

Consumers Prefer Live Chat over More Traditional Channels to Handle Customer Service IssuesOnline Shoe Retailers Excel in the Use of Chat, but Not All Online Retailers Have It Mastered

COSTA MESA, Calif.: 19 Jan. 2017 — When it comes to dealing with service issues and questions, customers would much rather chat online with a customer service representative than speak to one live on the phone, according to the J.D. Power 2016 U.S. Chat and Email Benchmarking Study,SM released today.

The inaugural study, which provides an objective measure of overall customer satisfaction with chat and email interactions across multiple industries, finds that chat is the highest-scoring channel by a wide margin. Chat earns an overall satisfaction index score of 819 on a 1,000-point scale, followed by email with a score of 795. Customers are least satisfied when speaking on the phone with a customer service representative (787), which falls behind automated phone self-service (792) and website (788).

“Interestingly, although Millennials¹ may be most comfortable using customer service channels like chat, we find that the older you are, the more satisfied you are with a chat interaction,” said **Mark Miller, contact center practice leader at J.D. Power**. “In fact, satisfaction with chat is highest among Boomers (831), followed by Gen X (826) and Millennials (811). Millennials use the channel, or proxies for the channel (text), far more than Gen Xers or Boomers, and their expectations are higher for a great interaction.”

About the Study

The study evaluates customer satisfaction with their support experience by examining five key factors: courtesy of the representative; promptness in communicating with the representative; timeliness of resolving a problem, question or request; representative’s concern for the customer’s needs; and knowledge of the representative. The study analyzes customer experiences with chat and email over a 12-month period, providing benchmarking across multiple industries, including financial services, insurance, online retailers, utilities and telecom.

“When comparing industry performance in terms of using chat, online shoe retailers perform particularly well and are setting the mark for what customers are beginning to expect everywhere,” said Miller. “If you receive prompt and courteous responses when checking an online shoe order through chat, you expect the same kind of response when chatting with your credit card company about your bill. So understanding the best practices across the customer experience is critical.”

Using Bots Saves Money, but Can Come with a Heavy Experience Price

Perception plays a key role in the customer experience with chat and email. Using bots and automated responses are cost effective, but when customers perceive that a response is not coming from a real person, satisfaction is significantly lower than when perceived as “real.” When

¹ J.D. Power defines Millennials as those born between 1982 and 1994; Boomers as those born between 1946 and 1964; and Gen X as those born between 1965 and 1976.

customers perceive that a response is not coming from a real person, satisfaction drops from an average of 835 to 756 for chat and from 854 to 747 for email.

Other Key Findings:

- **Importance Weights:** Timeliness of resolving a customer’s problem, question or request is the most important factor for both chat and email. However, it is more impactful for chat users than email users. In contrast, courtesy of the representative is more impactful for email users than for chat users.
- **Advocacy Rates:** Among customers who use online chat, 60% say they “definitely will” recommend using the channel to friends/family/colleagues, while 53% of email users say the same.
- **Overall Channel Usage:** The study finds usage of chat and email to contact a company for customer service is about equal. Overall, 47% of customers indicate they used chat or email during the past 12 months.
- **Chat Usage by Industry:** Customers are most likely to use online chat to interact with companies in the telecom industry (26%), followed by financial services (17%), online retail (13%), insurance (7%) and utility (5%).

The 2016 U.S. Chat and Email Benchmarking Study is based on responses from 3,563 chat interactions and 3,573 email interactions across multiple industries.

Learn more about the study: <http://www.jdpower.com/resource/us-chat-and-email-benchmarking-study>

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