#WellActually, Americans Say Customer Service is Better Than Ever

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U.S. consumers - especially millennials - say businesses are meeting or exceeding their service expectations

Social media vent sessions may give the impression that the state of customer service is suffering. Not so fast, according to the 2017 Customer Service Barometer. The study, fielded by American Express (NYSE: AXP), shows U.S. consumers are happier than ever with the service companies provide.

Eight in 10 Americans (81%) report that businesses are meeting or exceeding their expectations for service, compared to 70 percent in 2014. In fact, 40 percent of consumers say businesses have increased their focus and attention on service, a significant increase in just three years (up from 29% in 2014).

"More companies are realizing that delivering great care is not just the right thing to do; it also makes great business sense. Seven in 10 U.S. consumers say they've spent more money to do business with a company that delivers great service," said Raymond J. Jabar, Executive Vice President of American Express' servicing organization. "Service is an increasingly important competitive advantage for companies, both large and small, that make doing business easy and put their customers' needs first."

Digital servicing options are helping to drive this uptick in servicing satisfaction, as is improved person-to-person care. More than two thirds of those surveyed (68%) said that a pleasant representative was key to their recent positive service experiences, and 62 percent said that a representative's knowledge or resourcefulness was key.

Americans continue to reward companies that get service right. US consumers say they're willing to spend 17 percent more to do business with companies that deliver excellent service, up from 14 percent in 2014. As a group, Millennials are willing to spend the most for great care (21% additional), followed by men (19%).

But there's another side to that coin, too: poor service is costing companies. More than half of Americans have scrapped a planned purchase or transaction because of bad service, and 33 percent say they'll consider switching companies after just a single instance of poor service. The stakes remain high for getting service right.

Millennials Share the "Likes"

Millennials are particularly happy with the service they're receiving from businesses. Eighty-four percent say that businesses are meeting or exceeding their service expectations, significantly more than older Americans (79%).

Millennials are also the only generation that tells more friends and family about instances of good service than bad ones, bucking an established trend in how Americans talk about service. As in previous years, Americans across the board report telling more people about poor service (15 people on average) than about good experiences (11). Millennials, though, tell an average of 17 people when they get great care, compared to the 15 they tell about poor experiences.

Men are especially chatty when it comes to service, telling twice as many people as women both about their poor experiences (21 compared to 10) and good ones (15 compared to 7).

How May I Help You?

There is a growing preference for self-service and digital options on simpler inquiries, specifically for online chat and mobile apps.

More than six in 10 U.S. consumers say that their go-to channel for simple inquiries is a digital self-serve tool such as a website (24%), mobile app (14%), voice response system (13%) or online chat (12%). But, as the complexity of the issue increases, such as with payment disputes or complaints, customers are more likely to seek out a face-to-face interaction (23%) or a real person on the phone (40%).

More people than ever are also using social media to get help from businesses. In the past year, 35 percent reported reaching out in social channels, up significantly from the 2014 survey (23%) and double the percentage from 2012 (17%). Of those who have used social media for a customer service concern, 84 percent say they have received a response or resolution, up significantly from 65% in 2014.

Key Takeaways for Businesses

The study offers key takeaways for businesses looking to improve their service:

1. Deliver service on the customer’s timeline. As companies improve the service they provide, customers want them to focus on taking care of their needs quickly (40%). The future of service belongs to those who deliver quick, convenient and personalized service in the customer's channel of choice. This could mean enabling customers to find answers themselves through digital options as well as making it easier to connect with a knowledgeable professional.

2. Earn the advocacy of customers. Excellent service continues to be a way for businesses to unleash positive word of mouth. This is especially true for Millennials, so companies should make sure they can take care of younger Americans the way they want to be served. For example, Millennials are twice as likely as the general population to prefer self-service for simple inquiries.

3. Make the connection. While most Americans still prioritize service that gets the job done, the personal connection matters. Eighty-one percent say that getting a satisfactorily answers is a very important part of servicing satisfaction, and 74 percent want a knowledgeable professional. But nearly half also say that personalized service (47%) and appreciation for them as a customer (45%) are very important in providing excellent care.

About the American Express Customer Service Barometer

The American Express® Global Customer Service Barometer is a study conducted by American Express and Ebiquity[11], exploring customer attitudes and preferences across customer service. Research was completed online among a random sample of 1,000 U.S. consumers aged 18+. Interviews were conducted by Ebiquity, a team of independent marketing performance specialists. The overall results have a margin of error of +/- 3.1 percentage points at the 95% confidence level. The same survey methodology was used in Canada, Mexico, the U.K., Italy, India, Singapore, Hong Kong and Japan.

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