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The CallMiner Churn Index 2020

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The CallMiner Churn Index 2020

Executive Summary

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Two years ago, as a company with a mission to help organisations deliver better customer experiences, we commissioned a survey to find out why Britain's consumers leave suppliers. What we uncovered was a switching epidemic – with call centres playing a pivotal role in whether consumers stay loyal or decide to switch.

This year, we decided to repeat the exercise to see what's changed. We expected to see switching rates that were significantly higher. After all, the perceived wisdom is that switching is good for consumers. Government legislation has forced suppliers to make it easier to switch. And there has been a proliferation of comparison and switching sites that make it very easy for consumers to do so.

We hoped that suppliers had learned from the findings of our 2018 study and changed their behaviour, and we expected to see increasing levels of automation and a decline in the use of the phone to contact suppliers.

But what we found was very different. Despite increasing encouragement to switch, consumers would rather stay loyal! The message from consumers to suppliers is clear:

'Please use the billions you spend trying to attract new customers on delivering a better and fairer service instead.'

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'If I have a problem that needs solving, I want to talk to an intelligent human being to do so.'

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When we analysed the results, we identified five significant takeaways for the leaders of Britain's major suppliers.

1. Suppliers are suffering from completely avoidable levels of churn that is costing them billions and frustrating and annoying consumers

Although the general rate of churn increased very slightly from 1.91 to 1.98 supplier switches per person per year, consumers are making it clear they would rather stay loyal if they are treated fairly.

This year's survey has uncovered that suppliers are pushing consumers away through completely avoidable bad customer experiences, and ineffective service automation channels, that frustrate and annoy.

While it may not be possible to eliminate the full £33.4[1] billion cost of churn, it's clear that the suppliers should be able to save the £4.95[2] billion associated with unplanned switching.

2. Price as a driver of churn declined while customer service and fair treatment are becoming increasingly important in the battle for loyalty.

Although price is still the #1 driver of churn, the number of consumers who cited price as a reason for switching has declined by 4% since 2018.

In marked contrast, all the service issues related to customer experience have increased in importance, with unfair treatment the golden thread that links them. The choices suppliers continue to make between satisfying existing customers and attracting new ones, is creating a switching drain on profit that is costing billions.

3. The importance of a human service is now paramount. The role of the 'super-agent' – one who is intelligent, empathetic and empowered – is becoming business-critical and a driver of brand positivity.

If consumers have a problem, they want to speak to a knowledgeable agent who will listen to them and solve their problem. When agents are empathetic to their needs/issues the callers leave feeling positive and heard, with a desire to stay loyal.

Consumers are telling suppliers that emotions have a big impact on loyalty. The results of the survey show that the way call centres are operated has a binary impact on a consumer's loyalty decisions and how they comment on social media. If they are served by a super-agent, they are not only extremely likely to stay loyal but also post positive comments on social media.

If they are served by an agent that doesn't listen and doesn't solve their problem, they are extremely likely to switch and potentially post negative comments. In fact, 78.4% of consumers said they were likely to switch after a bad experience with a supplier call centre.

If suppliers want to improve customer loyalty, they need to be focused on creating these super-agents who are skilled, empathetic and empowered.

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[1]. According to the Office of National Statistics there were 52,078,525 adults in the UK in 2018. A conservative estimate of the cost of acquiring a new customer across all the main sectors in the survey is £400 per person. This is based on the level of incentives applied to attract new customers and a conservative estimate of associated sales and marketing costs. The CallMiner Churn Index identified that in the last 12 months 81% of adults have switched 1.98 times. This represents 42.184 million people and 83.52 million switches. The total cost of churn is therefore 83.52 million times £400 = at least £33.4 billion.

[2]. The difference between those who are planning to switch and those who switched is 12% of the adult population = 6.25m people. 6.25m people switching 1.98 times at £400 per switch = £4.95 billion The total cost of avoidable churn is therefore at least £4.95 billion

4. Ineffective efforts to provide automated service are frustrating and annoying consumers and creating more reasons to leave

If consumers don't have problems or questions to be solved, they are very happy to serve themselves. If they are looking for information or want to make a payment, then they want to be provided good self-service and automated options.

Where automation channels are offered, they aren't currently delivering what consumers expect.

This means that more consumers are arriving at supplier call centres frustrated, angry and annoyed. This is completely avoidable if suppliers analyse consumer behaviour and optimise the automated channels accordingly.

5. It's time for a change in strategy. Stop investing in a switching culture and invest in human and automated service channels that perform the way consumers expect

British suppliers are shooting themselves in the foot by not listening to their customers and avoiding the primary sources of churn.

The cost to the business of not listening is increased by not optimising self-service channels. As a result, not only are the benefits of automation not accrued but automated channels are increasing the cost of churn.

Rather than investing in expensive campaigns to encourage consumers to switch suppliers, the default strategy should be to invest in a combination of super-agents and automated channels that create loyal, satisfied customers.

In fact, our conservative calculation shows that suppliers could be saving £33.4 billion per annum by focusing on keeping existing customers happy.

Section 1 - Consumers desire to stay loyal is being ignored – which is an error that costs suppliers billions

1.1 - More people switch than plan to switch – representing £4.95 Billion of avoidable churn

We asked respondents which services they were planning to switch in the next 12 months. Over two thirds (68.8%) said they had plans to switch.

This is an increase of 10% from our 2018 survey. And they are planning to switch more suppliers – with all sectors seeing an increase from 2018.

However, just as we saw in our last survey, significantly more people (18%) actually switched than said they were planning to switch. This represents 6.25 million people and over 12 million switching occasions. The cost of this 'unplanned' churn is a massive £4.95 billion. And, many of the triggers for this churn are completely avoidable.

The same intention to stay loyal was seen in our last survey when 37.6% of people were planning to stay loyal but only 16% didn't switch.

So clearly, suppliers are doing something wrong – or not doing what is needed by consumers – which is forcing people who plan to stay loyal to change their minds and leave for another supplier.

The difference between planned and actual switching should be a wake-up call for suppliers to improve both their human and automated service channels.

Doing so effectively would deliver an immediate ROI by decreasing the cost of unplanned churn by consumers.

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1.2 Clear advice from consumers on how to keep them loyal – treat them fairly and like a valued customer

When we compared the reasons for switching with our last survey, we identified some interesting trends – see Table 1:

- Price, while still the highest source of churn, declined in importance by 4% whereas all the other main reasons grew in importance.

- Feeling fairly-treated is a significant reason of its own – up 10% to 34.4% - and is the theme that links three of the top four reasons.

- Customers want to be rewarded for loyalty (up 15% to 51.2%) and, at the very least, treated the same as new customers, up 12% to 43.6%. Both reasons grew in importance.

The survey reveals that consumers feel even more strongly than two years ago that new customers are treated better than loyal customers and that suppliers are focusing more on acquisition than retention.

The top signal consumers provide on how to keep them loyal matches the top three reasons for switching. It also accentuates their desire to be treated fairly and valued as a customer.

- Two thirds (65.8%) say keep prices rates or fees the same or better than for new customers

- Over half (53.3%) say reward me for renewing my contract

- Almost half (45%) say automatically apply new discounts to my account

This demonstrates that consumers would prefer not to switch and are being driven away by suppliers' focus on attracting new customers rather than giving existing customers reasons to stay loyal.

Suppliers who haven't listened to the feedback in the 2018 survey will be losing customers that would otherwise stay loyal.

Table 1	Reasons for Switching	
2018	2020	% change
Prices, rates or fees are too high or increased (71.0%)	Prices, rates or fees are too high or increased (68.1%)	-4%
There is no reward for contract renewal i.e. no reward for my loyalty (44.7%)	There is no reward for contract renewal i.e. no reward for my loyalty (51.2%)	15%
Discounts offered to new customers are not automatically applied to my existing account (38.8%)	Discounts offered to new customers are not automatically applied to my existing account (43.6%)	12%
Feeling like I am not being treated fairly (31.4%)	Feeling like I am not being treated fairly (34.4%)	10%

** Items in orange signal the desire to be fairly treated and valued as a customer

Section 2 – The human service delivered by the call centre has become even more important in the last two years

2.1 – Consumers see call centres as problem resolution centres – and they care about the way their problems are handled

When asked why consumers contact a supplier's call centre, the top two answers – both for over half of respondents – were to resolve problems with either the service or the bill. Most other reasons for contacting a supplier, consumers would rather handle themselves (see section 3).

Serious problems with the service declined in importance as a reason to switch by 15% to 17.4%. But, resolving problems, and the way they are resolved, grew in importance. Failing to solve the problem on first contact became the #5 reason to switch – up 5% to 19.6%.

Also, resolving problems is key to keeping people loyal. In fact, over a third of customers (33.7%) said they wanted suppliers to make sure customer service/support resolves their issues effectively and efficiently.

Two other reasons for switching combine to give a clear signal to suppliers that they need to create super-agents that are genuine problem solvers – see Table 2. These are:

- Call centre agents failing to follow-up as promised – up 10% to 17.5%

- Using call centre agents who are inexperienced and not knowledgeable – up 14% to 17.4%.

Table 2	Reasons for Leaving	
2018	2020	% change
Failure to solve problems on the first contact (18.6%)	Failure to solve problems on the first contact (19.6%)	5%
Failure to respond in a timely manner after reporting a problem (17.8%)	Failure to respond in a timely manner after reporting a problem (19.2%)	8%
Failure of call centre adviser to follow up as promised (15.9%)	Failure of call centre adviser to follow up as promised (17.5%)	10%
Call centre advisers that serve me are inexperienced or not knowledgeable (15.2%)	Call centre advisers that serve me are inexperienced or not knowledgeable (17.4%)	14%

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2.2 - Call centre interactions are pivotal to loyalty

Call centres agents are pivotal to customer loyalty, in fact their impact is even higher than in 2018.

Call centre agents being inexperienced and not knowledgeable is the second biggest riser for reasons for churn (up 14%). In addition, the number of consumers likely to stay loyal after a positive call centre experience has increased to 84.1%.

> **It pays to deliver a positive call centre experience, but agents have a tough job.**

Not only are the majority of contact centre calls problem related, but consumers with problems are more emotionally charged - see Table 3. This means agents need to be able to handle complex issues and manage emotional customers at the same time.

Combine this insight with the fact that reasons for switching have shifted from 'hygiene' factors like price to emotional factors such as the quality of the agent, and the need for skilled super-agents emerges.

2.3 - The binary impact of contact centre agents - The rise of the super-agent

The survey measured customer emotions before and after a call to a contact centre – see Table 3. The results show that the way contact centre agents handle calls has a binary impact on the way customers feel.

Agents who excel at handling emotionally charged situations – super-agents – are very good at taking the heat out of situation and delivering a successful call outcome.

For example, 30.8% of customers say they left their call satisfied – see Table 3. And a third (33.9%) said their emotional state switched from negative to positive after a call to a call centre – see Chart 1.

Other indications of super-agents in action are:

- The number of frustrated customers fell by 31% as a result of the call. But a quarter remained frustrated

- The number of annoyed customers fell by 43%. But about one in five remained annoyed. This was even higher for customers who arrived with a problem to be solved

- The number of confused customers fell by 29%. But one in 11 remained confused

- The number of upset customers fell by 36%. But one in 12 remained upset

- The number of angry customers fell by 19%. But one in 10 remained angry

So, it's clear that many agents are failing to satisfy customers and therefore send them away unhappy.

This failure to meet needs not only triggers switching – our survey shows that 78.4% of consumers are likely to switch after a bad call centre experience, but as will be seen below, it also creates negative comments on social media.

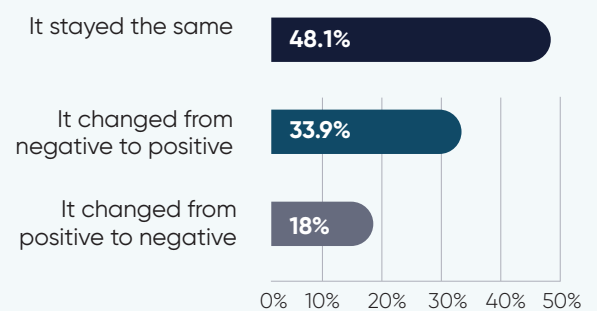**Chart 1**
Change of emotional state on call

It stayed the same	48.1%
It changed from negative to positive	33.9%
It changed from positive to negative	18%

0% 10% 20% 30% 40% 50%

Table 3 – The impact of call centre agents on customer emotions				
Emotion before a call	%	Emotion after a call	%	% Change
		Satisfied	30.8%	
Frustrated	35.0%	Frustrated	24.3%	−31%
Hopeful	24.9%	Hopeful	22.2%	−11%
Annoyed	31.2%	Annoyed	17.8%	−43%
Wanting to be listened to	23.6%	Feeling listened to	12.3%	−48%
Angry	11.8%	Angry	9.5%	−19%
Confused	13.1%	Confused	9.3%	−29%
Upset	12.4%	Upset	7.9%	−36%
Ready for an argument	6.5%			
		Grateful	9.4%	
		Ignored	7.4%	
		Appreciated	7.3%	

The top four reasons for a negative emotion shift point to the need for knowledgeable super-agents with active listening skills:

- The adviser didn't solve my problem
- The call centre adviser did not listen to me
- I had to repeat myself
- I was put on hold for a long time

But the good news is that 88% more customers experience a positive shift in emotion than a negative shift. When looking at the reasons for a positive shift, the top four reasons show that these are super-agents handling complex issues and emotions well:

· The problem was resolved by someone who was very knowledgeable

· The adviser showed he/she understood my problem

· The call centre adviser listened to me

· The adviser got help from a colleague so my problem could be resolved

When consumers were asked what they found annoying when they contact a supplier's call centre, of the six issues that declined from the last survey, five relate to agent performance.

The largest reduction from 2018 relates to call centre advisers who don't ask the right questions. This fell by 50% to just 9.2%! The super-agent is on the rise.

These findings show that consumers value the treatment they get from contact centre advisers more than money. All the top reasons for changing emotions relate to agent performance. Receiving monetary compensation like refunds is low on the list at only 8.5%. (See Section 4 for our advice on how to create and support super-agents).

2.4 - Showing empathy matters

One of the most damning results is that almost half (48.0%) of the people who wanted to be listened to before a call leave a call feeling that this had not happened.

The number feeling that they have been listened to has fallen by 46% since 2018 to just 12.3%. Furthermore, one in 14 leave feeling ignored! Perhaps that's why over a third of people (35.0%) say they want to deal with more polite and caring staff.

This shows that organisations need to focus on improving agent empathy. It has a big impact on changing emotions from negative to positive.

In fact, 29% of consumers said that agents showing empathy was the reason their emotional state changed. In addition, 24% more consumers than that said showing empathy was the reason their emotional state changed from negative to positive.

Similarly, showing understanding of a problem – the #2 reason for an emotion shift – was 22% higher for people moving from negative to positive. Also, 'the adviser listened to me', the #3 reason, was 27% higher for those that moved from negative to positive.

Showing empathy is even more important with vulnerable customers. Although companies are getting better at identifying vulnerability (the number of customers who said suppliers were good at recognising vulnerability has increased by 15% to 50.7%) it's still not good enough. Almost a third of people (28.1%) feel that organisations are not good at this (scored 0-4 on a 0-10 scale where 0= not at all good and 10 = extremely good).

The technology exists to help agents identify callers who may be vulnerable and then provide guidance on how to act accordingly. Therefore, any weakness in this area is also avoidable.

(See section 5 for recommendations)

2.5 It pays to deliver positive experiences

We asked consumers if they have posted positive and negative comments about suppliers on social media in the last 12 months. We expected to see higher numbers for negative commentary. But the reverse was true.

In fact, 31% more consumers (23.5%) posted positive comments than those that posted negative comments (18.0%) – see Charts 2 & 3. This shows it pays to create positive service experiences via super-agents and through very effective automated channels.

Brands used to be focused on making sure customers didn't post negative feedback, but they need to now be focused on generating positive feedback as customer buying decisions are directly impacted by what their friends and family post online.
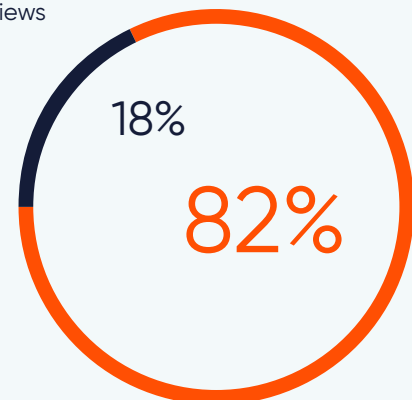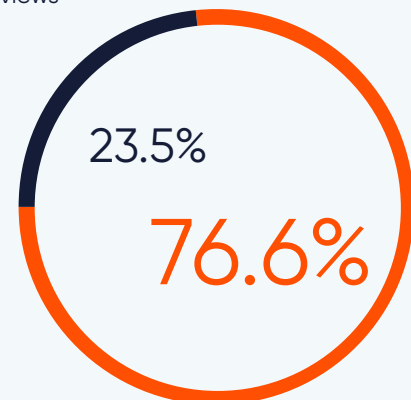
CHART 2
Posting Negative Reviews

18%

82%

CHART 3
Posting Positive Reviews

23.5%

76.6%

■ No   ■ Yes

2.6 Easy wins in the battle for customer satisfaction and loyalty

We asked people how they want suppliers to deliver services to keep them loyal. The top answer relates to interactions in call centres. The number one response at 61.5% is to make sure call centre staff are aware of a customer's service history so it's not necessary to repeat themselves.

- Just under half (41.0%) would like staff to apologise when the service is not satisfactory

- Over a third of consumers want more caring and polite advisers

- Almost two thirds (60.4%) want call centres to be based in their home country

Suppliers who aren't listening to this simple advice are losing out on easy wins to fix the call centre issues driving churn, that are completely avoidable.

(See Section 5 for our recommendations).

Table 4 – How consumers want providers to deliver services, so they remain loyal customers		
Action to take	%	Change since 2018
Make sure call centre advisers are aware of my service history – so I don't have to explain multiple times	61.5%	–7%
Keep the call centre in my home country	60.4%	–5%
Be more proactive in informing me about a problem with my service and how it is being fixed	55.8%	9%
Provide a self-service facility that allows me to create my own service requests online so that I can avoid call centres or help desks	44.5%	10%
Apologise when the service is not satisfactory	41.0%	–2%
Provide more caring and polite advisers	34.6%	2%

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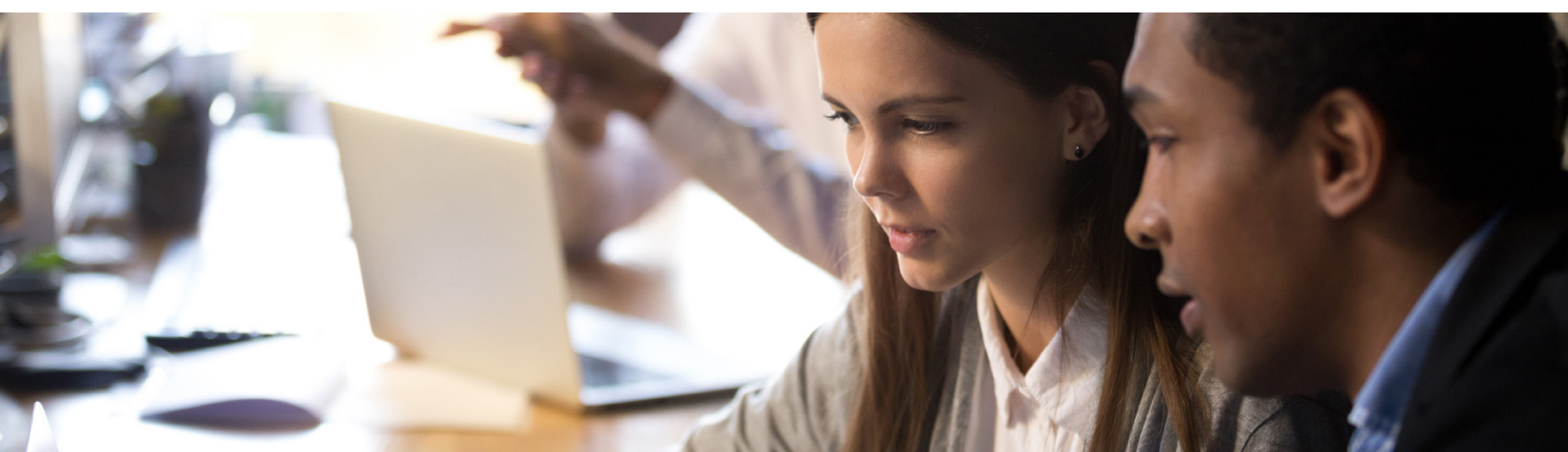
Section 3 - Suppliers and consumers missing out on the benefits of automated self-service. This puts call centres under pressure with 63.82[3] million unnecessary calls

The range of contact channels used by consumers shows how important it is for organisations to understand which channels are used by consumers and for what reason. It also shows that it is vital to optimise these channels to meet consumer expectations. The results of the survey show that the biggest missed opportunity by suppliers is an investment in effective automation channels.

3.1 - The telephone is king and growing in importance – while other channels decline

In 2018 the telephone was both the most preferred channel and the most used channel. We had expected – with the availability of other channels and the investment in online chat – to see the telephone in decline. However, the reverse is true. It strengthened its position as the preferred channel – up 14% to 41.4% – almost double the #2 channel, email. Usage of the telephone has also grown by 15% to 70%.

As can be seen from Table 5, only two other channels have any significant level of preference – email and online chat. Websites, social media and letters all declined significantly.

3.2 - Providers put their call centres under pressure with 63.8 million calls that could be satisfied by a self-service channel

Consumers have told us that when they have problems, they want them to be resolved by a human being who understands and listens to them. This means they head to the telephone. For most other reasons they want self-service and automation. In fact, when consumers were asked how they wanted suppliers to deliver services to keep them loyal, the advice that has risen the most from 2018 (up 10% from #5 to #4) is to provide a self-service facility so that they can avoid call centres or help desks.

Despite this desire for self-service, 15% more consumers used the telephone than in 2018 to contact suppliers to do things they should be able to do for themselves - see Table 6.

For example:

- 34.0% phoned to cancel the service/close account
- 29.3% phoned to make a payment
- 25.7% phoned to get information about the product/service
- 20.4% phoned to purchase something

Table 5	The difference between channels consumers prefer to use first and the channel used in 2020			
Preferred Channel	%	Channel used	% use	Change since 2018
Telephone	41.4%	Telephone	70.1%	+14%
Email	21.5%	Email	51.1%	+2%
Online Chat	19.8%	Online Chat	37.8%	+4%
Website	7.3%	Website	22.2%	–34%
Social Media	4.4%	Social Media	10.7%	–27%
Mobile App	2.5%	Mobile App	8.0%	–11%
Text Message	2.2%	Text Message	6.3%	+23%
Letter	0.3%	Letter	6.3%	+13%

3. If we look at the usage of the phone just by the number of customers who switched providers in the last 12 months this equals 70.1% of 42.184m x 1.98 switches i.e. 58.55 million. So, of the 58.55 million customers who telephoned a call centre in the last year, a total of 109% called to cancel the service/product (34.0%), make a payment (29.3%), get information about the service/product (25.7%) and to buy something (20.4%). The combined total of unnecessary calls is 63.82 million.

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Table 6 - Reasons to call a call centre

Reasons to call a call centre	2018	2020	% change
Needing to resolve a technical problem with the product/service	60.9%	54.7%	–10%
To resolve issues with a bill or invoice	60.6%	51.1%	–16%
To cancel the service/close my account	44.2%	34.0%	–23%
To make a payment	19.2%	29.3%	+53%
Needing information about the product/service	34.7%	25.7%	–26%
To purchase something	16.8%	20.4%	+21%
To agree a payment plan	20.5%	19.2%	–6%

This represents over 63.8 million calls that could be satisfied by self-service channels such as chat or website. This gives a clear signal to providers that they need to optimise self-service channels to handle simple tasks.

This will take the pressure off their call centres and enable companies to invest in super-agents to resolve more complex problems.

In the meantime, because suppliers aren't optimising self-service channels and automating them well enough, more consumers than prefer to, are turning to the phone to get the answers they need. This means more consumers than necessary are calling a call centre frustrated and annoyed – see Table 3.

This also means that suppliers are suffering a double whammy. They are losing customers that would otherwise stay loyal and they are putting contact centres under unnecessary pressure by sending more customers than required to their agents.

3.3 - Online chat grows in importance, along with customer desire to use it

Online chat applications have been growing in usage over the last few years and most people are now happy to interact with them.

In fact, 69.8% of consumers are happy to interact via chat – a 5% increase from last time. When asked about preferred contact channels for specific reasons, online chat grew in every case from 2018. Using online chat for making a payment grew the most, up 300% to 16.4%. However, consumers also increased the usage of online chat for problem resolution.

This represents a future opportunity for suppliers to take the pressure off their call centres, where most problems are resolved today.

Section 4 - Consumer switching by sector

4.1 - Banks, the big riser

Despite all the encouragement to switch, the frequency of churn is almost static. In fact, it only increased from 1.91 to 1.98 supplier switches per person per year. While some people switched more often, more people than last time (19%) did not switch at all – an increase of 19% from our last survey.

While the average rate of churn saw relatively little change, some sectors saw some big increases. The highest was the banking sector which saw the number of customers switching more than double from 12.2% to 24.6%. Telephone and mobile suppliers also saw a significant increase – up 80% – since legislators have made it easier to switch. Table 7 shows the Index for 2020 and 2018. Although electric companies are still number one, insurance providers fell from 2nd place to 5th and showed a small decline in switching. Gas and broadband have moved up in the ranks to 2nd and 3rd place respectively. Although electric and gas are the top two sectors for churn, there is a surprisingly low level of churn considering the active encouragement to switch.

Switching banks has increased 102% since last time. This made banks the 4th highest churning sector, and the sector with the biggest increase in switching. The telephone and mobile sector fell from 5th to 6th place in the Index despite seeing the number of consumers switching rise by 80%.

4.2 - Banks heading for another big rise in switching

Just as the banking sector saw the biggest rise in actual switching since 2018, consumers are saying that trend will continue in the next 12 months. In fact, 82% more banking customers than last time are planning to switch in the next 12 months – more than double the increase of the next highest sector – broadband – see Table 8.

The four highest planned churn rates are for the same sectors as 2018 and are 24% higher on average than last year.

Table 7	Switched in the last 12 months	
2018 Churn Index	2020 Churn Index	Change since 2018
1. Electricity companies (28.8%)	1. Electricity companies (33.8%)	+17%
3. Gas companies (23.8%)	2. Gas companies (28.2%)	+18%
1. Broadband suppliers (22.5%)	3. Broadband suppliers (25.3%)	+12%
2. Banks (12.2%)	4. Banks (24.6%)	+102%
5. Insurance companies (24.4%)	5. Insurance (24.2%)	–1%

Table 8	Planning to switch in the next 12 months	
2018 Churn Index	2020 Churn Index	Change since 2018
1. Electricity companies (22.7%)	1. Electricity (27.6%)	+22%
3. Gas companies (19.3%)	2. Gas (22.8%)	+18%
3. Insurance companies (19.1%)	3. Insurance companies (22.7%)	+19%
4. Broadband suppliers	4. Broadband suppliers (22.5%)	+36%
5. Banks (9.6%)	6. Banks (17.5%)	+82%

4.3 – Reasons for switching by sector

When we analysed the reasons for switching by sector –
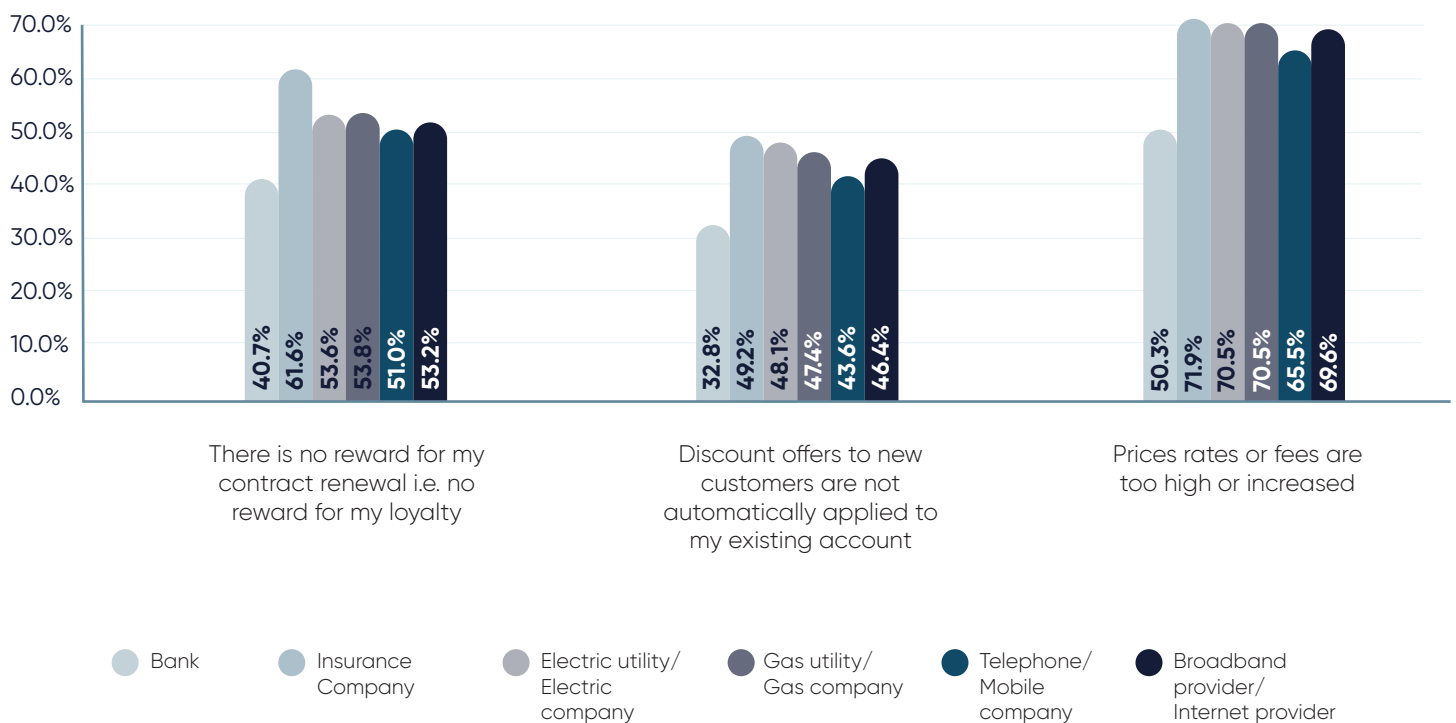see Chart 4 – the following results stood out.

Insurance sector worst for treating customers fairly

It's clear from the responses to the survey that insurance
customers think that they are not fairly treated and switch as
a result. When consumers were asked about their reasons for
switching, the insurance sector came highest for: feeling like
I am not being treated fairly, no reward for contract renewal
and discounts offered to new customers aren't automatically
applied to existing accounts. See Chart 4.

These responses are further proof that consumers resent
the money spent on attracting new customers rather than
rewarding them for their loyalty. It's a business culture that
creates a very expensive, avoidable revolving door
of customers.

Chart 4
Insurance sector highest for
top three reasons for churn

There is no reward for my contract renewal i.e. no reward for my loyalty:
Bank 40.7%, Insurance Company 61.6%, Electric utility/Electric company 53.6%, Gas utility/Gas company 53.8%, Telephone/Mobile company 51.0%, Broadband provider/Internet provider 53.2%

Discount offers to new customers are not automatically applied to my existing account:
Bank 32.8%, Insurance Company 49.2%, Electric utility/Electric company 48.1%, Gas utility/Gas company 47.4%, Telephone/Mobile company 43.6%, Broadband provider/Internet provider 46.4%

Prices rates or fees are too high or increased:
Bank 50.3%, Insurance Company 71.9%, Electric utility/Electric company 70.5%, Gas utility/Gas company 70.5%, Telephone/Mobile company 65.5%, Broadband provider/Internet provider 69.6%

Legend: Bank, Insurance Company, Electric utility/Electric company, Gas utility/Gas company, Telephone/Mobile company, Broadband provider/Internet provider

More consumers switch banks because of call centre staff and corporate behaviour than the other sectors

When asked about their reasons for churn, over one in four (26.1%) customers said they left their bank because call centre staff were inexperienced and not knowledgeable.
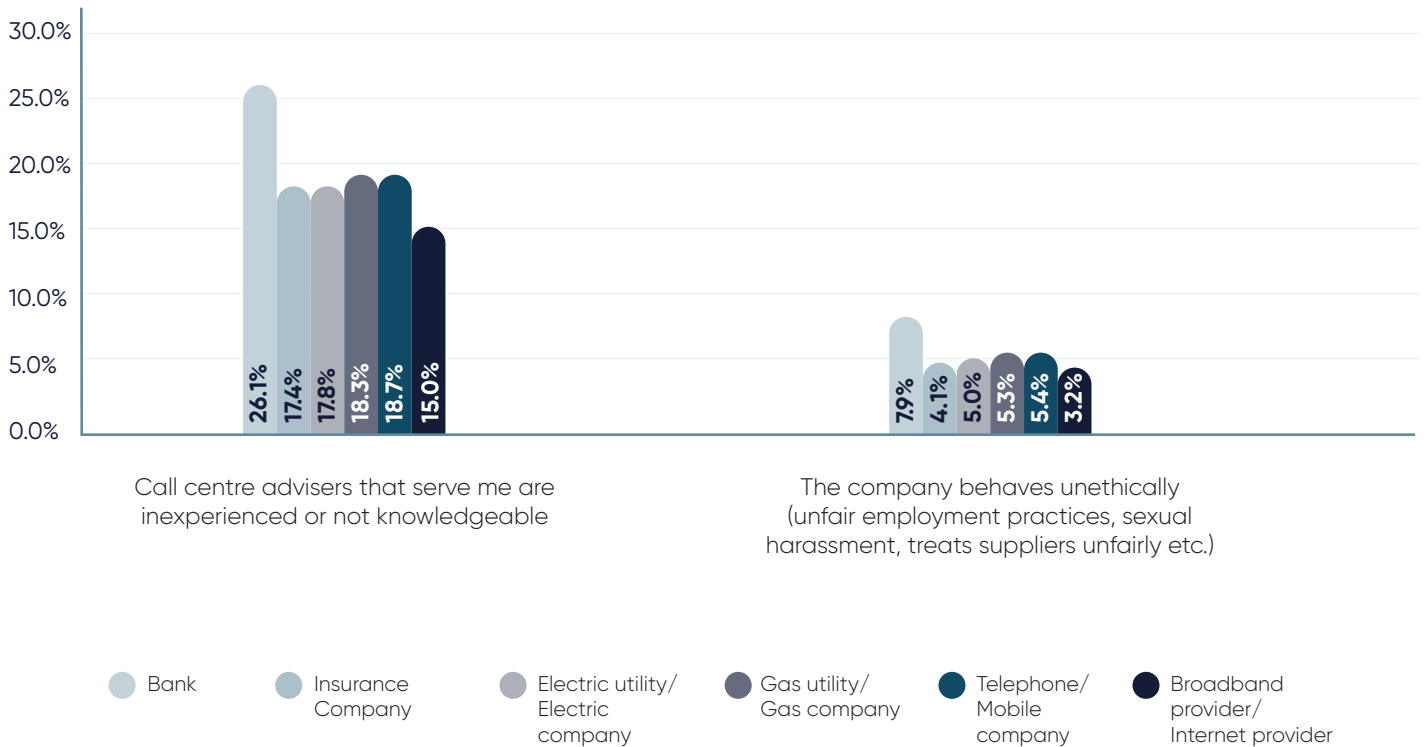
This is significantly higher than any other sector – and 74% higher than broadband companies who had the lowest score for this reason to switch. This is a completely avoidable source of churn if call centre agents are given the information and coaching to meet consumer expectations.

In addition, more bank customers switch because they think their bank behaves unethically than any other sector. Around one in 12 consumers switch banks because they believe the company behaves unethically – more than double the number of insurance and broadband customers who switch for the same reason.

Chart 5

Banks highest for churn because of inexperienced call centre agents and unethical behaviour

Call centre advisers that serve me are inexperienced or not knowledgeable: 26.1%, 17.4%, 17.8%, 18.3%, 18.7%, 15.0%

The company behaves unethically (unfair employment practices, sexual harassment, treats suppliers unfairly etc.): 7.9%, 4.1%, 5.0%, 5.3%, 5.4%, 3.2%

Legend: Bank · Insurance Company · Electric utility/Electric company · Gas utility/Gas company · Telephone/Mobile company · Broadband provider/Internet provider

Section 5 – Recommendations

This year's survey has highlighted that many organisations are missing the opportunity to keep customers loyal by persisting with practices that drive switching.

Most of these are avoidable – particularly those created by the way call centre agents behave. The solution is clear - Stop investing in a switching culture and invest in human and automated service channels that perform the way consumers want them to!

The good news is the results of the survey provide some helpful indicators of how to avoid churn:

1. Automate the services that consumers want to handle themselves

This survey has shown that consumers want to be able to access information and make many transactions themselves. But it's also clear that the way automated channels are currently set up is not meeting consumer needs. As a result, they resort to calling a contact centre with issues that need not exist.

To remove this unnecessary cost on the business, and deliver a better customer experience, organisations will need to identify where customers want automation and self-service channels and identify how the channels need to be optimised to satisfy customers first time, every time. To do this they need to analyse all interactions across multiple channels in one system that provides a single point of access to data.

This will enable them to identify when customers are using multiple channels to solve a single issue and identify the shortcomings in the automated channels that triggered the need to contact a call centre.

Armed with this information it will be possible to make the necessary changes to ensure that customers are able to satisfy their needs via their preferred channel.

2. Create super-agents who are effective and empathetic problem solvers

This survey has shown that most customers contact a call centre with a problem. Many of these problems are created by ineffective automated or self-service channels. As a result, many call centre agents must deal with customers who arrive in a negative frame of mind.

Managing a call in a way that converts an unhappy customer into a happy one is therefore incredibly valuable. The survey shows that this does not happen every time. But it also shows that when it does, customers are extremely likely to remain loyal and post positive comments on social media.

So, it is vital that organisations staff their call centres with knowledgeable, well-trained and empathetic agents who can resolve problems on the first call.

These super-agents are not just the first line of defense, they are profit generators because they reduce the cost of churn and increase the lifetime value of a customer. Agents need easy and timely access to all the information required to resolve customer queries, so customers leave the call feeling satisfied with the outcome.

Interaction analytics solutions can provide real-time call monitoring and performance feedback to agents during the call and can also alert a supervisor who could provide support if needed. For example, if the analysis identifies a change in the acoustics of a customer's voice that suggests the call is deteriorating, an alert can guide the agent to adjust vocal style to be more empathetic.

Interaction analytics technology also provides each agent with a personal scorecard that enables them to self-improve by identifying after each shift where they need to adjust and then asking for the coaching required to make the desired improvement.

3. Measure and track emotions

The survey identified that customers experience a range of emotions before and after a call.

The results show that some agents (superagents) are very effective at turning negative emotions into positive ones.

This ability is incredibly valuable to an organisation in the battle for loyalty and for strengthening a brand's reputation through positive comments. However, a quarter of consumers leave a call frustrated, about one in five annoyed and one in 10 angry. And, only half the people who wanted to be listened to before a call felt listened to after a call.

This shows a need to train/coach agents to be better listeners and be more empathetic. It also shows the need to identify, track and score emotions. Only by tracking emotion will it be possible to direct coaching where it is needed. Interaction analytics can create specific emotion categories (such as ignored, annoyed, angry, satisfied) so that the emotions can be tracked, measured and addressed.

4. Use analytics to identify annoying call centre processes so that they can be eliminated. Make reducing wait times your priority

As indicated in Section 2.3, most callers arrive to your call centre in a negative frame of mind. So, anything that makes this worse should be avoided if suppliers want to achieve a successful call outcome and keep customers loyal.

However, our survey results show there are many call centre processes that annoy a huge proportion of customers. Table 9 below identifies 12 behaviours that cause annoyance. All of them are avoidable if organisations have access to the right insight to help take the right action.

The top three answers are also the scores that have increased the most from 2018 – demonstrating that organisations have not acted on the insight provided by our last report.

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Table 9 - Contact centre behaviour that consumers find annoying

Position	Behaviour to avoid	Percentage	Ways to avoid the issue
1	Long waiting times – This is up 61% from last time and almost double the #2 issue	67.1%	The first step is to identify the problem. Analysis of all calls will bring this problem to the surface immediately. This will enable much better resource planning.
2	Call routing options that don't include what you need – This is up 102% from 2018	34.1%	Identifying how often this happens by analysing the content of every call will enable organisations to change routing options to meet customer needs.
3	Failure to resolve your issue on the first call – This is up 30% from 2018	31.3%	Identifying how often this happens, and why, will enable organisations to understand if there are agent training issues or whether a change of approach is needed. For example, management could decide to reward agents for first call resolution rather than for the brevity of a call.
4	Having to repeat yourself from one contact channel to the next or from one agent to the next. This declined by 12% but remains a significant problem.	30.6%	Identifying how often this happens, and for which interactions, by analysing every interaction will enable organisations to design an appropriate solution.
5	Calls that are cancelled/drop out after holding. This issue increased by 30%	30.0%	Identifying how often this happens, and why, will enable organisations to understand if there is an agent problem or issues with the technology. Then the issue can be eliminated or minimised.

Contact centre behaviour that consumers find annoying			
Position	**Behaviour to avoid**	**Percentage**	**Ways to avoid the issue**
6	Failure to follow-up as promised. This increased by 24% and therefore is a significant source of churn. Addressing it should be a priority.	22.4%	Identifying how often this happens and by which agents, and for which issues, will enable management to optimise organisational processes and coach agents as necessary. It will help to understand how much after call work is required for each type of transaction so that resources can be planned accordingly.
7	Long messages before being routed to the right person. This reduced by 9% which is good, but it remains a problem for more than one in five people.	20.6%	Identifying how often negative language and negative emotions (through acoustic analysis) are recorded after routing will enable organisations to optimise their messages. This could include explaining that the messages need to exist for compliance reasons and to protect consumer' rights/ shorten the call once routed – so that customers view them less negatively.
8	Call centre staff that work to a script that means they ask silly questions which have no relation to the conversation. This reduced by 14% which is very encouraging. It shows that call centres are empowering more of their agents to manage the call themselves.	18.4%	Identifying how often this happens and by which agents, will enable organisations to optimise their scripts and provide coaching to the agents that need it. Management may decide to make scripts more flexible. Another option could be to guide agents during the call on what would be 'the next best action' to take.
9	Calls that are mis-routed after speaking to a call centre adviser. This increased by 15% which shows an urgent need to invest in agent training and coaching.	17.3%	Identifying how often this happens by analysing the content of every call will enable organisations to change routing options to meet customer needs and ensure that agents are armed with the right insight to route customers appropriately.

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Contact centre behaviour that consumers find annoying			
Position	**Behaviour to avoid**	**Percentage**	**Ways to avoid the issue**
10	Call centre staff that don't ask the right questions or can't answer your questions. This reduced by 50% which shows that some organisations are already creating super-agents	9.2%	Identifying how often this happens by which agents, and for which issues, will enable management to take steps to remove the issue. Prompting agents with the correct answer in real time will help them to appear more expert.
11	Call centre staff that don't seem to have access to your account information and your recent interactions. This reduced by 42% – another positive improvement.	9.0%	Identifying how often this happens and by which agents, will help organisations to decide if they have an agent problem or issues with their systems.
12	Call centre advisers who don't show empathy or understanding when they deal with problems. This reduced by 37% which is encouraging but this remains an issue for one in 11 people.	8.9%	Identifying how often this happens by which agents, and for which issues, will enable organisations to alert agents of the need to be more empathetic on a call and then coach them after the call.

Section 6 – Methodology

We wanted to capture feedback from UK consumers about why they leave their suppliers. Therefore, we commissioned an independent research company – 3Gem Research and Insights - to gather responses via an online survey in the UK. This produced responses from 2000 adults who had contacted a supplier in the previous 12 months.

When we compare the results between this year and 2018, the differences are reported as percentage increases or decreases and not the finite difference.

Demographic Splits

The following demographic details were collected as part of the methodology.

Gender	% Age
Female	51.20%
Male	48.60%
Other (Please Specify)	0.10%
Prefer not to say	0.10%

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Age – Participants were grouped in these age ranges:	% Age
18–24	10.30%
25–34	16.95%
35–44	21.25%
45–54	17.85%
55–64	17.00%
65+	16.65%

Region - UK	% Age
East England	8.25%
East Midlands	7.45%
London	12.45%
North East	4.45%
North West	11.50%
Northern Ireland	2.5%
Scotland	7.10%
South East	13.95%
South West	9.15%
Wales	5.50%
West Midlands	9.10%
Yorkshire	8.60%

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About CallMiner

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CallMiner is the global leader in conversation analytics to drive business performance improvement. Powered by artificial intelligence and machine learning, CallMiner delivers the industry's most comprehensive platform to analyse omnichannel customer interactions at scale, allowing organisations to interpret sentiment and identify patterns to reveal deep understanding from every conversation. By connecting the dots between insights and action, CallMiner enables companies to identify areas of opportunity to drive business improvement, growth and transformational change more effectively than ever before. CallMiner is trusted by the world's leading organisations across retail, financial services, healthcare and insurance, travel and hospitality, and more.

CallMiner

Corporate Headquarters

200 West Street
Waltham, MA 02451

Sales

sales@callminer.com

Social

facebook.com/callminer, inc.

twitter.com/callminer

linkedin.com/company/callminer