%
An apology	64%	5%
Money (cash, check, credit)	54%	11%
Free product or service in the future	33%	7%

* Problem respondents who complained

Source: *Customer Care – The Multibillion Dollar Sinkhole: A Case of Customer Rage Unassuaged*,
Customer Care Alliance, September, 2003



Receiving an Apology/Opportunity to Vent by Satisfaction with Action Taken



Source: *Customer Care – The Multibillion Dollar Sinkhole: A Case of Customer Rage Unassuaged*, Customer Care Alliance, September, 2003



Satisfaction With Channel

I'm going to read a list of common activities related to buying, using, or fixing the products and services that you use everyday. I'd like to know if you'd prefer to complete these everyday transactions by...

Now, thinking about this channel of communication, how satisfied were you with it?

Channel	% Very satisfied	% Very/somewhat dissatisfied
Surf the web	58%	8%
Visit in person	52%	10%
Fax letter/form	49%	4%
Chat via the web	46%	19%
Submit web form	44%	12%
Telephone - Touch tone	43%	26%
Telephone - Agent	42%	18%
Mail letter/form	42%	20%
E-mail letter/form	33%	16%
Telephone - Speech recognition	28%	42%