



The State of Digital Conversations in 2021



THE STATE OF DIGITAL CONVERSATIONS IN 2021

The channel shift from phone and email to digital channels like SMS, chat, and social media shouldn't come as a surprise. In 2015 Dimension Data quantified the shift with research that reported contact center calls had dropped by 17% over previous years, but the change had started well before that.

What has been surprising is the seemingly exothermic reaction that COVID-19 has created to expedite the shift to digital channels. Digital transformation was already a top priority for many organizations pre-pandemic. COVID-19 sped up planned efforts or expedited those already underway. For many others, accelerating their digital transformation was a means of survival.

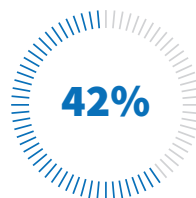
Data from our inaugural "State of Digital Conversations" report, conducted in partnership with Sapio Research, found that 42% of customer service decision makers experienced a spike

in inbound customer queries as a result of the pandemic. In fact, 40% of respondents saw queries increase more than 75%. The volumes were so high and unpredictable that 92% of businesses saw longer customer service wait times due to Covid-19 and 78% believe it negatively impacted their brand.

We sought out to understand how this high-speed adoption of digital channels has impacted channel mix today and especially what it means for the future. We surveyed over 200 customer service VPs, directors and managers working for B2C companies with 250+ employees in the US. What we found was evidence of how smart companies have turned their rapid adoption of digital communication channels into a competitive edge and the reason why nearly another 40% of leaders expect to do the same within the next 3 - 5 years.

The volumes were so high and unpredicted that 92% of businesses saw longer customer service wait times due to Covid-19 and 78% believe it negatively impacted their brand.

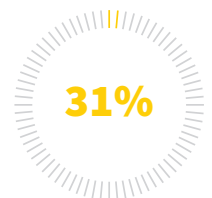
**42% OF CUSTOMER SERVICE
DECISION MAKERS HAVE
EXPERIENCED AN INCREASE IN THE
NUMBER OF INBOUND CUSTOMER
QUERIES AS A RESULT OF COVID-19**



An increase



It stayed the same



A decrease

LEGACY TECHNOLOGY'S NEGATIVE BRAND IMPACT

Covid is just one reason why customers are experiencing longer wait times. The nearly immediate transition to a virtual workplace was difficult and exposed the cracks and limitations of legacy technology. While businesses have been fast to adopt work-from-home technologies such as video conferencing, some contact centers have been slower to innovate.

Specifically, the contact center's reliance on phone calls as the main method of communication between them and the customer makes it difficult for contact centers

to scale up quickly, since scaling up requires headcount. **46% of decision makers said the customer's primary method of communication today is a phone call,** and 61% of those companies that offered the phone as the main channel of communication saw increases in inbound customer queries.

Thus, it's not surprising that customer service decision makers are looking to digital channels to help unload some of the burden from contact center agents.



HOW A RECESSION AND BAD CUSTOMER SERVICE IS A DOUBLE WHAMMY

Advice from the article *How to Market in a Downturn*, published in the Harvard Business Review during the 2009 recession, still rings true today.

“During recessions, consumers set stricter priorities and reduce their spending. As sales start to drop, businesses typically cut costs, reduce prices, and postpone new investments. Marketing expenditures in areas from communications to research are often slashed across the board—but such indiscriminate cost cutting is a mistake.”

43% of respondents to our survey, who saw an increase in call volume said that,

“we have to accept longer wait times from our team.”

HOW DID YOU HANDLE THIS INCREASE?



50%

We adopted new technology to address the increase

50%

Our staff worked longer hours

49%

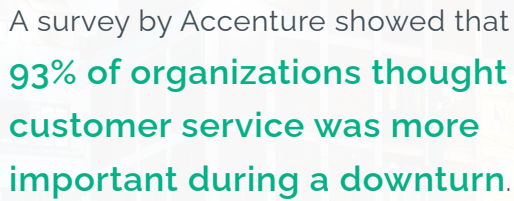
We hired more staff/resources

43%

We had to accept longer response times from our team

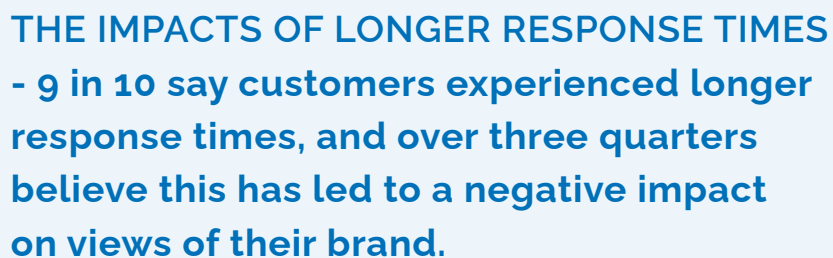
1%

Other



A survey by Accenture showed that **93% of organizations thought customer service was more important during a downturn.**

During recessions, when customers have less disposable income, they become more discerning about their purchases and brand relationships. A bad customer experience could send customers, who may have taken a long time and a lot of money to acquire, walking out the hypothetical door. This is exactly what most businesses don't want or need to happen during economic downturns.



THE IMPACTS OF LONGER RESPONSE TIMES - 9 in 10 say customers experienced longer response times, and over three quarters believe this has led to a negative impact on views of their brand.

Those companies who choose to prioritize customer service are in a better position to rebound after the crisis. Instead of cutting costs, the most successful organizations double down, using a hybrid approach of: technology, hiring new staff and overtime.

AUTOMATION SPURS ADOPTION OF DIGITAL CONVERSATIONS

Given the potential of automation, it's not surprising that our study found nearly half of decision makers say that text messaging applications play an increasingly larger role in their communications strategy.

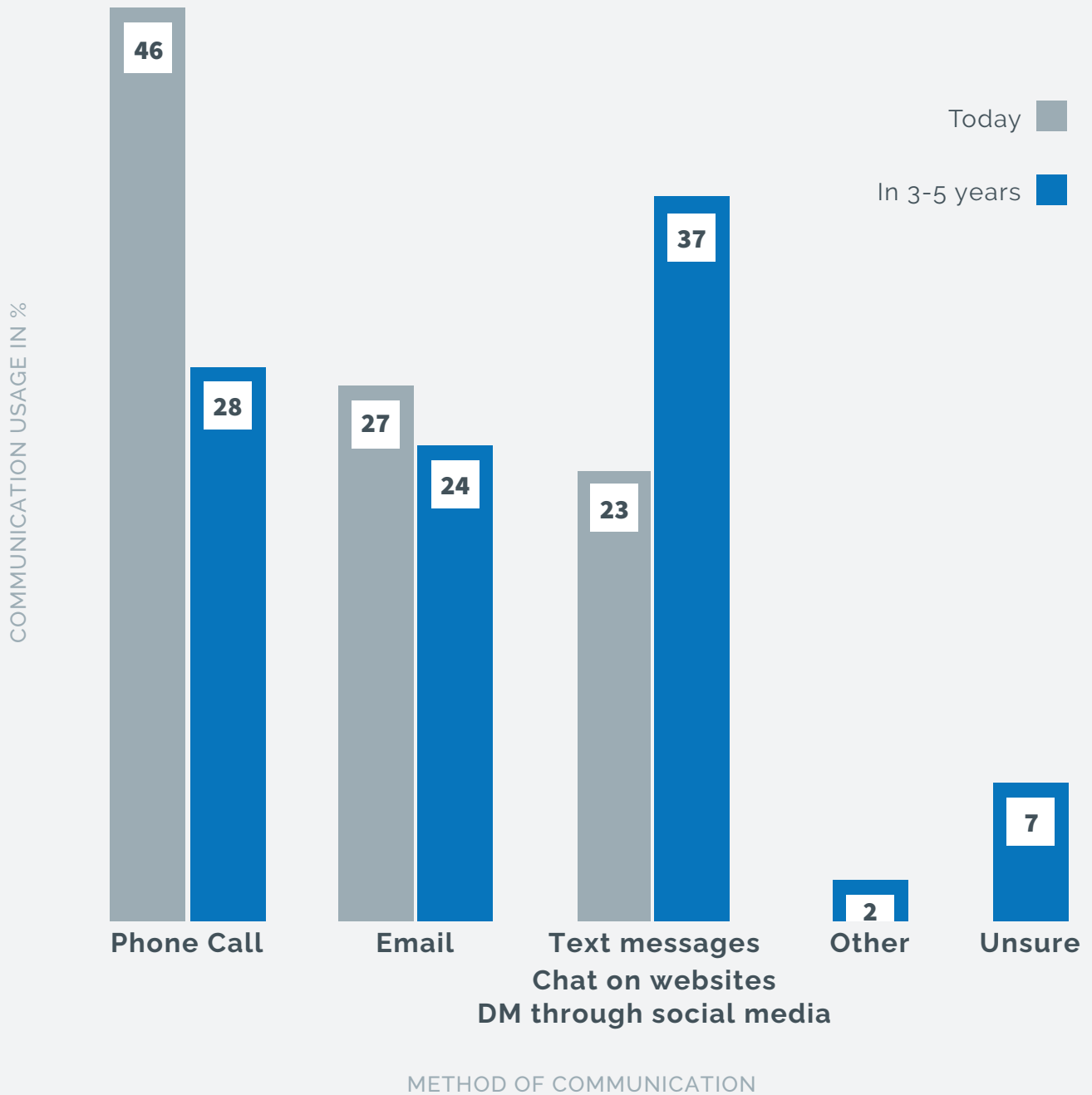
Survey respondents believe phone calls will play a much smaller role in their communications strategy in 3-5 years, with 37% saying that various messaging channels will overtake phone calls as the channel of choice.

Specifically, respondents expected an increase in the use of text messages, web chat, and direct messages (DMs) through social media with phone calls declining significantly and the use of email declining slightly.

One company that experienced a spike in inbound communications during Covid-19 was Mortgage Center. Nearly half of financial services companies surveyed said they saw an increase in inbound customer queries of between 51% to 100% during Covid-19. With mortgage rates at historic lows, **Mortgage Center**, who provides mortgages directly to borrowers, **saw its inbound communications grow a whopping 600-700%.** With no way for their contact center to possibly keep up with the volume, the company launched a chatbot to help handle the influx of inbound queries.

The company decided to automate the initial contact using a text message (powered by Quiq). When a person applies online — or a referral is submitted from one of their credit union partners — the applicant receives a text with information on how to proceed with their loan application. Using text messaging and bots, applicants can schedule an appointment with a loan officer and check on the status of their loan application, among other services available via text. The bot saves time for both the customer and the loan officer. Customers avoid time sitting on hold and the loan officers can focus on processing loans and taking care of more customers.

DECISION MAKERS PREDICT THAT ASYNCHRONOUS MESSAGING WILL BE THE DOMINANT FORM OF CUSTOMER COMMUNICATION IN 3-5 YEARS.



ASYNCHRONOUS MESSAGING PLAYS AN INCREASINGLY LARGER ROLE IN COMMUNICATIONS

Nearly half of decision makers believe messaging applications play an increasingly larger role in their communications strategy (45%), with 49% of corporate directors saying that messaging is a top priority.

Brinks Home Security™ recently undertook an initiative to automate customer interactions tied to their customer retention program. Their retention program includes proactively informing their customer base about custom offers. They wanted to be able to expand their outreach to a larger percentage of their customer base. However, they were limited by their capacity to reach out to them manually over the phone, and one-by-one. Brinks also recognized that their customers prefer to use digital channels to interact, making a digital solution attractive.



In order to increase the capacity of outreach efforts, Brinks Home Security built and tested an SMS-based chatbot that leverages the Quiq business messaging platform. This new process allows customers to interact via standard SMS text messaging with an automated bot that presents each client available offers relevant to them and ultimately sign up for it.

During the initial test period, Brinks observed customers overwhelmingly choose to interact with the bot. **In fact, 80% of the test population accepted the promotional offer presented to them via the bot** versus calling in to talk to an agent or going to the automated landing page.

The results have been notable – this new improvement allowed Brinks Home Security to increase retention rates unlike before.

Brinks recognizes that today's customers are always on-the-go and appreciate digital communication channels that allow them to interact with Brinks Home Security on their own schedule. Leveraging Quiq, not only can they communicate with Brinks at their convenience, but the entire process is also persistent. This means the customer can walk away from the conversation and pick back up simply by replying to the last text message.

The other obvious driver was improving capacity without increasing headcount. Seamlessly integrating bot and human automation allows Brinks to reach far more customers and handle increased capacity, even if customers need to be transferred to an actual customer care representative. Because the Quiq platform allows each agent on the digital support team to handle multiple conversations simultaneously, they were able to leverage their existing team to handle the increase in volume without increasing staff.

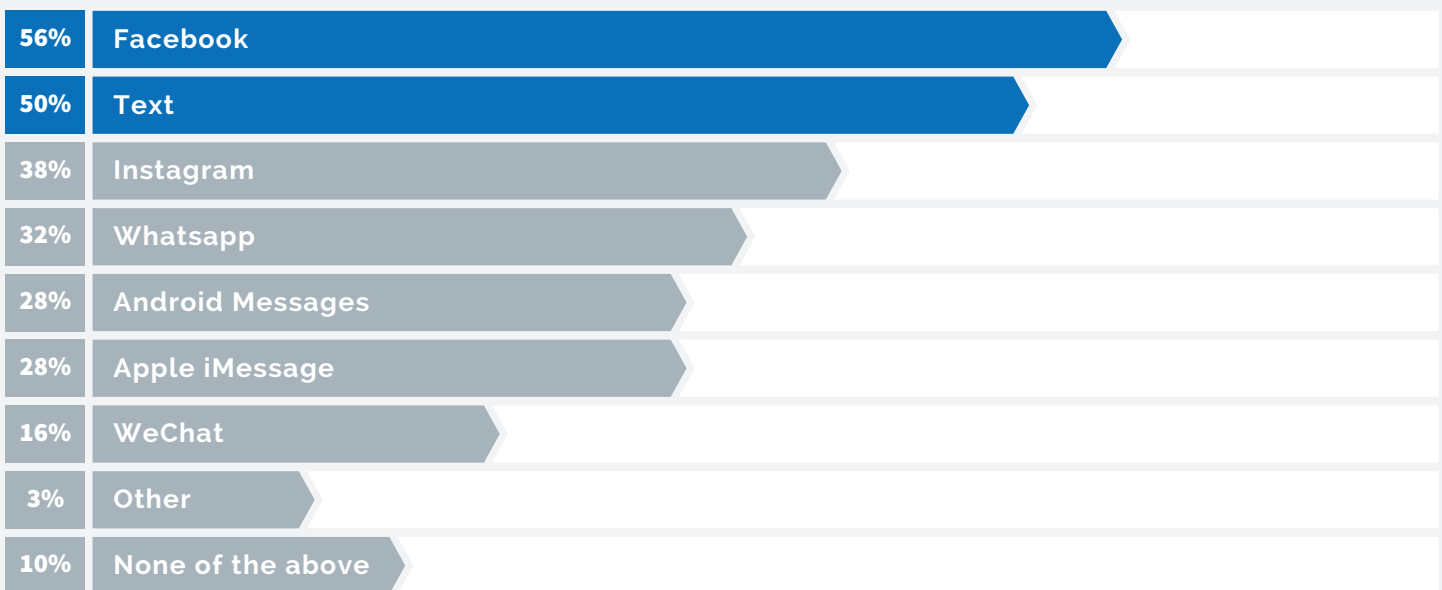
MANAGE PEAKS WITHOUT REDUCING QUALITY

42% of directors and above said that their biggest communications challenge is keeping up with the increase in communications channels. In the future, customers will want to communicate using the channel of their preference: phone call, email, chat, text messaging, and over social media platforms.

The consumer expects the brand to be where they are. Half of decision makers consider Facebook (56%) and text messaging (50%) to be important to their strategy and 37% of mid-sized businesses (250-999 employees) said that Apple iMessage is important.

These findings are indicative of leaders that realize ignoring consumer preferences in an era where customer experience is so critical is a risky play.

HALF OF DECISION MAKERS CONSIDER FACEBOOK (56%) OR TEXT (50%) TO BE MOST IMPORTANT TO THE STRATEGY



WHAT THE FUTURE HOLDS

The call center of yesterday has been fully displaced by the contact center of tomorrow. Modern contact centers are channel-agnostic, leveraging conversation platforms that sync communications channels together. In doing so, teams can operate seamlessly to quickly answer customers and focus on being truly customer-centric.

Successful customer service leaders are already making the transition to these platforms and are seeing benefits. **In just five months with Quiq, Brinks converted 10% of phone calls to messaging, and are on track to move 20% of inbound calls to messaging,** freeing up agent time and reducing wait time for those who still need to speak with an agent on the phone.

By leveraging Quiq's messaging, chat, and bot platform, Brinks can easily transfer conversations that need escalation. If the customer asks the bot a question that the bot cannot handle, the conversation is automatically turned over to a human agent to complete.

Brinks understands that success doesn't solely hinge on having a great product offering and outstanding service. They also understand that success relies on getting thousands of small interactions right and digital channels are where those interactions are happening.

The challenges encountered in 2020 clearly exposed the cracks of outdated technology and created opportunities for growth in the years ahead. Leading organizations like Pella, Brinks Home Security, and Tailored Brands are shifting budgets and resources now and in the years to come to create a more modern customer experience infrastructure.

The implementation of digital conversations, along with the cooperative work of bots and humans to deliver seamless customer experiences will accelerate in the next 3-5 years. The coming years are pivotal to define your company by, and for the customer. **The race is on; how is your business planning to optimize digital conversations?**

ABOUT QUIQ

Quiq is the Digital Conversation Company, enabling businesses to engage with customers across the most popular digital messaging channels, exceeding the expectations of digital engagement for support and service teams. Quiq is enterprise-grade SaaS software that supports SMS/text, Apple Business Chat, Google's Business Messages, webchat, Facebook, Twitter, call-to-text, Chatbots, and more.

We are changing customer support communication one conversation at a time by building software that modernizes business conversations with their customers. Learn more at [Quiq.com](https://www.quiq.com).



GET IN TOUCH

www.quiq.com

info@quiq.com

Text: **646-887-8398**



[@goquiq](https://twitter.com/goquiq)



[@quiq-messaging](https://www.linkedin.com/company/quiq-messaging)



[@quiqsters](https://www.facebook.com/quiqsters)



[@quiq_messaging/](https://www.instagram.com/quiq_messaging/)