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# Consumer Index Report 2021

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## ABOUT ALVARIA

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Alvaria is the world leader in enterprise-scale customer experience (CX) and workforce engagement management (WEM) solutions. Our name is derived from Latin for “hives” – nature’s perfect form for millions of years. We deliver resilient and secure solutions that give organizations choice and control to help enterprise contact centers drive lifetime customer loyalty at scale, providing efficiency, speed and pinpoint accuracy – on prem, in the cloud or hybrid.

Turn your customer experience into a competitive advantage with the Alvaria Customer Experience (CX) Suite. Our solution for enterprise contact centers gives organizations the tools, choice and control at scale to expand inbound and outbound capabilities with seamless omnichannel interactions, while maintaining full control, privacy and compliance. Reap the benefits of amazing customer experiences – repeat business and ROI – with the Alvaria CX Suite.

An emotionally engaged workforce is an effective workforce, and your customers know it. The Alvaria WEM Suite is a powerful set of solutions uniquely designed to optimize the employee experience at enterprise contact centers, while delivering insights that enable organizations to assess and improve business performance. Elevate your employee engagement and make it a business driver with the Alvaria Workforce Engagement Management Suite.

### **Reshaping Customer Experience™**

For more information, visit [www.alvaria.com](http://www.alvaria.com)

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## ABOUT THIS REPORT

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As part of an ongoing desire to report on current customer experience sentiment across a variety of customer service and contact center interactions, Alvaria, in partnership with Farrell Insight, conducted a national study of 1000 Americans 18-74 years of age. This particular fielding included a specific oversample of “Gen Z” participants (aged 18-23) and continued with similar sample size mandates for Millennials (aged 24-39), GenX (aged 40-55) and Boomers (aged 56-74).

The macro objective of this specific study is to investigate the differing and similar attitudes, preferences and behaviors various generations and consumer types have regarding customer touchpoints and engagement. A major focus of this work is the newer customer touchpoint technologies such as automated intelligent assistants (AIA) including home-based versions such as Amazon Alexa and Google Home, chatbots, text and messaging. Other key areas covered in this study include: a MaxDiff analysis of the importance of various aspects of a customer service experience, self-service vs. live agent in detail and proactive contact priorities and preferences. We also have investigated and tracked customer frustrations and comparative performance across industries.

This study took place in July 2021.

Some questions in this wave are tracking results from four similar studies fielded nationally October 2015 (n = 1019), August 2016 (n = 1000), October 2017 (n = 1001), September 2018 (n = 1002) and March 2020 (n = 1100).

Sample screened to NOT be non-users of customer engagement management in past year and cannot work in industries directly or tangentially connected to customer service.

Aggregate credibility interval of +/- 3.5, 19 times out of 20.

# Foreword

We have big ideas at Alvaria, but only invest where real-world customer requirements intersect with those ideas. Our business is driven by data – customer data. This year’s Contact Center Consumer Index shows a significant shift in customer sentiment and expectations, the data sets provide the information that help us drive decisions and we are very happy to share it with all of you. This is our 6th year pulling together this report and this year we highlight several year-over-year comparisons to offer insight directionally into where customer experience expectations are heading. The report provides insight from a broad set of consumers, and helps answer questions we receive nearly every day:

**What is happening in the market?**

**Am I investing in the right areas for today and the future?**

**Are we aligned with consumer feedback?**

The key findings of this report are from the point of view of the consumer. As a technologist, I am encouraged by the shift in this year’s results towards embracing innovation and change, I only wish it could be faster. As a consumer myself, I completely understand why voice remains the top preference and live agents must be available when consumers need

to talk to a real person. The survey feedback once again supports the fact that customer experience is a spectrum and will be for the foreseeable future.

One thing I know from my many engagements with the largest enterprise companies in the world – they must be responsive to consumer demand for CX excellence in order to build and maintain lifetime loyalty among these consumers. Buyer loyalty cannot be taken for granted. Today, consumers have ultimate choice in nearly every industry, from financial services, to telecommunications, to online retail. Knowing how to provide the best engagement, every time, is the key to keeping customers coming back for more! I’m confident that you will find value from the insights shared in this report and welcome your feedback.

Sincerely,

**PATRICK DENNIS**  
President and CEO

# Key Findings

- 1. Customers **still** want effective experiences**  
Year over year, when customers need to interact with customer service, they want to get it done right. Making sure the issue is resolved correctly stands out above speed, convenience and even personalization.
- 2. Consumers embracing **new** ways to engage**  
Consumer adoption of all channels, new technology and self-service on the rise with significant growth in chat and SMS/Text up 18% and 14% respectively.
- 3. Consumers expect you to keep them informed **when it matters** (to them)**  
For the most part, the majority of consumers want to be contacted whenever immediately relevant to them.
- 4. **Increase revenue** with good, great and exceptional experiences**  
7.5 out of 10 will pay a premium for better customer service with 3 in 10 offering up 10% more for exceptional service.
- 5. The positive impact of **Happy Agents** is growing**  
The “Happiness Vector” continues to be statistically stable in 2021 with 7 in 10 offering up more time to a Happy Agent.

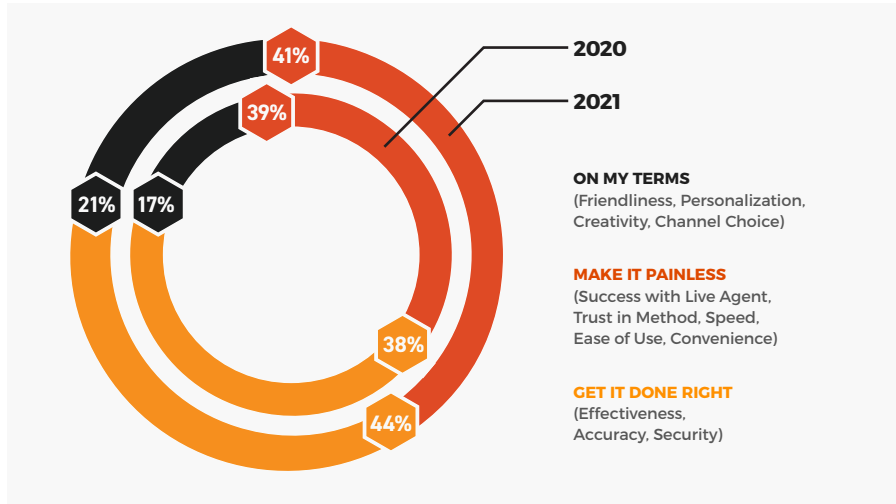
CHAPTER 1

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# Customers Still Want Effective Experiences



## CUSTOMERS WANT EFFECTIVE EXPERIENCES



The three tiers of service priorities that we highlighted in the 2020 CX Index Report remain intact. But their intensity is shifting. The “basics” of “effectiveness,” “accuracy” and “security” continue to round out “the key three” customer service basics but their intensity has been significantly diminished compared to 2020; the rising prioritization of “speed” and the more “human touch” elements of “friendliness” and “creativity” are becoming important balancing forces of the American customer service experience.

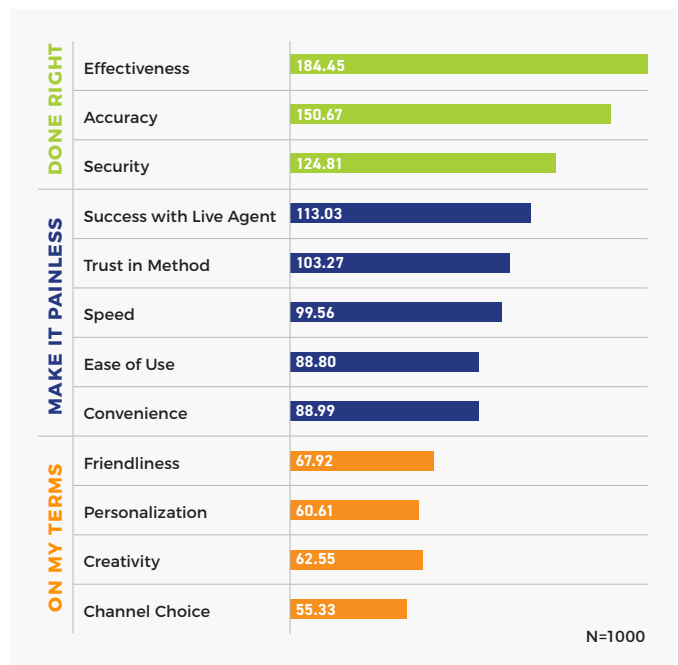
### SURVEY QUESTION

Please quickly review each of the followings sets of components of a customer service experience and pick the one component per set you see as “most important” and the one component per set that you see as “least important.” Please review each set and then go with your first instinct.

We employed a MaxDiff experiment to determine the relative consumer importance of key customer service criteria – a new analytical approach established as part of 2020’s Consumer Study.

MaxDiff (otherwise known as Best-Worst) quite simply involves survey takers indicating the “Best” and the “Worst” options out of a given set. Implemented within an appropriate experimental design we can obtain a relative ranking for each option.

A main benefit of MaxDiff exercises is that the exercise itself (selection of both Best and Worst, and basing scoring on both positive/negative responses) is likely to provide much more granularity and discrimination across items, compared to Likert scale responses.



MaxDiff design details for this project:

- 12 total items in the design
- 5 items shown per screen
- 8 screens shown to each respondent



The MaxDiff design employed was a 3x item exposure approach (each item was exposed to respondents three times within the course of the exercise per survey), to ensure integrity and stability of the overall design.

The aggregate sample size for this study and for this maxdiff analysis is 1000.

**WHAT WE FOUND:** Supportive elements that have seen significant lifts in consumer prioritization include:



Ongoing reliance on online shopping can certainly help to explain an increased desire for speedy service. But it's the increase in the less tangible factors of "friendliness" and "creativity" that might be a signal that consumers are missing the benefits of a human touch when it comes to their customer service experiences.

In our 2021 study, there are still some significant differences to consider by preferred method. For instance, consumers who prefer SMS/TXT, messaging apps and AIA remain significantly more interested in the emotional components associated with Tier 3. A yearning for that human touch within less immediately human methods?

Meanwhile, those who prefer voice call and chat still put comparatively more importance on the nuts and bolts of effectiveness and accuracy.

In the next chapter we will dive deep into channel preference, but let's take a quick look at the expected performance across the preferred channels in the customer service criteria areas.

TIER 3 'ON MY TERMS'	% INCREASE OVER AVERAGE
For SMS/Text, Messaging app, Home AI, and Mobile AI	
Friendliness	21.93%
Personalization	34.03%
Creativity	33.81%
Channel Choice	36.16%

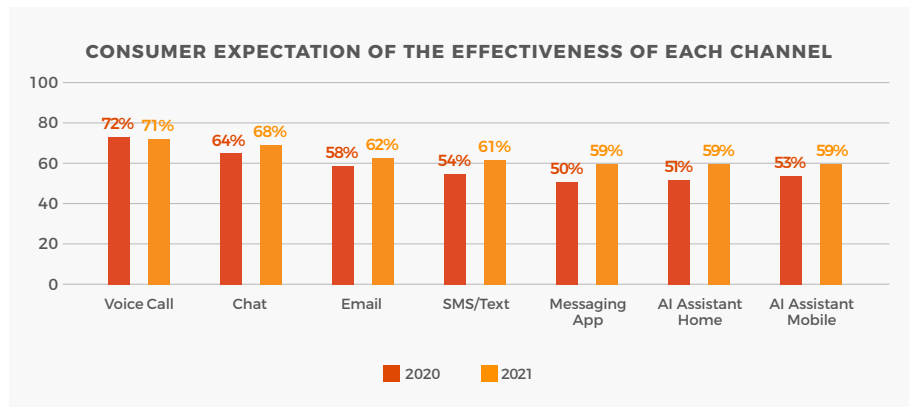
TIER 1 'GET IT RIGHT'	% INCREASE OVER AVERAGE
For Voice and Chat	
Effectiveness	14.72%
Accuracy	11.87%
Security	2.44%

**SURVEY QUESTION**

Please let us know how you expect each method will perform when it comes to customer service in general? (scale of 1-10)

Digging deeper we get a clear picture of where consumers are against the areas that matter. The only dip over 5% is in people that prefer Voice Call trying to get to a live agent. Everywhere else the performance expectation is stable with 2020, or had a spike in the right direction.

**WHAT WE LEARNED:** Referencing our 2020 results, voice call continued to dominate, chat had fallen from the lead and there were declines in performance expectations across the board. 2021 tells a very different story; voice call is still on top, but all low marks (sub 50%) are off the grid showing that consumers have embraced the possibility of accessing customer service with newer modes such as SMS/TXT, messaging apps and AI experiences. Our takeaway: consistency across all channels has never been as critical, make sure your focus on what customers have told us they want year after year; effective, accurate and secure experiences.



CHAPTER 2

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# Consumers Embracing New Ways to Engage



## DON'T GET LEFT BEHIND

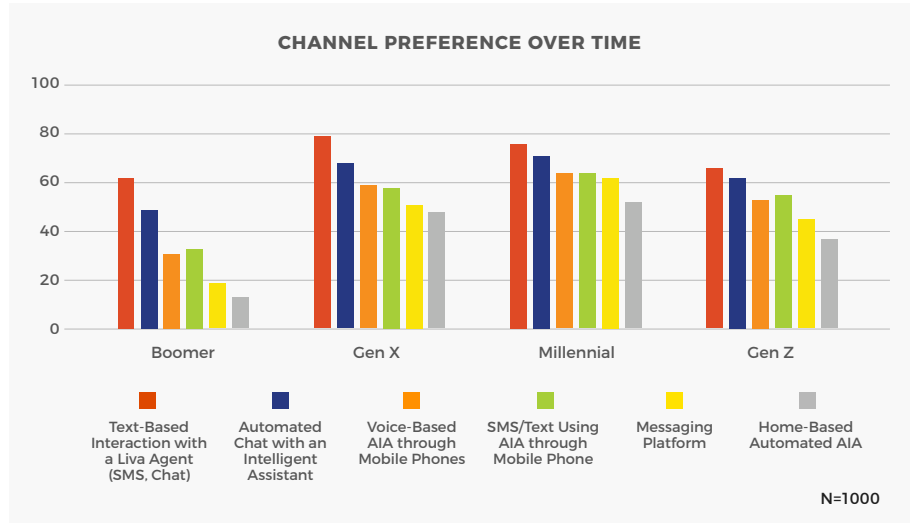
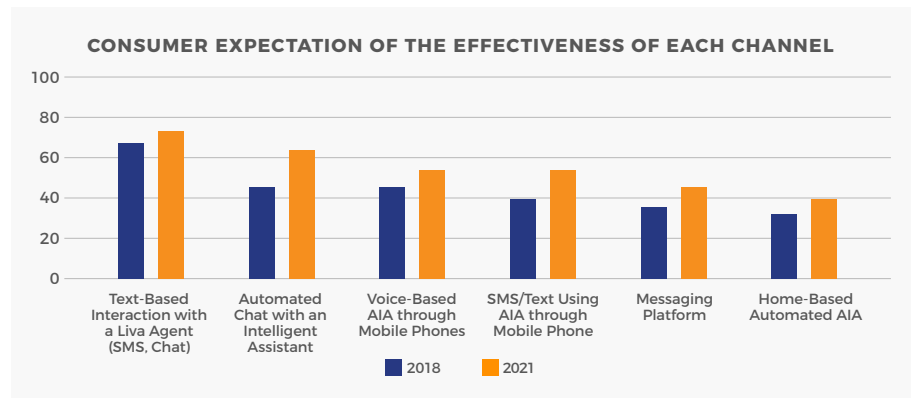
Consumers are adapting to and expecting more from how they connect with a business. According to Deloitte's Digital Transformation of Customer Services report, "New channels and technologies open up fresh opportunities that can make a company stand out from the rest of the crowd. Opportunities to build an ongoing dialogue with customers. Opportunities to learn from customers and to increase the relevance of your products and services." As seen below, consumers are willing and ready to connect with you in a variety of new ways. It is imperative that businesses rise to meet their expectations across all channels.

### SURVEY QUESTION

In the past year have you ever contacted customer service for anything using any contact method?

**WHAT WE FOUND:** In 2018, less than half of all consumers had interacted with the contact center in any way other than a live agent. Today, almost every channel of communication has jumped over 50% exposure with some forms surpassing 60%. Forms of contact such as automated text bots, voice bots and messaging bots are all reaching levels of market penetration we have never seen before.

Millennials are the main group driving channel change. Over half of Millennials have been exposed to all channels of communication when reaching out to a business.

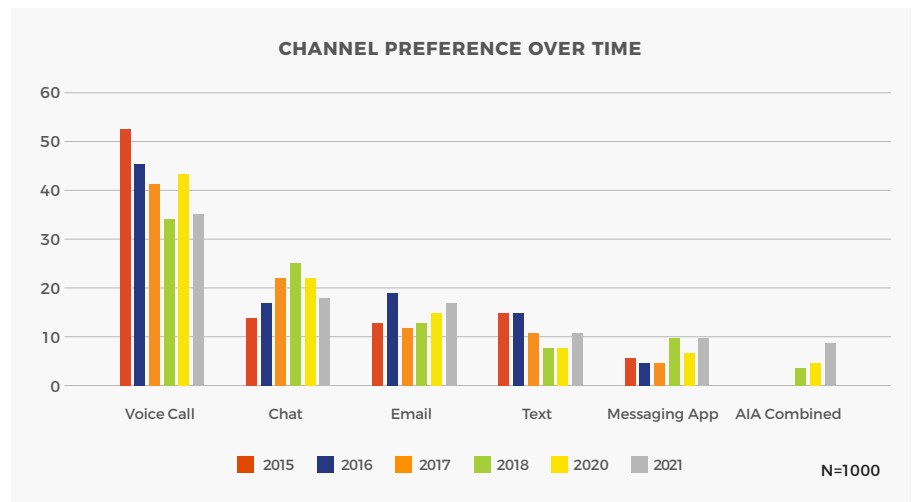
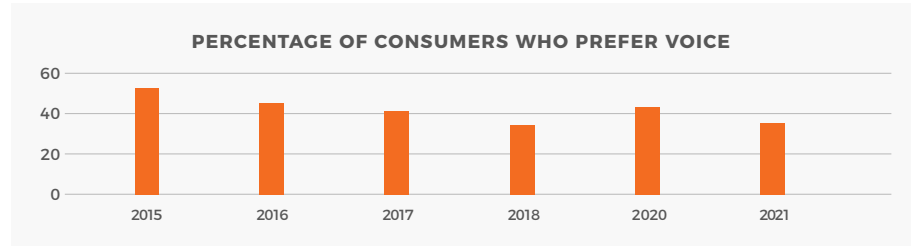


## THE FALL OF VOICE CALL PREFERENCE SINCE 2015

### SURVEY QUESTION

Overall, which one of these methods do you prefer to use when interacting with customer service for any type of task?

**WHAT WE FOUND:** For over half a decade, customers preference for voice chat has been diminishing. In 2015, over half of respondents claimed they would prefer to speak with a live agent on a voice call when interacting with customer service. This fell all the way down to 34% in 2018 before sharply rising back to 43% in 2020. Some refer to this bump as the “lockdown effect.” The belief stems from the notion that American consumers were more interested in the “human touch” when seeking customer service due to the lack of interaction they were experiencing throughout the year.



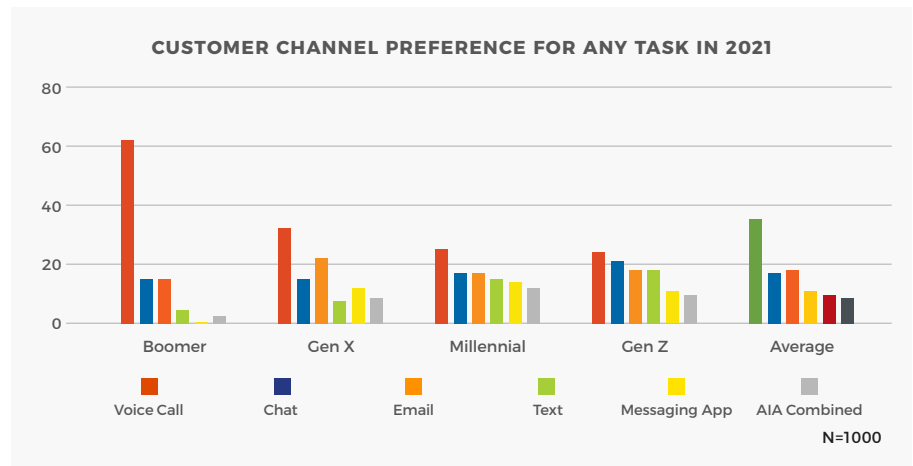
This year the record shows that effect beginning to wane. As the pandemic began to retreat the number of American consumers seeking voice calls has fallen back down to 35%, just one tick above the number recorded in 2018.

With live agent activity back on a downward trend, customers are beginning to explore other avenues for receiving customer service. Exposure tends to create experimentation which can lead to massive industry shifts in consumer preference. The collective rise of alternative channels continues to be the single largest contributor to the decline of voice calls. As of today, the preference for new channels and channel choice is 12% higher than the preference for voice calls.

**SURVEY QUESTION**

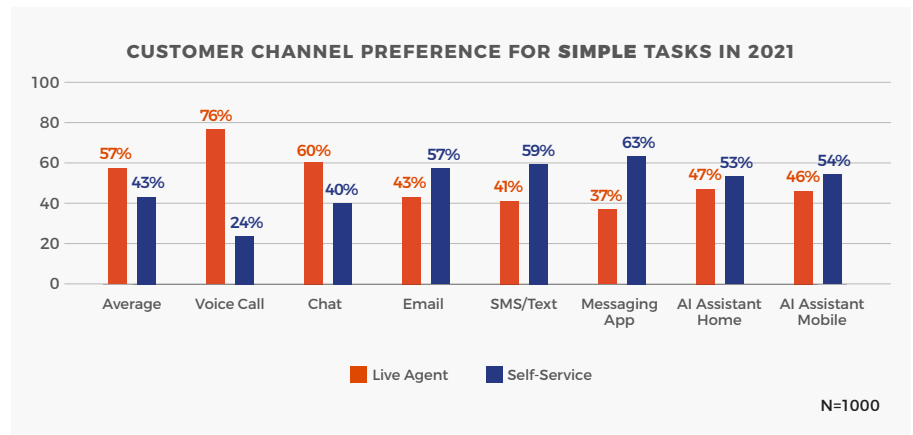
Overall, which one of these methods do you prefer to use when interacting with customer service for any type of task?

Consumers are also showing more interest in alternate self-service channels. Over half of customers would prefer to work with self-service through email, SMS, messaging apps, AIA home devices and AIA mobile devices for simple tasks.



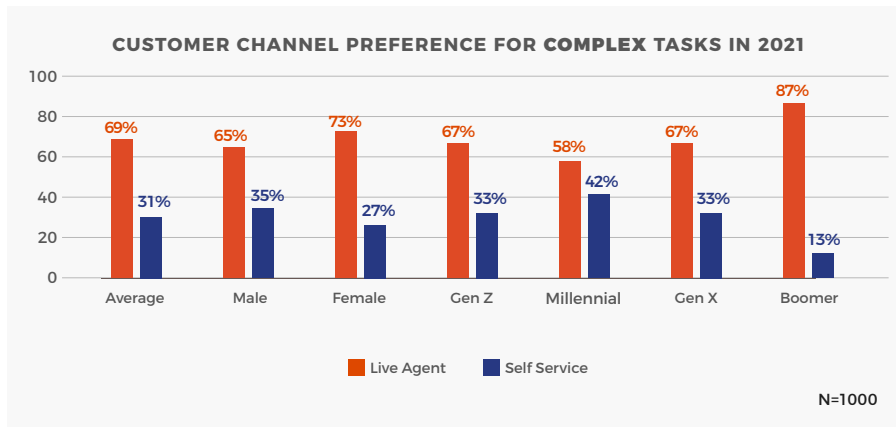
**SURVEY QUESTION**

Now, which one of the following do you prefer when using each channel to interact with customer service for a simple task?



But what about complex tasks? Would customers still prefer to use self-service when they're looking for specific information or trying to resolve a difficult issue? Not as many would, but there is still a large

number of customers who are embracing automated channels when it comes to these complex issues. Apart from boomers, 30-40% would still be interested in self-service over live agents when it comes to a tough situation.



**SURVEY QUESTION**

Now, which one of the following do you prefer when using {Q1} to interact with customer service for a complex task?

Consumers are showing a higher level of desire to engage with the contact center through alternative channels. While voice remains the reigning champion this year, the same may not be true just a few short years down the line.

## CHAPTER 3

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# Consumers Expect You to Keep Them Informed When It Matters



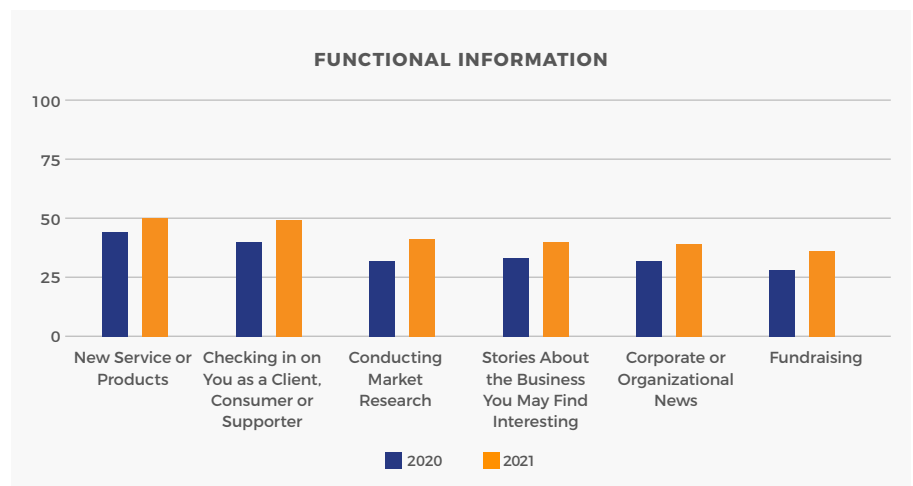
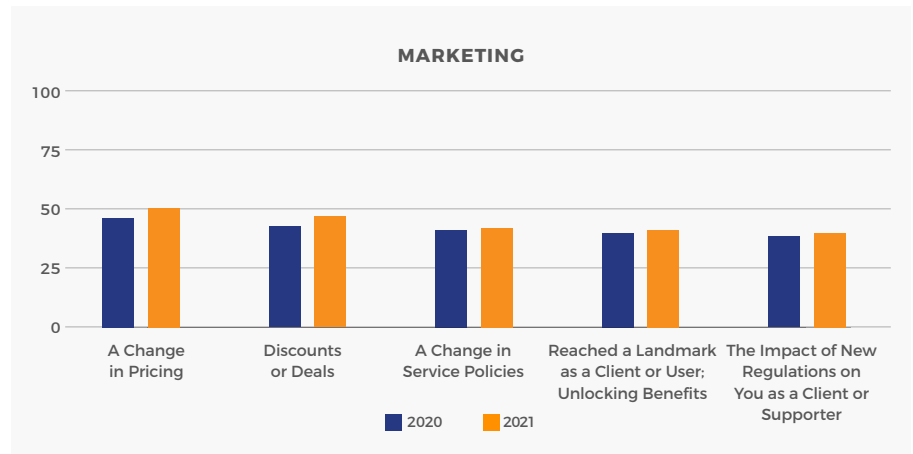
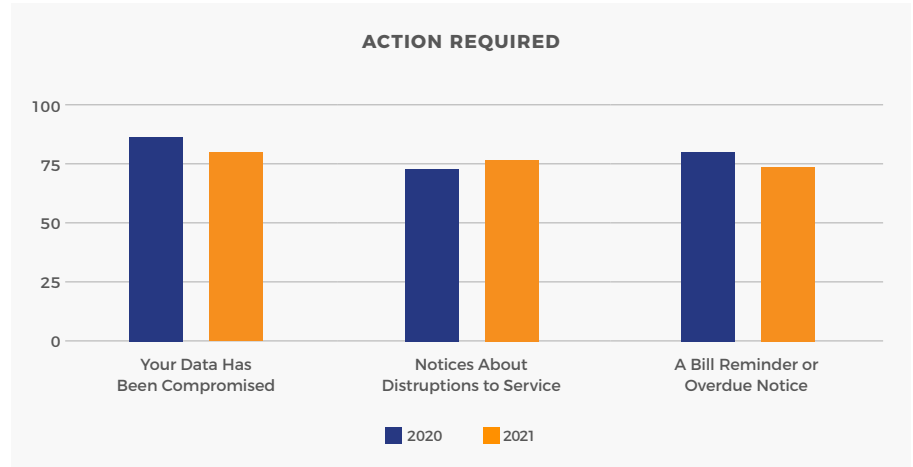


## GOOD NEWS, YOUR CUSTOMERS DO WANT TO HEAR FROM YOU

### SURVEY QUESTION

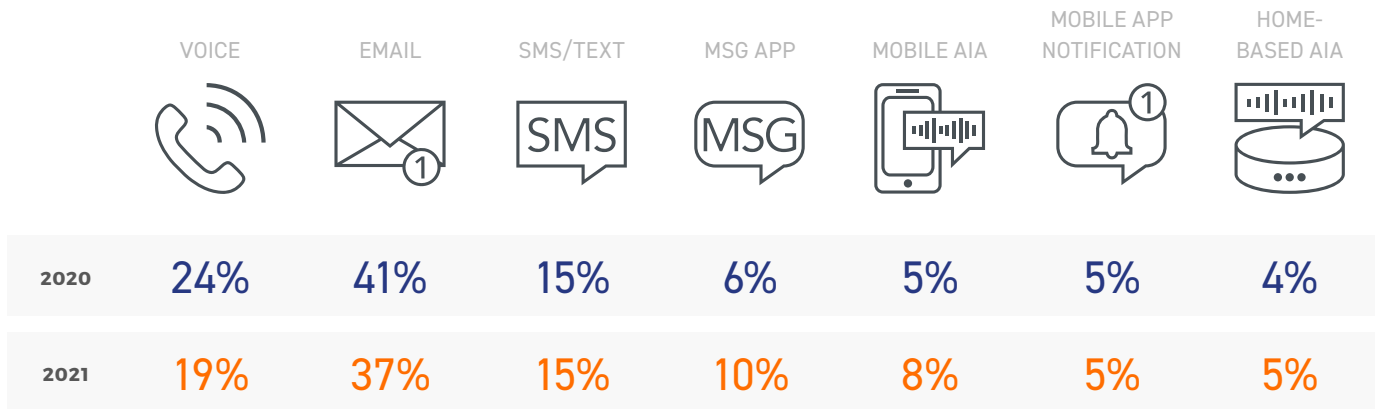
For the following reasons a business or organization may reach out to you proactively. Please indicate how important each is to you.

**WHAT WE FOUND:** When companies reach out to customers channel choice flips in another direction. This is nothing new; in our 2020 consumer index we found that customers prefer channels other than voice when communications are inbound containing information rather than outbound seeking assistance.



**SURVEY QUESTION**

When a business or organization you engage with chooses to proactively reach out to you, what is your one preferred way to be contacted?



**WHAT WE FOUND:** Customers still prefer to receive proactive notifications through email. However, it’s important to note that the dominance of email and voice have both fallen, making way for increases in desire to be contacted through other channels across the board.

**OUR TAKE:** While consumers claim to prefer receiving proactive notifications through email, it’s important to understand the difference between consumer preference and end effectiveness. Just because consumers have a high preference for email communications, does not mean that it is the most effective way to reach them in every situation. Email open rates generally hover around 20% and, according to SMS Comparison, “98% of all text messages are opened, and 95% of SMS messages are opened and responded to within 3 minutes of being delivered.” In a situation that requires urgent proactive outreach on behalf of a business, such as a data breach, consumers may even appreciate you communicating via SMS/Text as it has a much higher chance to reach their attention immediately. This can provide a consumer with critical time to react to whatever situation is occurring.

CHAPTER 4

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# Increase Revenue with Good, Great and Exceptional Experiences



## EXCEPTIONAL EXPERIENCE IS KEY

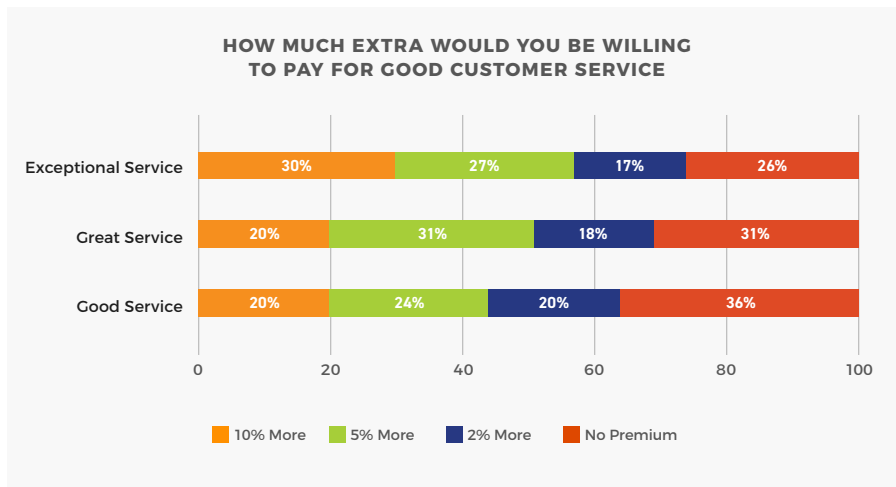
45% of consumers have stopped doing business with at least one organization in the past year due to a poor customer service. This remains consistent, impressive and important.

### SURVEY QUESTION

In the past year, have you stopped doing business with, or using the services of, at least one company or organization because of poor customer service?

CONSUMERS THAT HAVE STOPPED DOING BUSINESS DUE TO POOR CUSTOMER SERVICE				
2016	2017	2018	2020	2021
49%	54%	44%	41%	45%

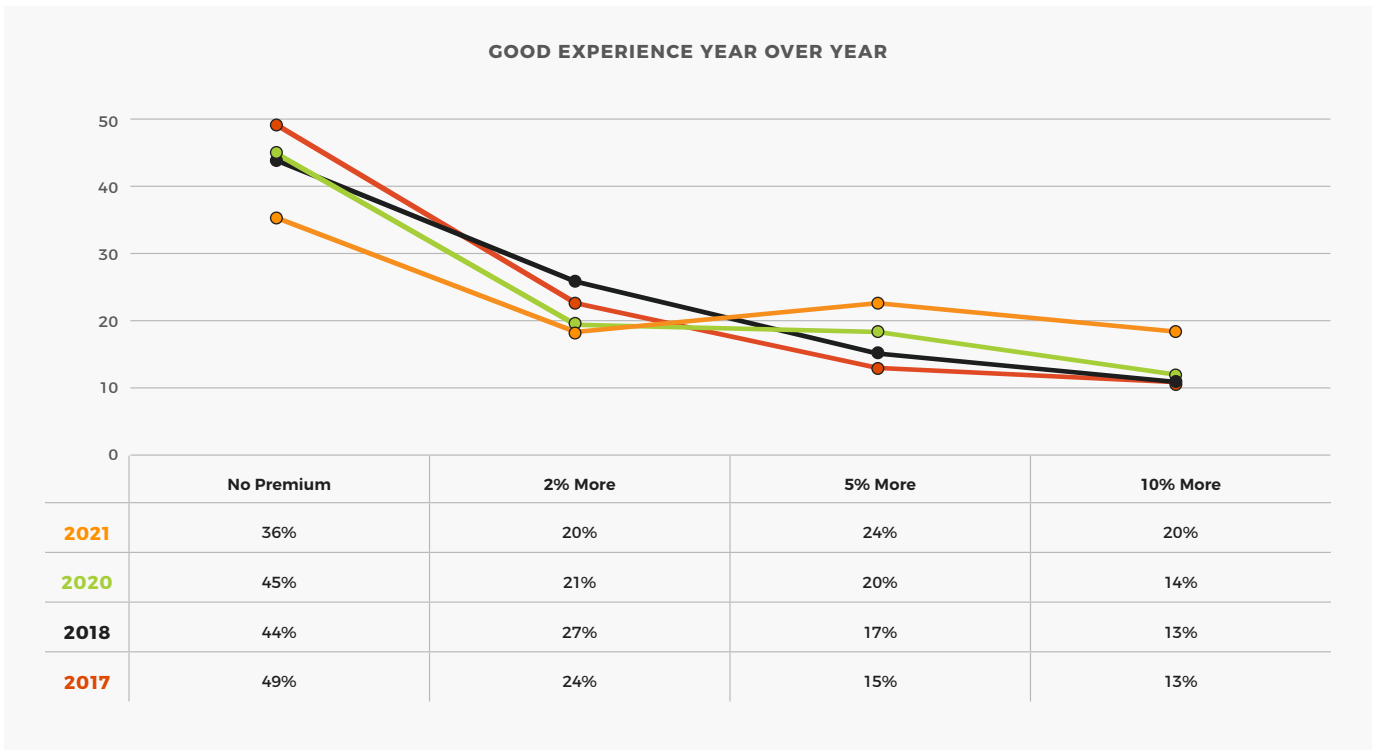
According to an Accenture 2021 Reimagined Consumer report, “consumers will abandon brands that don’t support their new values – and pay more to those that do.” Our report doubles down on this statement. There is no argument that losing customers due to poor service impacts your bottom line, but what about customers that are willing to pay a premium for even just a little better service? At the extreme, think about boutique physicians that charge an annual service fee to “always be available” to their high-end patients. On the other end of the spectrum, the majority of consumers belong to a big box delivery service (think Amazon Prime) to guarantee the speedy delivery, at no additional charge, that we all have come accustom too. Many of us don’t think twice about the annual fee, because we expect the service. According to statista, in 2019 worldwide Amazon Prime membership was 200M. Impressive to note, this is a customer base that did not exist in 2005, and it is growing. Let’s see what our report says.



### SURVEY QUESTION

How much extra would you be willing to pay, if anything, for... good customer service, great customer service, exceptional customer services (single choice per)?

Let’s dig into the data - we will use the respondent data for willingness to pay a premium for a good experience. 7% growth in consumers willingness to pay 10% more from 2017 to 2020 and a staggering 9% rise in people willing to pay a 5% premium.



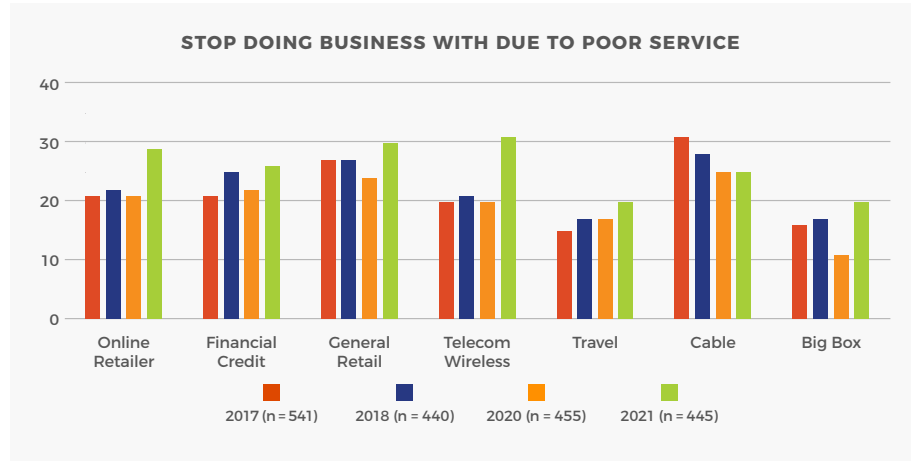
**WHAT WE FOUND:** As indicated in previous analysis, premium customer service for pay is a controversial and complicated model to implement, but something to keep in mind as the customer service industry continues to show signs of strength and responsiveness – but also fluidity. We expected this figure to rise during the COVID-19 crisis (from 27%), and it did, slightly. Questions to consider here would be “what does exceptional customer service mean?” and “does exceptional customer service mean more live agent interaction?” We suspect “YES” for the latter.

## INTERESTING MOVEMENT IN INDUSTRY RANKINGS

### SURVEY QUESTION

What industry (or industries) were the companies involved in that you stopped doing business with because of poor customer service? (Choose all that apply)

**WHAT WE FOUND:** Things are fluid in 2021. Telecom is now the leading culprit industry (people REALLY needed their service this year) – up 11% – Cable remains stable at 25%, Big Box retail is up 9%, online retail is up 8%, general retail is up 6% and travel is stable. More people were leaving in general since our study in 2020 and this is upsetting the whole apple cart. It will be interesting to see how things shake out next year. We're still in an anomaly zone.



# The Positive Impact of Happy Agents is Growing



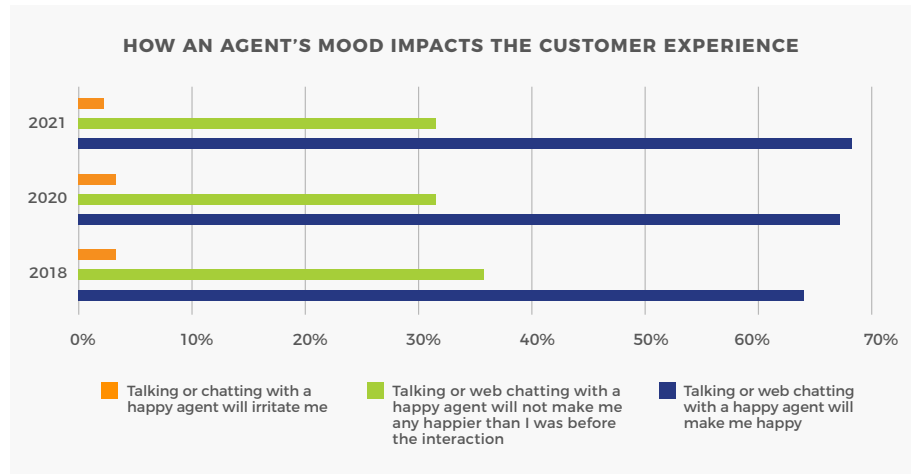
## HAPPY AGENTS, HAPPY CUSTOMERS

There are multiple factors that impact the customer experience. An often overlooked factor is whether or not the individuals they are interacting with are happy. We've said for years that happy agents equal happy customers and our 2021 findings continue to support this theory. In fact, the impact has been inching forward year over year.

### SURVEY QUESTION

In general, how do you think talking to or web chatting with a happy agent will typically impact your customer service experience?

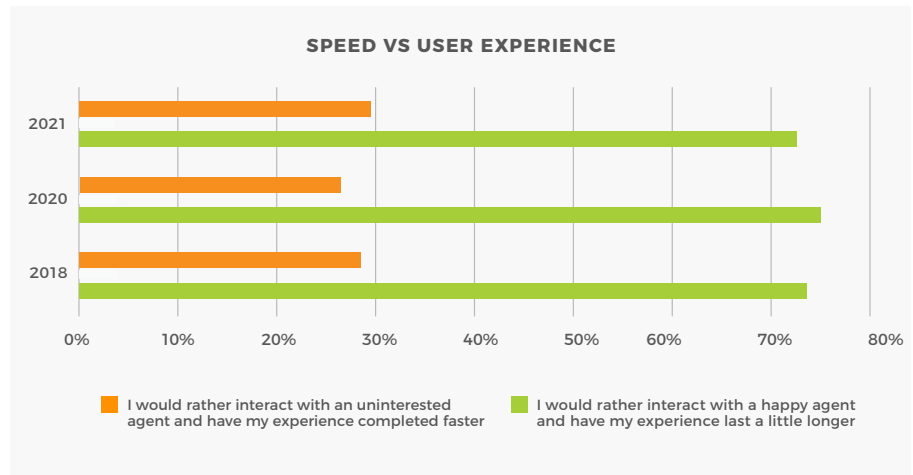
These numbers alone support the need to ensure your agents exude a sense of happiness and positivity, but it is hard to measure. So what does a Happy Agent “get” you? A happy agent will impact the amount of time your customers are willing to give to sort out their issue or question. This “Happiness Vector” continues to be statistically stable.





**SURVEY QUESTION**

Assuming your issue or question would be resolved to your satisfaction in both scenarios, would you rather interact with a happy agent and have your experience last a little longer OR would you rather interact with an uninterested agent and have your experience completed slightly faster?



According to a Harvard Business Review survey from June 2021, 80% of their respondents agreed that there is a connection between agent and customer experience and go as far to say that a great customer experience is dependent on a great employee experience. This brings to light the need to think holistically about the agent experience. Do you have the employee engagement strategy, structure and tools in place to keep your agents happy?

“It is impossible to provide a great customer experience without also providing a great employee experience.”

**80% Agree** 55% Strongly Agree  
25% Somewhat Agree

**Yet only 22% said improving the employee experience is a top-five business priority.**

Source: HBR, CX Infographic - June 2021

## RESOURCES

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[Deloitte: The digital transformation of customer services Our point of view \(2021\)](#)

[SMSComparison: SMS Marketing Statistics 2021 For USA Businesses \(2021\)](#)

[HBR: Putting Customer Experience Data to Use with Technology and Enterprise Engagement \(2021\)](#)

[Accenture: Life Reimagined \(2021\)](#)

[Statista: Amazon Prime – Statistics & Facts](#)

Alvaria thanks each of the firms that we have referenced in this report to help to confirm and further corroborate our research and findings.

## AUTHORS

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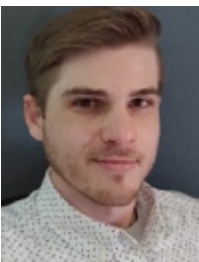
### **Colleen Sheley** Vice President of Marketing @csheley

Colleen leads the Alvaria Marcom Team where she is charged with developing leading edge marketing and communication programs. Colleen taps into the variety of responsibilities she has had over the years to bring a unique perspective and unconventional thinking necessary to deliver on the Alvaria Customer First vision. Previous roles include; Global Services Marketing Leadership, Cloud Implementation Services Leader, Partnership Alliance, Performance Improvement, Business Development and even back to her college days at Point Park University, where Colleen was a part time agent answering calls regarding recipe card subscriptions. Colleen is passionate about making a positive impact, be it brainstorming innovative solutions, leading benchmarking and transformation workshops, spearheading Alvaria's Women In Technology (WIT) Organization or simply cultivating sincere relationships with Alvaria employees and customers.



### **Michael Kropidowski** Senior Director of Product Marketing

As a Senior Director of Product Marketing at Alvaria, Michael contributes directly to company strategy with a view to market trends and product strategy, focusing on enhanced customer and agent experiences enabled through omnichannel contact strategies and workforce optimization. Michael leads the product marketing and product demonstration teams to effectively promote the value the Alvaria Enterprise Contact Center software can bring to existing customer and new logo client organizations. Also, he is responsible for competitive intelligence, sales product enablement and analyst relations to drive growth and recognition of Alvaria solutions in the market. Additionally, Michael and his team manage and coordinate activities for the Alvaria Customer Reference Program and Alvaria Customer Advisory Board. Michael has more than 30 years of experience in the customer service and contact center industries. Joining Alvaria in April 1999, Michael brought more than 10 years of customer service, technical and sales training experience to the company, where he was initially the lead sales and technical channel partner trainer for the company's contact center platforms.



### **Seth Affatato** Product Marketing Specialist

Seth Affatato is a Product Marketing Specialist for Alvaria that focuses on the CX Suite. Seth leads product marketing for the Alvaria Customer Reference Program, competitive intelligence and sales enablement. Additionally, he assists with maintaining analyst relations to drive growth and recognition of Alvaria solutions in the market. Seth holds a communications degree from the University of South Florida and has spent 2 years helping organizations improve and define their customer experiences.



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