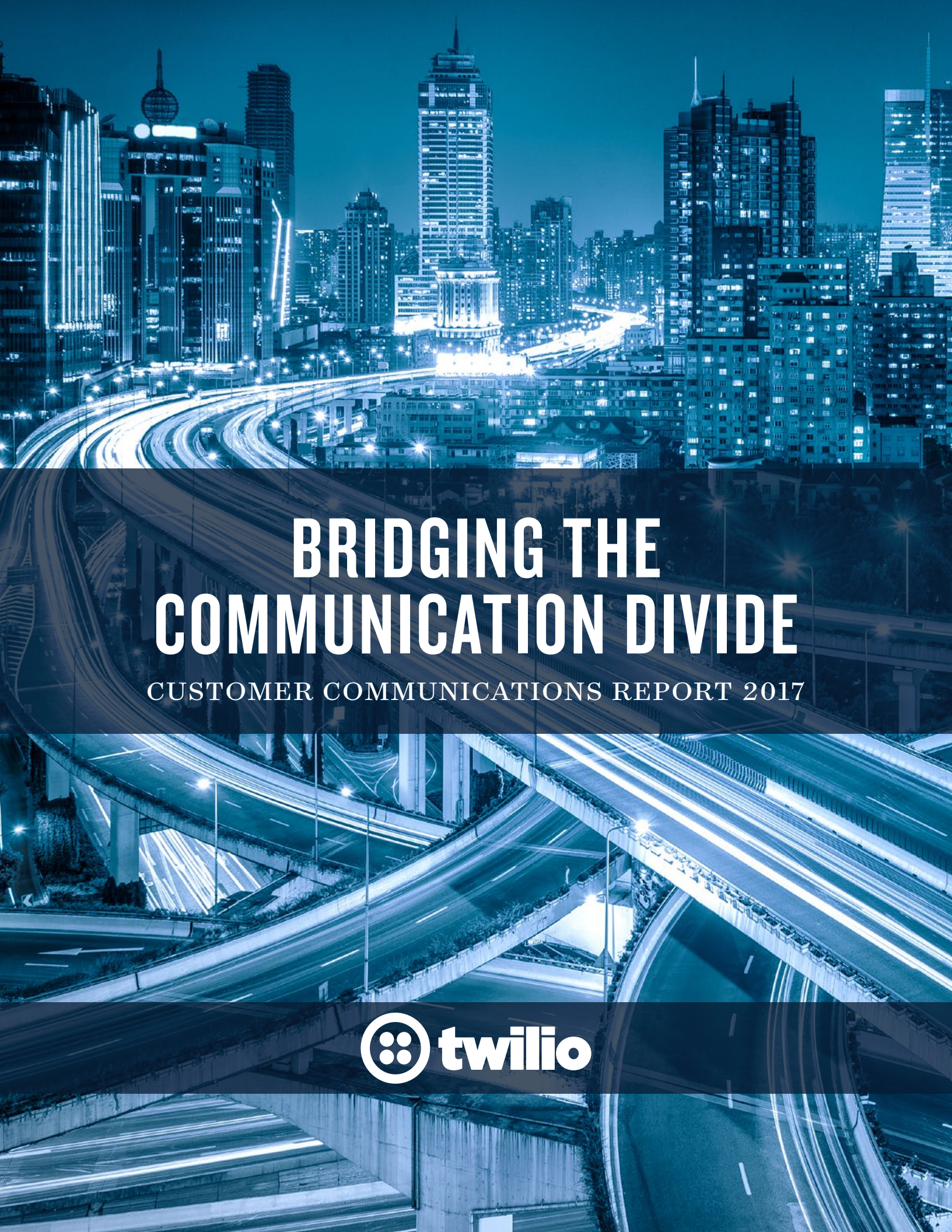




BRIDGING THE COMMUNICATION DIVIDE

CUSTOMER COMMUNICATIONS REPORT 2017





INTRODUCTION



When you call a friend to invite him to dinner you don't expect to hear a recording that says, "Press 1 to schedule lunch, press 2 to go to the movies, or press 3 to hear my cat purring."

When people talk to people, it's simple: A short text, a quick chat, or even a few emojis get the point across. But when businesses talk to people, the experience tends to get complicated.

Simply put, businesses aren't as good at communicating as they think they are. In fact, nearly 7 out of 10 businesses think they're communicating with their customers effectively, while only 2 out of 10 customers agree.

Why the disconnect?

We reached out to businesses and customers to better understand how businesses are currently communicating and how customers would prefer to interact.

Read on to see what we found.



For this report, Twilio with Lawless Research asked consumers in the United States, United Kingdom, and Australia about their experience when communicating with businesses. We also asked businesses how they were communicating with consumers and how well they thought they were doing it.

We collected the consumer data by talking to 1,018 consumers in the US, 515 consumers in the UK, and 512 consumers in Australia. We made sure we talked to an equal number of male and female users, split across five age groups ranging from 18 to 55+ years, to understand gender- and age-related preferences.

We collected the business data by talking to digital communications leaders at 413 companies in the US, 284 in the UK, and 170 in Australia. The respondents were either responsible for digital communications strategy, or customer communications technology or programs. We selected businesses from a broad set of industries including ecommerce, finance, healthcare, internet/telecommunications, retail/CPG, software/technology, and travel/hospitality.



KEY FINDINGS



1 **81%** of consumers say it's often difficult to communicate with businesses. But only **34%** of businesses acknowledge these challenges.

2 Consumers say responsiveness is the most important factor in customer communication, yet **89%** report businesses are too slow to respond.

3 Millennials prefer to hear from businesses through **social media and messaging apps** at more than twice the rate of older customers.

4 **Customer communication directly impacts companies** in multiple ways, from brand perception to revenue.

5 Businesses identified as Leaders in customer communication **tailor their communications** to deliver the right information using the right channel at the right time.

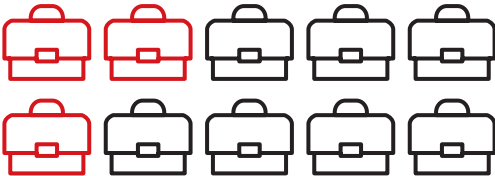
THE COMMUNICATION DIVIDE



When it comes to connecting with customers, the majority of businesses are missing the mark. Companies tend to overestimate the value of their communication, misjudge consumer preferences, and underestimate consumer challenges. Unfortunately, most businesses don't even realize this communication divide exists.



81% OF THE CONSUMERS WE TALKED TO SAID IT'S OFTEN DIFFICULT TO COMMUNICATE WITH BUSINESSES.



BUT ONLY 34% OF BUSINESSES UNDERSTAND OR ACKNOWLEDGE THESE CHALLENGES.



BUSINESSES UNDERESTIMATE CONSUMERS' CHALLENGES

	% of consumers say	% of businesses believe
Messages are unsolicited	85%	13%
Information not relevant or useful	84%	19%
Response to request not timely	83%	26%
Communication not personalized	83%	26%
Messages are too frequent	79%	17%
Can't reply to messages	72%	11%
Information request not provided	71%	16%
Don't offer or use preferred communication method	67%	17%

Most consumers are frustrated by unsolicited and irrelevant communication, and also find that business don't respond in a timely fashion.

Consumers want the option to call, text, or email businesses depending on what's most convenient. And when consumers do receive messages, regardless of the channel they're on, they expect to be able to respond back.

In short, consumers want businesses to deliver the right information at the right time, and on the right channel.

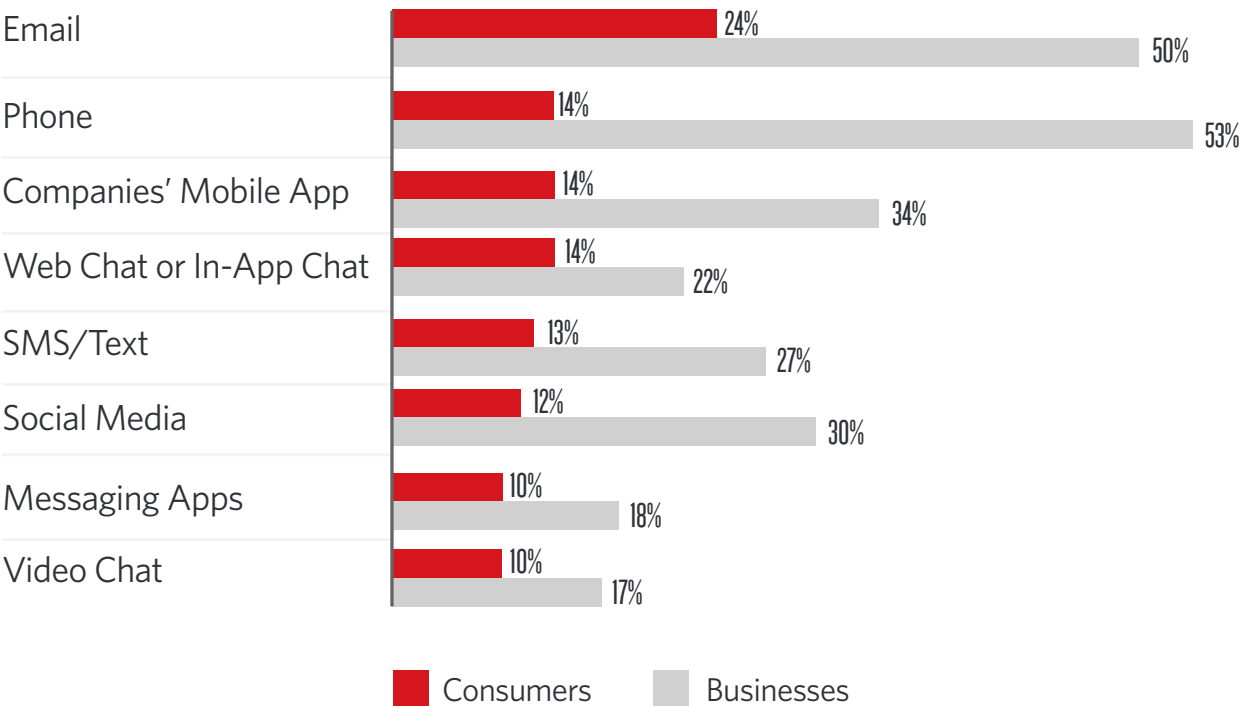


THE EXPERIENCE GAP BY CHANNEL

Over three-quarters of the consumers we talked to told us they experience long wait times, slow responses, and—irrespective of the channel—too many steps to get answers or even reach someone. Yet, for most channels, businesses greatly overrated the communication experience they offered.

This graph shows the percentage of consumers and businesses who rated the performance of each channel as “excellent.”

CHANNEL PERFORMANCE RATED AS EXCELLENT: CONSUMERS VS. BUSINESSES





The experience gap was widest for phone calls and email, followed by mobile apps and social media. On newer channels such as web or video chat, the gap was much narrower, indicating that businesses understand these channels still need improvement.

CUSTOMER FRUSTRATIONS BY COMMUNICATION CHANNEL

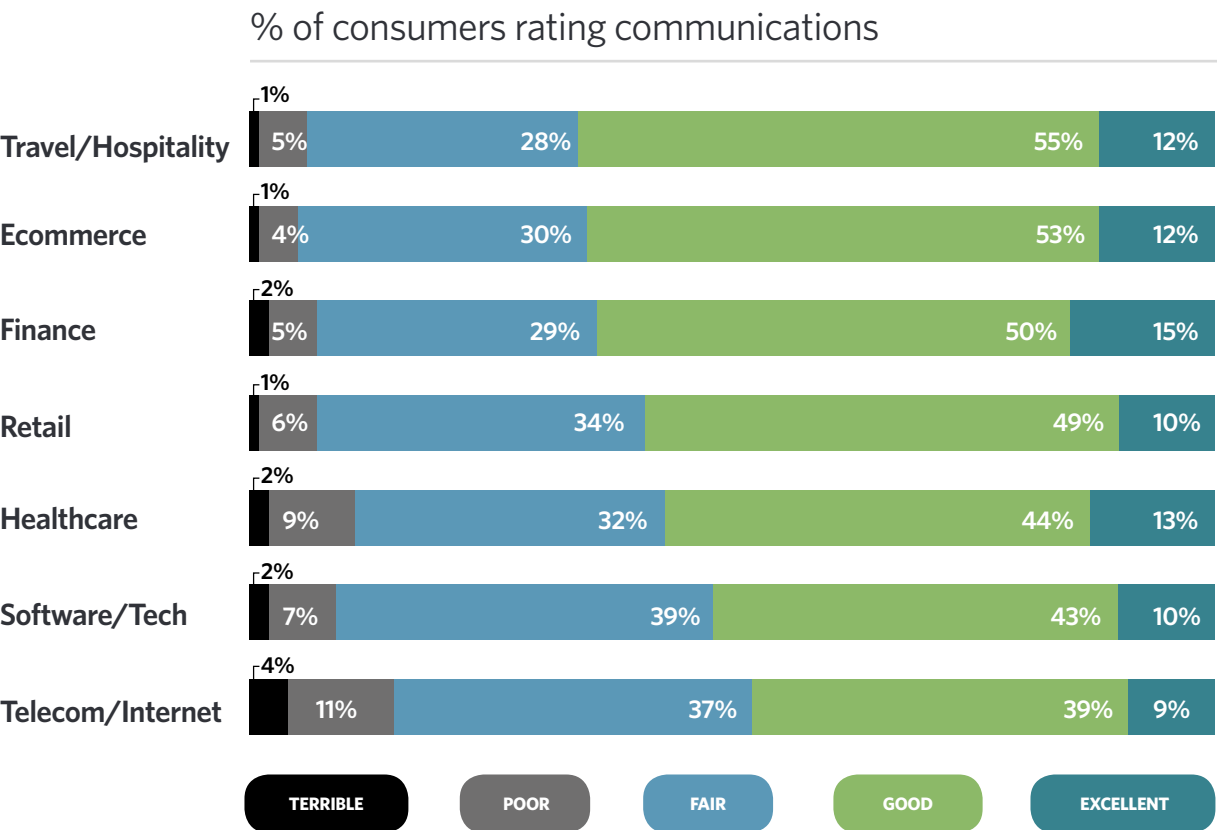
 PHONE	 EMAIL	 MESSAGING
45% Long menu choices	37% Receive too many emails	21% Receive unwanted messages or difficult to opt out
44% Long wait time	36% Receive irrelevant emails	21% Receive irrelevant messages
36% Must say or enter info multiple times	30% Receive spam or difficult to opt out	21% Receive too many messages



CUSTOMER COMMUNICATION PERFORMANCE

Across all of industries, a rating of “excellent” communication performance was rare across all industries.

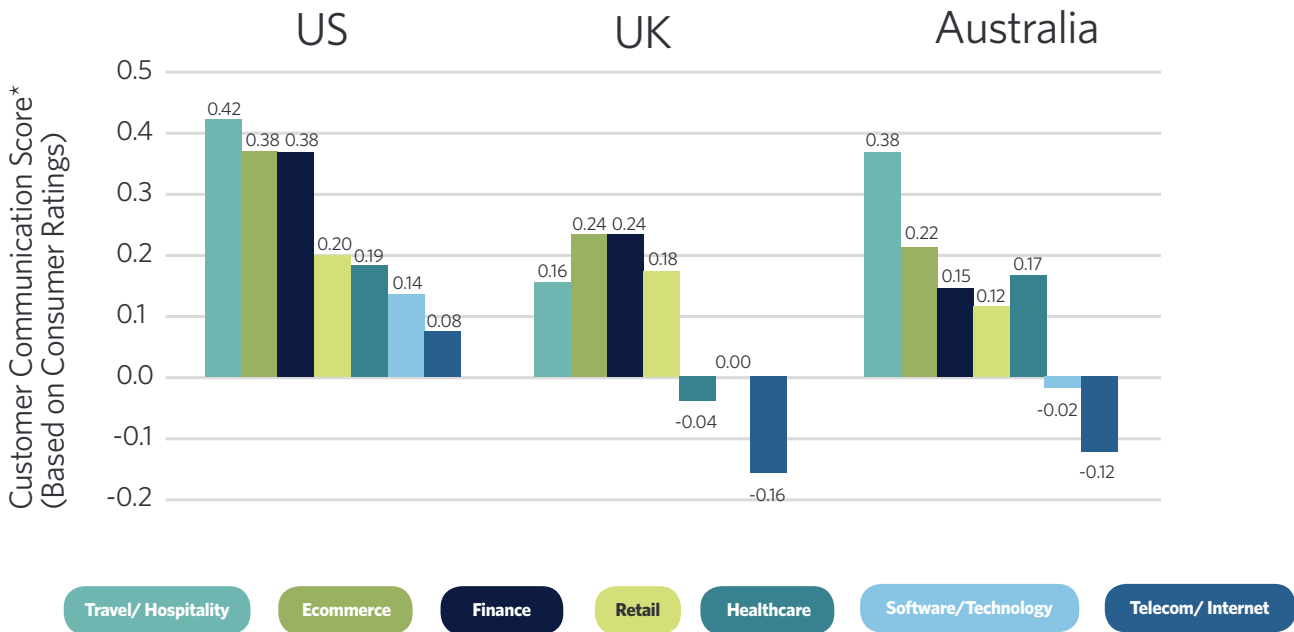
CUSTOMER COMMUNICATION PERFORMANCE BY INDUSTRY





Consumer ratings varied by region, with industries in the US rated higher across the board than industries in the UK and Australia. Among all regions, the travel/hospitality industry received the highest ratings and telecom/internet received the lowest.

CUSTOMER COMMUNICATION PERFORMANCE BY REGION



* Customer Communication Score ranges from 1.00 to -1.00 and is calculated as a percentage of consumers who rated communications as Excellent+Good-Fair-Poor-Terrible.

One thing was unequivocally clear in our findings: customer communication matters. The consequences of poor communication range from customers sharing negative comments with friends to losing business to competitors. The good news is, businesses have the power to change this. And good communication experiences have a big positive impact on the bottom line across all industries and regions. Read on to find out more.

WHY GOOD CUSTOMER COMMUNICATION MATTERS



Good communication isn't just a "nice to have" for businesses, it's imperative. Poor communication directly and negatively impacts a company's bottom line. Likewise, great communication can be a key driver to a business's success.

CUSTOMERS AFTER A GOOD COMMUNICATION EXPERIENCE



71% recommend the brand to a friend



67% purchased more products or services



49% wrote a positive review

CUSTOMERS AFTER A POOR COMMUNICATION EXPERIENCE



66% told a friend about their experience



41% stopped doing business with the company



38% switched to a competitor or cancelled orders or services

BETTER COMMUNICATIONS CORRELATES WITH HIGHER FINANCIAL GAIN

Companies with effective digital communications don't just see the impact on their level of customer engagement and loyalty, they see a direct impact on their bottom line. Companies whose customers are extremely satisfied with their digital communications are:



2.6X MORE LIKELY TO HAVE REVENUE GROWTH OF 15 PERCENT OR MORE.



3.5X MORE LIKELY TO EXCEED THEIR FINANCIAL GOALS.

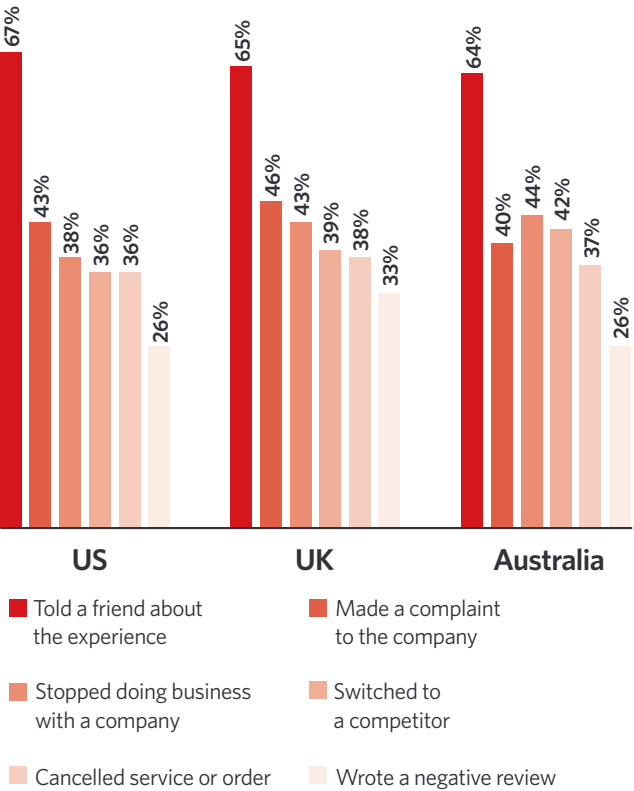


CUSTOMER EXPECTATIONS VARY BY REGION

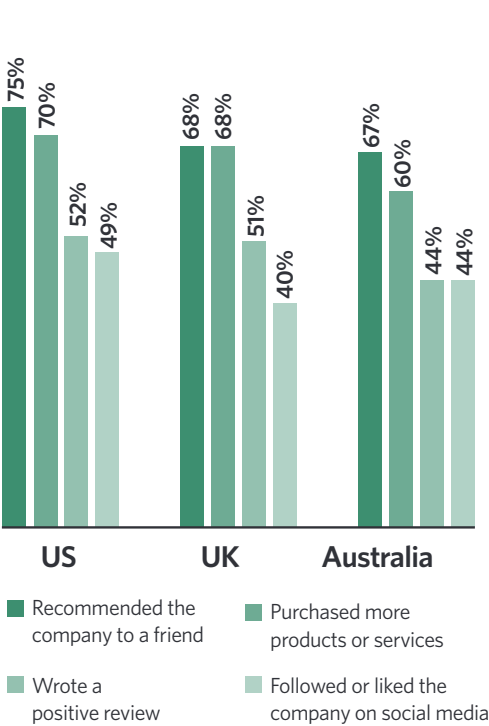
Depending on what country you’re doing business in, your customers will respond differently to their communication experience with your company. For example, customers in the US are more likely to tell a friend about their experience—whether it’s positive or negative. Meanwhile, consumers in the UK and Australia are more likely than consumers in the US to cancel their service or order, switch to a competitor, or stop doing business with a company altogether after a negative experience.

CONSUMER RESPONSES TO COMMUNICATION EXPERIENCES BY REGION

POOR EXPERIENCE



GOOD EXPERIENCE



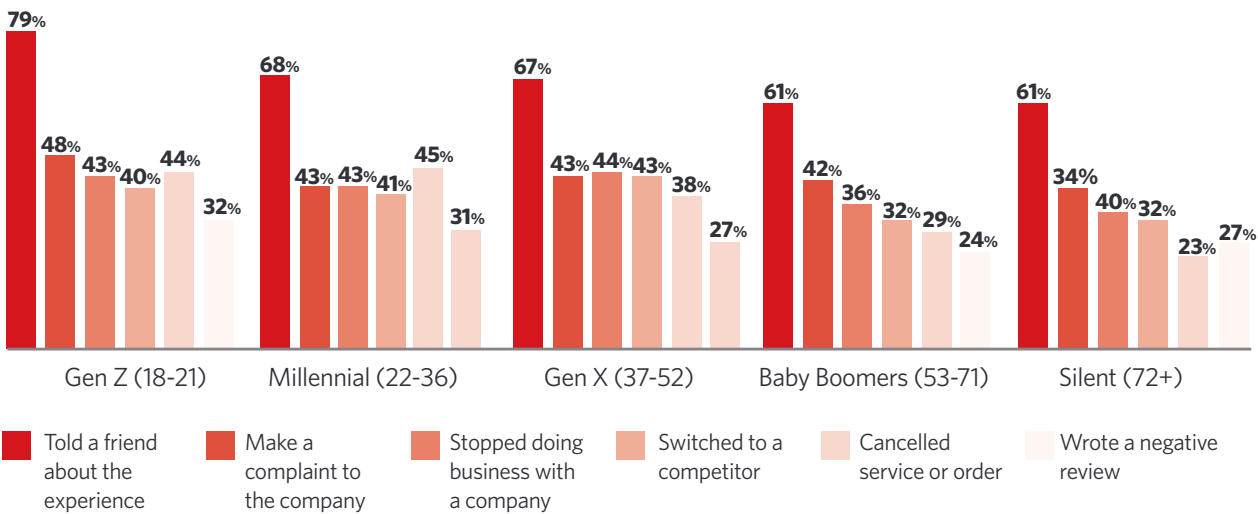


WHAT THE NEXT GENERATION OF CUSTOMERS EXPECTS

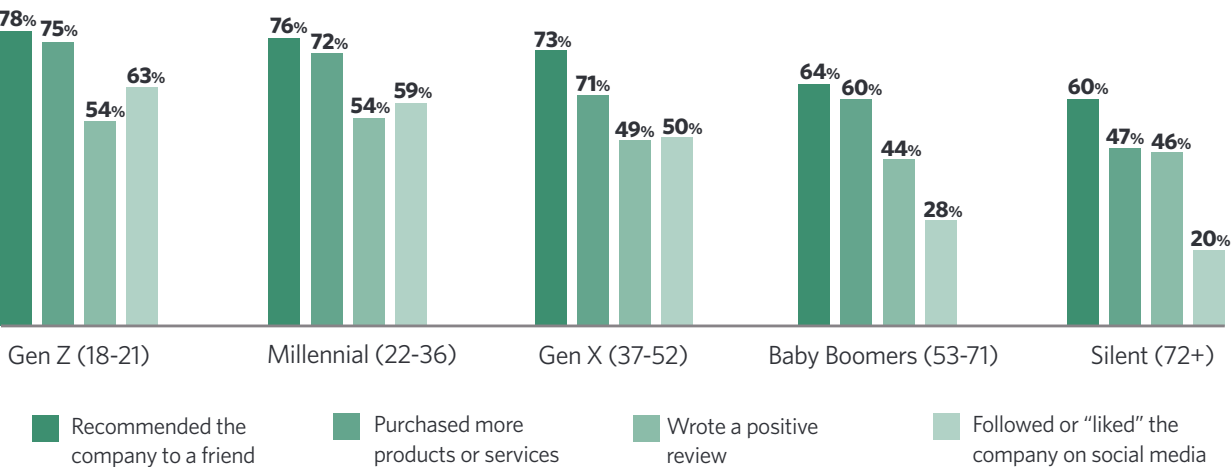
Consumers born in the digital age are increasingly vocal about their experiences. Gen Z and Millennials are more likely to talk about their experiences with brands, both positive and negative. They're also much quicker to cancel their service or order if they have a bad experience. It's important to be able to provide fast, consistent, responsive communications to meet their expectations.

CONSUMER RESPONSES TO COMMUNICATION EXPERIENCES BY AGE

POOR EXPERIENCE



GOOD EXPERIENCE

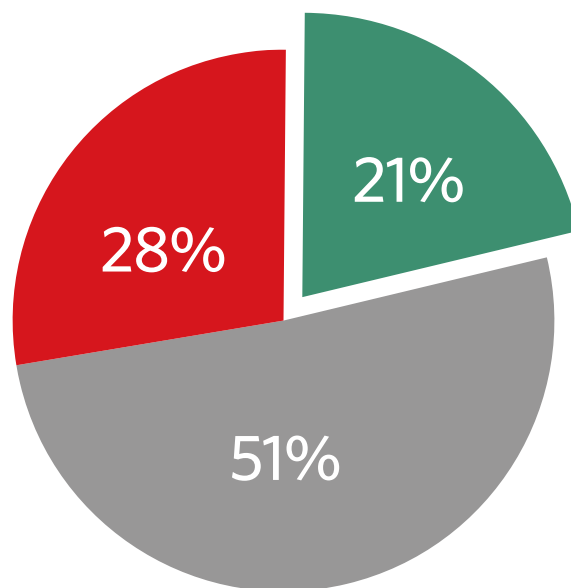


BRIDGING THE COMMUNICATION DIVIDE



As we've seen, businesses tend to overestimate how well they're communicating with their customers. Despite this bias, among the 867 businesses we surveyed, those who identified as having customers who are "extremely satisfied" with their communication experienced multiple positive impacts, ranging from higher brand awareness to increased sales.

Through the survey, we found that businesses fell into three clear segments when it came to their customer communication.



LEADERS: Businesses that said their customers are extremely satisfied with their communication

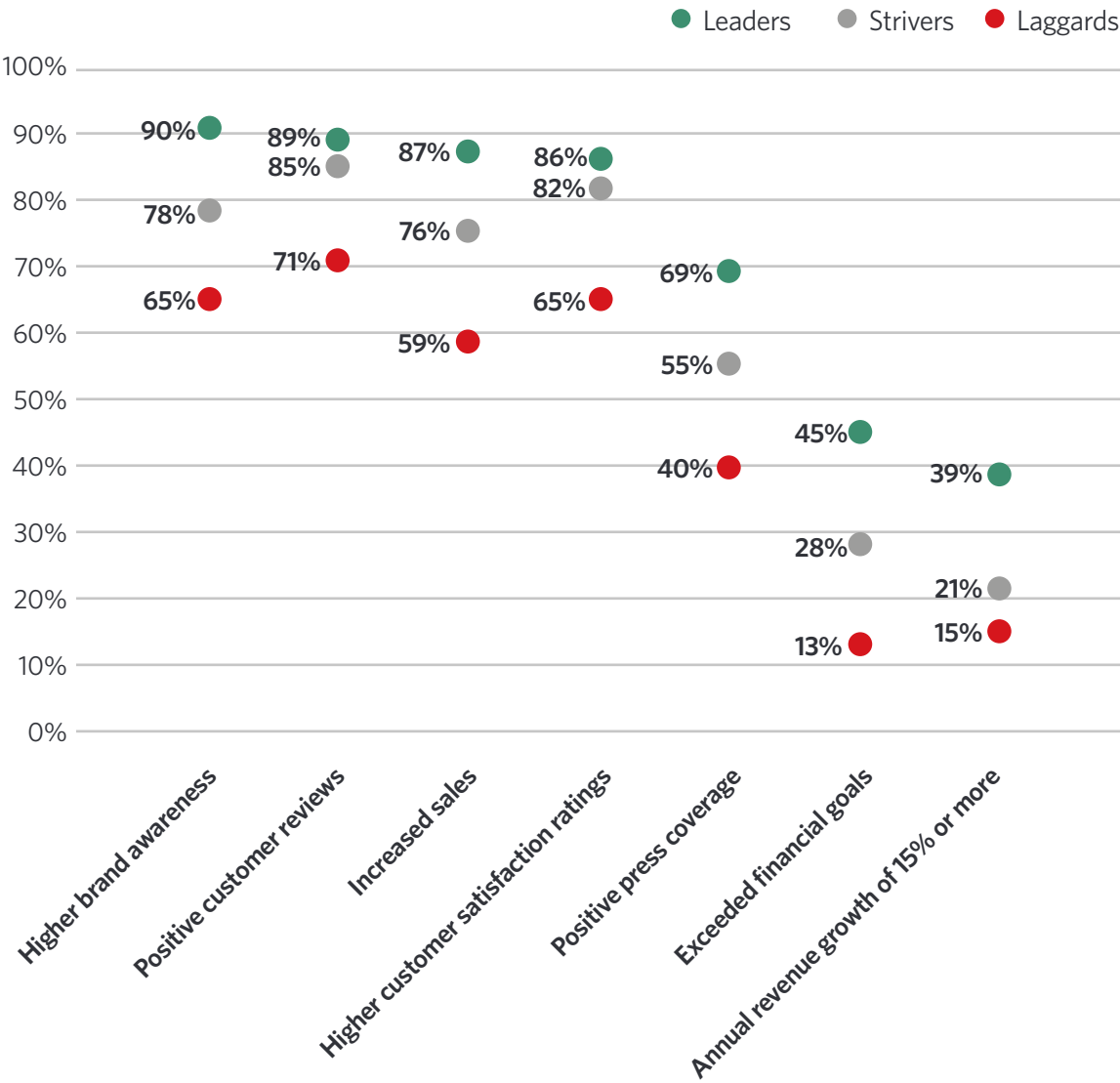
STRIVERS: Businesses that said their customers are somewhat satisfied

LAGGARDS: Businesses that said their customers are slightly satisfied to extremely dissatisfied



When asked if their business has experienced benefits due to positive customer communication experiences, the Leaders segment identified multiple measureable outcomes. The majority experienced higher brand awareness, positive customer reviews, increased sales, higher customer satisfaction ratings, and positive press coverage. Leaders are also more likely to exceed financial goals and have higher annual revenue growth rate.

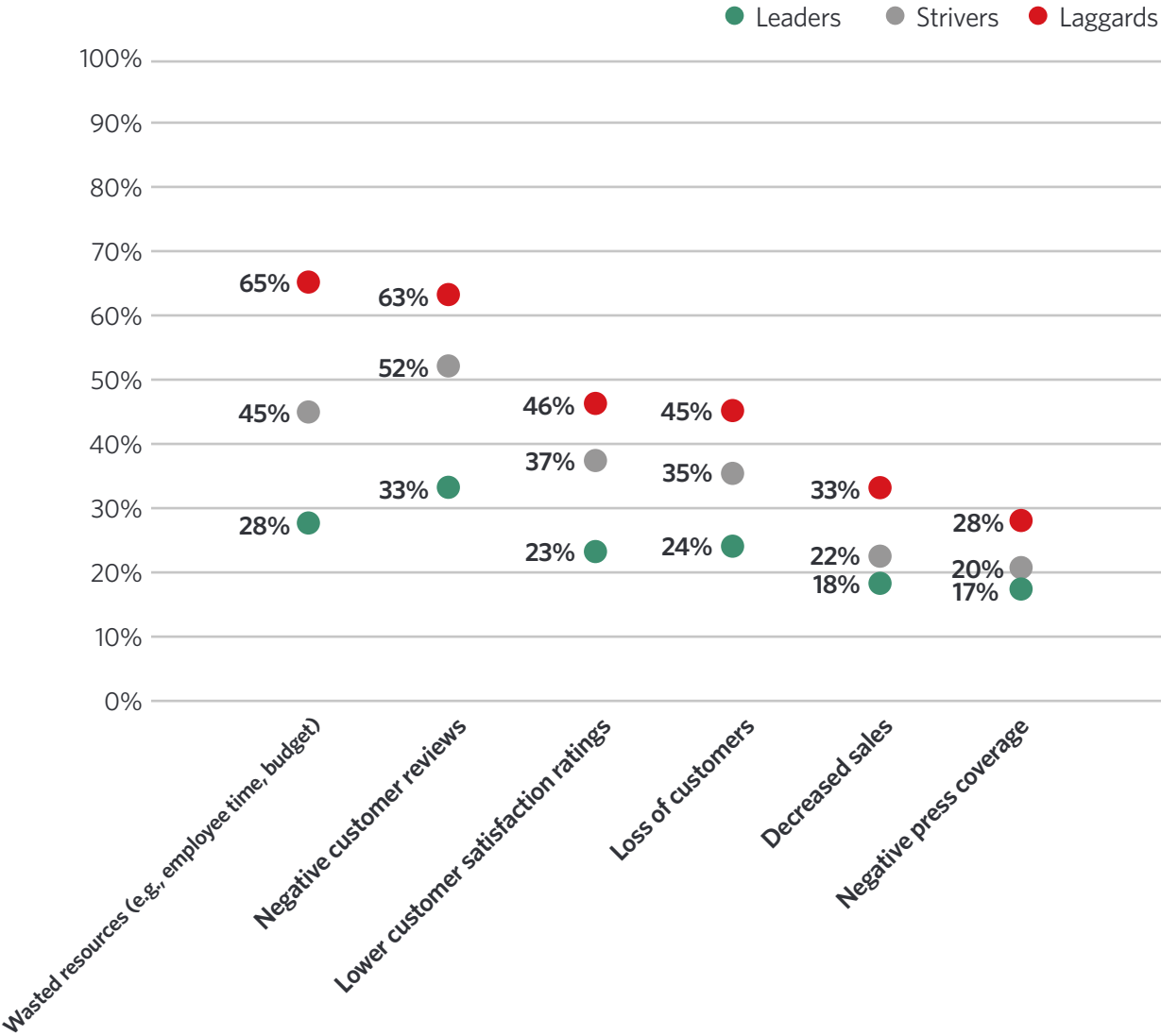
LEADERS ENJOY GREATER BENEFITS FROM GOOD COMMUNICATIONS





When asked about the impact of customers' negative customer communication experiences with their company, Leaders also reported experiencing fewer negative effects. For example, more than half of businesses in the Strivers and Laggards segments received negative customer reviews compared to only a third of businesses in the Leaders segment.

LEADERS EXPERIENCE FEWER COSTS FROM POOR COMMUNICATIONS

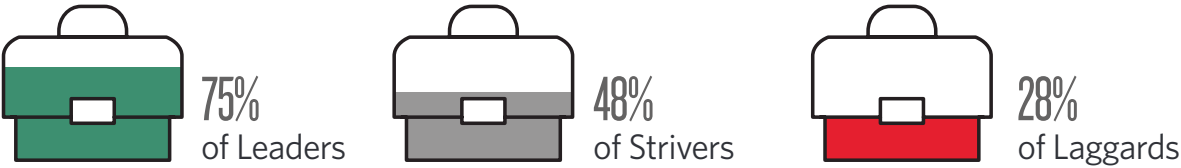




So what are these leading companies doing differently when it comes to customer communications?

Overall, Leaders place a high importance on ensuring a positive communication experience.

COMPANIES WHO RATED POSITIVE COMMUNICATION EXPERIENCE AS “EXTREMELY IMPORTANT”



Leading businesses are engaging their customers with the right information using the right channel at the right time. They intentionally design their communication experiences to bridge the divide between what customers want and what the business delivers.



COMMUNICATING AT THE RIGHT TIME

Consumers primarily contact businesses for help or information. They want quick resolution and value fast response times.

In fact, responsiveness is the number one factor driving customer perceptions of their overall communication experience with a company.



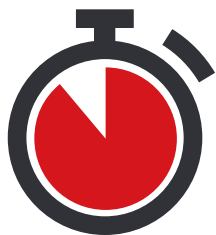
79% OF CONSUMERS BELIEVE THAT FAST RESPONSE TIMES CREATE A POSITIVE COMMUNICATION EXPERIENCE.



97% OF CONSUMERS WILL GIVE MORE BUSINESS TO COMPANIES THAT RESPOND QUICKLY TO THEM.

The irony is that 96% of consumers want companies to be more responsive, yet 94% of businesses say consumers are satisfied with their communications.

So most businesses have a lot of room for improvement.



89% OF CONSUMERS SAY BUSINESSES ARE TOO SLOW TO RESPOND TO REQUESTS.

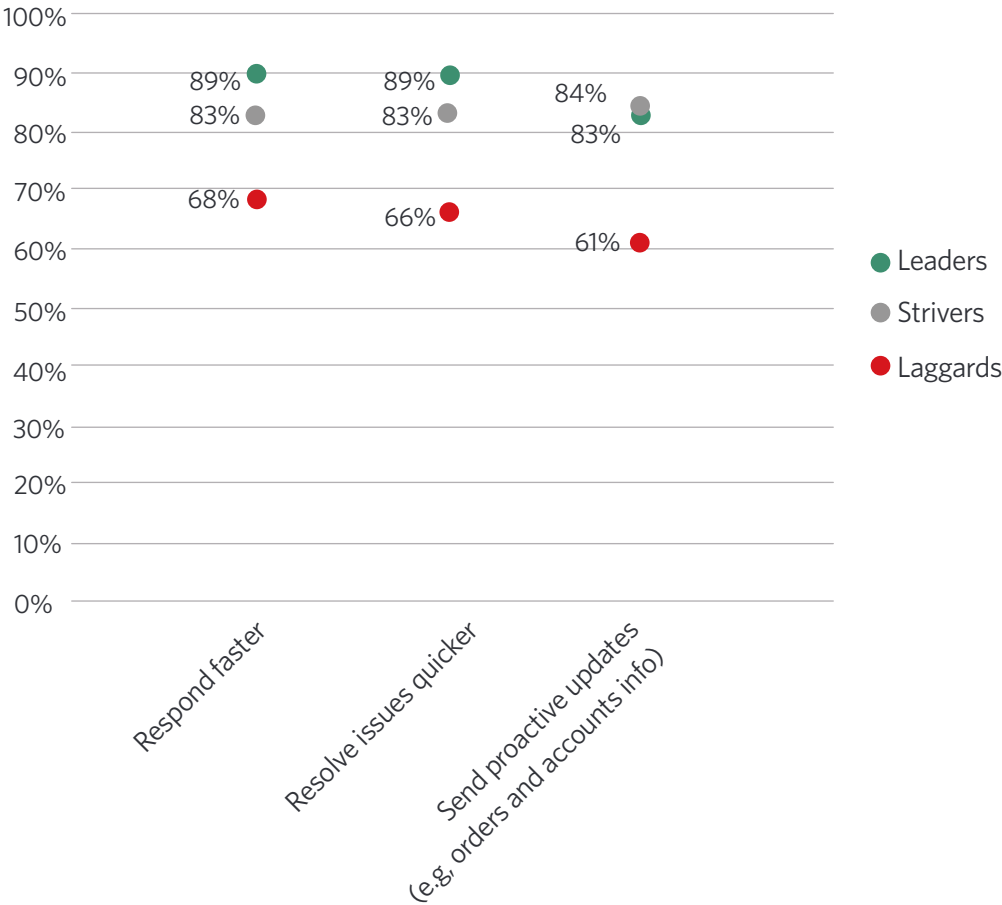


96% OF CONSUMERS WANT COMPANIES TO BE MORE RESPONSIVE.



Businesses identified as Leaders in customer communications regularly provide faster response and resolution times compared to Strivers and Laggards. Leaders and Strivers also proactively communicate relevant and timely updates to keep their customers in the loop.

LEADERS ARE MORE RESPONSIVE AND PROACTIVE COMMUNICATORS





COMMUNICATING WITH THE RIGHT INFORMATION

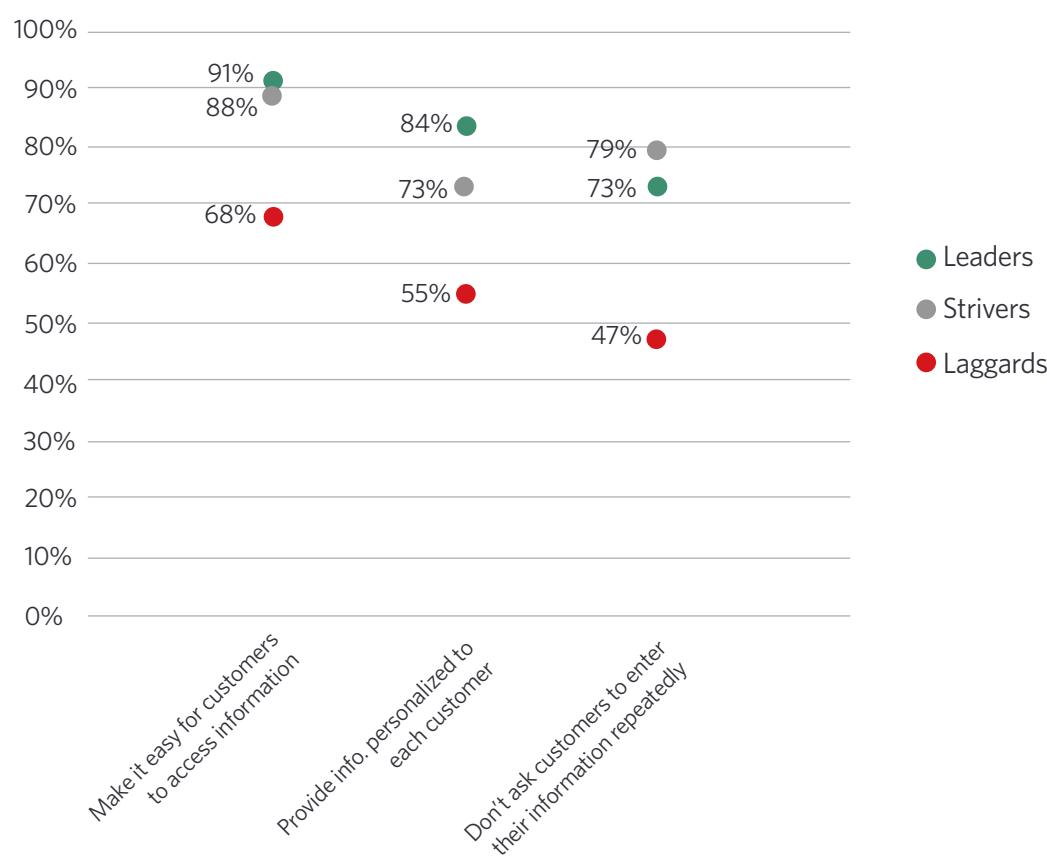
One of the top three reasons customers contact businesses is that they are seeking information such as account balances, hours of operation, or details about a product or service. Quick and easy access to this information is important to them.



68% OF CONSUMERS VALUE EASE OF ACCESS TO THE INFORMATION THEY NEED FROM BUSINESSES.

Leaders make it easy for customers to find the information they're looking for. They use contextual data to make interactions personalized and efficient.

LEADERS COMMUNICATE RELEVANT INFORMATION MORE EFFECTIVELY





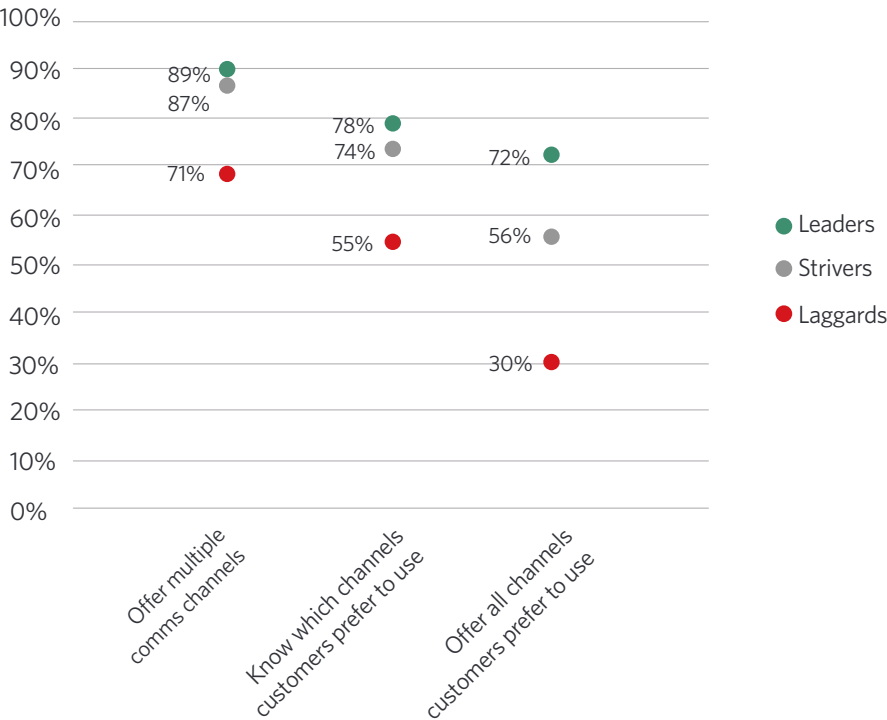
COMMUNICATING OVER THE RIGHT CHANNEL

People expect to communicate with businesses the way they communicate with other people. And as newer communication channels become more popular, these expectations are shifting. 55% of consumers say that communicating with a business via their preferred channel results in a positive experience.

In fact, 9 out of 10 people want to talk to businesses using messaging according to the [Global Consumer Mobile Messaging Report 2016](#). Millennials prefer to receive messages from businesses through social media, mobile apps, and messaging apps at more than twice the rate of older customers.

Leaders not only know which channels their customers prefer to use, but 2.4 times more businesses in the Leaders segment report they offer all preferred communication channels compared to those in the Laggards segment.

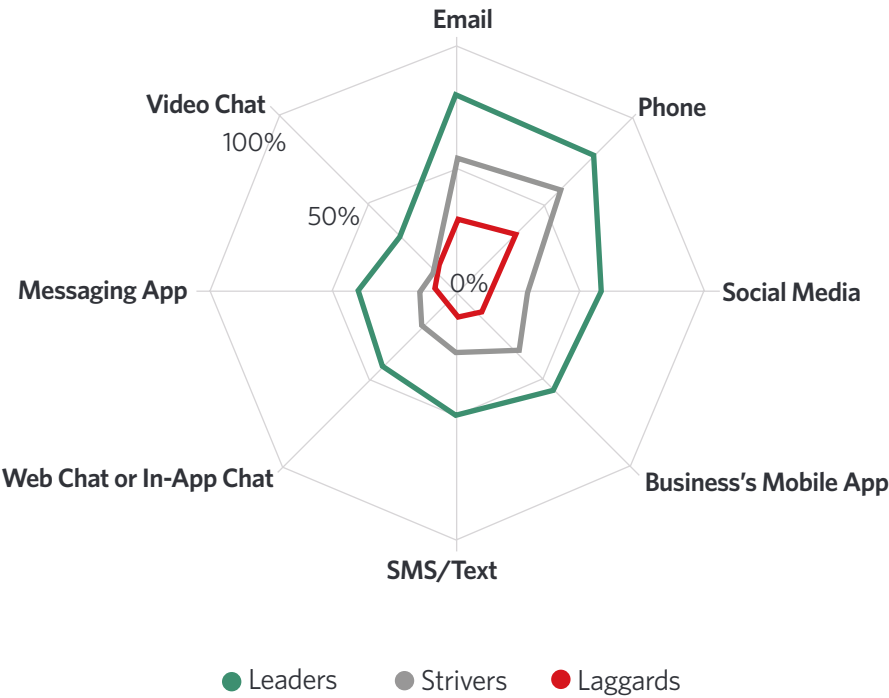
LEADERS COMMUNICATE USING THE CHANNELS CUSTOMERS PREFER





In addition, more Leaders rate their customer communication as “excellent” across all digital channels compared to Strivers or Laggards.

LEADERS COMMUNICATE USING THE CHANNELS CUSTOMERS PREFER

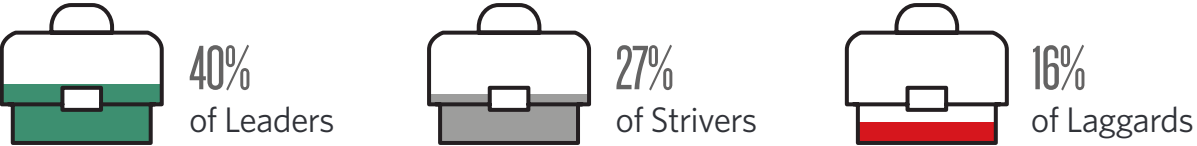


Consumers are clear: they want options. They want to communicate with businesses on the channels they prefer, and they want businesses to keep track of their shifting preferences. This can only be accomplished with an omni-channel communication strategy that provides consumers with an integrated customer experience. So whether a customer is connecting with a business from a desktop or mobile device, by telephone or text, their experience across multiple devices and channels should be seamless.



More than twice as many Leaders have an integrated omni-channel communication strategy compared to Laggards.

BUSINESSES WITH AN INTEGRATED OMNI-CHANNEL COMMUNICATIONS STRATEGY



While consumers demand more responsiveness and personalized communication, many businesses still haven't addressed their communication gaps for a variety of reasons. Older communication platforms required hefty upfront commitments and lengthy installations while providing limited flexibility and channel options.

However, with the rise of communications APIs, businesses can build their own customized communications solutions that are tailored to meet the unique needs of their customers and their business.

BUILD YOUR CUSTOMER COMMUNICATION STRATEGY



Modern businesses are using software-based building blocks—APIs—to transform their digital customer journey. These businesses have partnered with Twilio to improve their customer communication using APIs for voice, messaging, and video.

COMMUNICATIONS APIS ARE TRANSFORMING THE DIGITAL CUSTOMER JOURNEY



Automates conversations on the channels customers prefer.



Customizes the customer journey to boost lead conversion.



Provides omni-channel experiences to improve customer satisfaction.



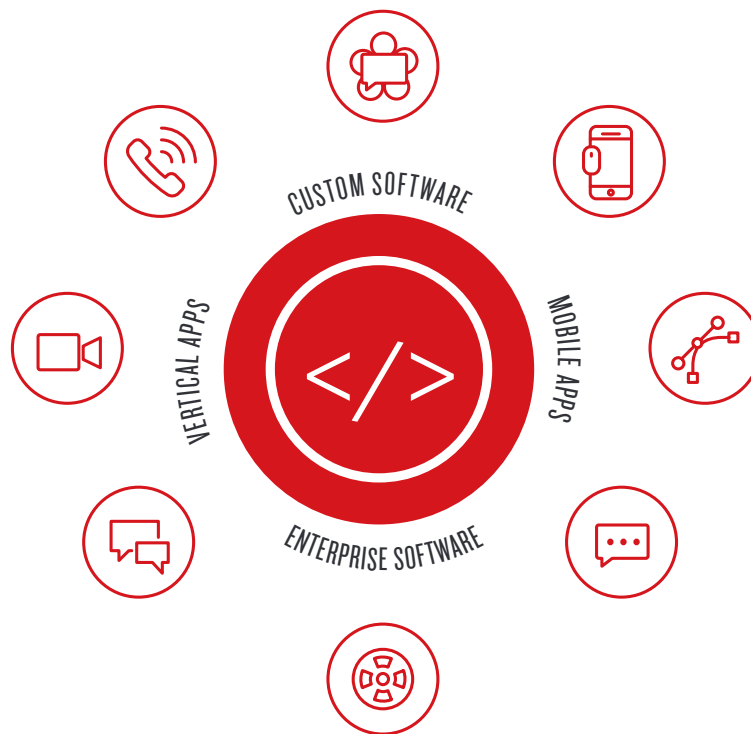
Connects at the right time to shorten coordination time.

These companies built great communication experiences that differentiate their brand and streamline the customer journey. With Twilio APIs, businesses of all sizes can add new communication channels through a single platform and create a personalized communication experience for their customers at scale.



Twilio has taken the global telecom network and turned it into a communications API, giving businesses the software building blocks to create an integrated communication experience. This way, businesses can focus their resources and time on tailoring experiences, not building communication capabilities from scratch.

WITH TWILIO, COMMUNICATIONS ARE AN INTEGRATED EXPERIENCE



A successful communications strategy is crucial to a business's success. Companies large and small can't afford to be left behind.

Get Started Today



ABOUT TWILIO

Twilio's mission is to fuel the future of communications. Developers and businesses use Twilio to make communications relevant and contextual by embedding messaging, voice, and video capabilities directly into their software applications.

ABOUT LAWLESS RESEARCH

Lawless Research, a leader in market research for the technology industry, provides companies with the business intelligence they need to make informed strategic decisions.

