The Future of Customer Conversations

Improve customer interactions with connected conversations over business messaging

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Introduction

Consumer technology has greatly evolved within the last decade, and, as expected, so has consumer preference. With crowded marketplaces and the rise of digitally enlightened demographics like millennials and Gen Z, businesses need to be proactive rather than reactive and provide customers better options to connect and engage.

“In 3 to 5 years, the majority of communication will be through messaging channels, not phone or email. Consumers are going to demand it. Every company will need this channel.”
— Mike Myer, CEO at Quiq

Embracing digital conversations and transitioning to a multi-channel engagement strategy will not only revolutionize how customer interactions are handled, but drastically improve customer experience. In fact, forward thinking brands like Pier 1 and Brinks Home Security are already seeing ‘amazing’ results by embracing the transition to multi-channel communication with business messaging.

TIP

It is important to keep in mind that, as a business, you need to present and promote new channels like messaging to consumers so they know it is available and can take advantage of it. Specifically, making sure there is a call-to-action button like “Text Us” on the mobile version of your company’s website.
What Is Multi-Channel Messaging?

Multi-channel messaging, also known as business messaging, allows companies to seamlessly connect with their customers across numerous digital communication channels. With multi-channel messaging, companies allow customers to choose their preferred communication channel when engaging, and in this mobile age, customers prefer messaging.

The ways in which customers can have more engaging experiences is enhanced with the new capabilities of multi-channel messaging -- with features like rich messaging and chatbots. Other channels, like phone and email, are taking a back seat. Multi-channel messaging or business messaging platforms typically include the following contact points:

- SMS / Text messaging
- Rich messaging with Apple Business Chat and Google Rich Business Messaging
- Web chat
- Social channels with Facebook Messenger, Twitter Direct Message, and Kik

Whatever combination of the above channels is used, the goal of messaging is to put control in your consumers’ hands. Give them the power to initiate conversations with your brand on whichever channel is most convenient for them by being available in more of the places your customers already are.

In mid-June 2019, Quiq commissioned a survey to gauge consumer communication preferences and experiences as it relates to connecting with businesses. The commissioned survey was polled to 422 online respondents and comprised of a U.S. census-represented group based on gender, age, and geography.

Text Messaging and Web Chat Statistics

Over 70% of respondents said they have engaged with a business over text messaging or web chat 2 or more times in the last month.
Customers prefer options like business messaging. In fact, almost half of the consumers polled regularly use business messaging because of its convenience. Customers are on the go — and they expect businesses to meet them there, regardless of where “there” is.

Another 44% said that they initiated a conversation with a company over texting.

**Customer Communication Preferences**

Why has messaging become so popular? Here are the top 3 reasons:

1. Convenience
2. Fast response times
3. Easy and familiar

While it is not surprising that 82% of those surveyed have engaged with a company via email, what is surprising is that nearly two-thirds of the respondents, or 65%, have also already engaged with companies via SMS/text messaging. We have moved from simply educating consumers about the concept of texting with a business to reality in less than two years.
Customer Communication Preferences (cont)

Another surprising fact is, when customers were asked to rank their preferred channels of communication with a business, phone and email received the lowest scores.

These preferences make it imperative for businesses to be available on many of the most popular platforms and channels. A company can easily improve the customer experience while enhancing brand perception by expanding their availability to SMS/text or social media messaging platforms. Furthermore, those companies that haven’t made themselves available on these platforms or through messaging channels will inevitably miss unforeseen opportunities.

With business messaging, companies have the opportunity to build customer loyalty, decrease costs, and increase revenue potential through upsell opportunities. Specifically, when it comes to the most common reasons customers contact companies, 43% of customers reach out to companies regarding billing-related inquiries and issues, and 42% of customers initiate conversation for account-related inquiries and issues.

<table>
<thead>
<tr>
<th>Task</th>
<th>Respondents</th>
<th>Average Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make a purchase</td>
<td>68</td>
<td>16.1%</td>
</tr>
<tr>
<td>Make reservations/bookings</td>
<td>66</td>
<td>15.6%</td>
</tr>
<tr>
<td>Update/change a purchase</td>
<td>61</td>
<td>14.5%</td>
</tr>
<tr>
<td>Account issues/questions</td>
<td>179</td>
<td>42.4%</td>
</tr>
<tr>
<td>Billing issues/questions</td>
<td>185</td>
<td>43.8%</td>
</tr>
<tr>
<td>Troubleshoot an issue</td>
<td>110</td>
<td>26.1%</td>
</tr>
<tr>
<td>Check order status</td>
<td>103</td>
<td>24.4%</td>
</tr>
<tr>
<td>Make a return</td>
<td>72</td>
<td>17.1%</td>
</tr>
</tbody>
</table>
Customer Communication Preferences (cont)

Although not surprising, account and billing issues are the top two reasons respondents contact companies, with troubleshooting and checking order status following close behind. These types of inquiries tend to be straightforward to address, meaning they do not require a phone call and can be handled over messaging or web chat, which are more convenient for consumers and less expensive for companies. Companies can even take it a step further and improve internal efficiencies, while reducing costs, by incorporating chatbots that can be built to pull from existing systems to automatically answer these types of questions.

With the ease and speed of business messaging, the time spent on these conversations can be dramatically reduced (for both customers and customer service). It’s simple: the faster a customer’s inquiry is resolved, the happier the customer is with that business.

**TIP**  DON'T LEAVE YOUR CUSTOMERS HANGING.

*Make sure that if you make messaging accessible to consumers that your team is responsive. The area that affects satisfaction and dissatisfaction the most is the amount of time it takes for someone to first respond to an inquiry.*
Messaging-First Mentality
For Pier 1 Imports, multi-channel messaging combines efficiency and convenience.

Pier 1’s target audience ranges from 35 to 65 years old and the business had to consider the impact of implementing new technology for their customers. Not only did their customers love the additional channels, it drastically streamlined the customer service.

“As the business model became more complex, we realized that a lot of our systems were outdated legacy systems and we needed to upgrade our technology to make our associates more efficient,” said Laurie Simpter, the Senior Manager of Customer Relations at Pier 1 Imports. Pier 1 Imports is a home good and seasonal product retailer that’s been adjusting in a competitive retail market for the last 56 years.

Simpter continues to point to the cost-effectiveness of business text messaging and web chat in comparison to phone calls. She advised that their customer service representatives “answer about 2 to 2 ½ text messages in the same time that it takes us for a phone call.” With messaging costing half the amount calls do per minute, in such a short time the company has been able to save over $600,000 in communication costs.

Simpter further emphasizes the positives of business messaging over email by pointing out how seamless communication has become with their customers — most notably, even their older customers found these channels better and easier to use.

As a company that receives many pictures of their products, Simpter remarks:

“Our customers love to send us pictures. They will take pictures of a space and say ‘Hey, I need something to go in this space.’ And everybody knows how to take and attach a picture to a text message.”

Learn more about Pier 1’s business messaging implementation here.
Realize Higher Conversion Rates

Messaging, specifically through web chat and rich messaging platforms like Apple Business Chat and Google Rich Business Messaging, increases both customer engagement and sales or conversions.

FUN FACT:
Did you know that if you offer web chat or messaging, **3 out of 4** customers are willing to use those channels to buy from you?

76% of respondents are interested in purchasing products using chat or messaging.

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>UNSURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>172</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>40.8%</td>
<td>23.7%</td>
<td>35.5%</td>
</tr>
</tbody>
</table>

Some of the features that rich messaging offers:

- Send a product list picker (product carousel) with images for a more engaging experience
- Complete commerce transactions, like Apple Pay or scheduling a meeting with the click of a button
- Initiate calls-to-action (CTAs) that keep the customer coming back
- Provide a seamless thread of all past messaging conversations so context is never lost

Not only does multi-channel business messaging help build customer loyalty and increase repeat purchases by creating more opportunities to connect with your company, it also shows your customers that you care about them by providing the communication methods they want most.
Nearly three-quarters (75%) of respondents found engaging with a company over messaging to be satisfying to very satisfying.

Less than 10% of respondents have been dissatisfied using messaging.

Realize Higher Conversion Rates (cont)

Messaging has higher satisfaction rates than phone calls.

“When used during a purchase journey, our clients have seen a 33% increase in conversion rate. When used to support customers, our clients have improved customer satisfaction scores by 5-20 percentage points, while simultaneously decreasing the cost to serve their customers by 5x or more — a win-win!”

— Mike Myer, CEO at Quiq

Discover all that business messaging platforms have to offer, with great features like: delivering two-way notifications, converting calls to text messages, managing operations, optimizing agent performance, and much more!
The Power of Choice

Customers currently expect to be able to communicate with businesses over a variety of channels.

Market trends indicate that most customers aren’t aware these channels are currently available for reliable business communication. This means while usage is seemingly low, the interest is clearly very high, making this the perfect opportunity to bridge the gap for increased awareness of these channels by offering them openly and then reaping the rewards.

“We wanted text messaging because we know our customers are using it. Quiq had everything we wanted. Our customers and our teams love how easy it is to use.”
— Vice President, Customer Relations

The top 3 channels respondents expect to be available are email, phone, and SMS/text. Web chat used to be in the top 3, but has dropped to fifth place in terms of expected channels, leapfrogged by SMS/text and Facebook.

While 59% of consumers report having contacted online retailers, companies outside of e-commerce and retail also see their customers initiating messaging-based conversations with their teams.

Which industries do consumers expect to have the ability to engage with via messaging? Nearly 60% of respondents expect online retailers to offer messaging as an engagement channel, with 50% expecting banking/financial companies to do the same.
While email and phone calls have historically been the dominant channels of communication, the effects of our digital-first lifestyle coupled with emerging audience demographics, are transforming expectations around how consumers and businesses communicate.

### How Your Consumer Market Perceives the Future of Business Communication

Where phone and email channels have become expected, customers express great delight when presented with messaging. Customers enjoy the convenience of communicating with businesses over native phone apps (rich messaging through iPhone and Android), SMS/text, and social media — in fact;

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online retailers</td>
<td>60%</td>
</tr>
<tr>
<td>Cable/Internet/Wireless providers</td>
<td>54%</td>
</tr>
<tr>
<td>Banking/Financial services</td>
<td>49%</td>
</tr>
<tr>
<td>Online subscription services</td>
<td>43%</td>
</tr>
<tr>
<td>Consumer services</td>
<td>37%</td>
</tr>
<tr>
<td>Travel/Hospitality</td>
<td>31%</td>
</tr>
</tbody>
</table>

...of polled respondents are open to receiving marketing communications like product recommendations, discounts, and promotions from their favorite brands.
How Your Consumer Market Perceives the Future of Business Communication (cont)

Two-way business messaging is a great opportunity for businesses to prepare for the future.

“This is messaging is at the early stages of adoption. Many of the brands that have adopted it have only scratched the surface of what is possible.”
— Mike Myer, CEO at Quiq

Consumers expect that web chat, Facebook, and text messaging will become significantly more popular business communication channels, eventually displacing email and phone as the main communication channels with businesses. However, currently, only 20% of consumers expect to receive an SMS message from a business, even though 65% of consumers have already engaged with businesses over SMS.

While consumers currently don’t anticipate receiving an SMS from a business, the desire for SMS messaging is present. The more that businesses start providing options for and interacting with customers on different communication channels, the more their audience’s expectations will start to change.

This puts adopters of business messaging in the right place to work on improving their customer engagement, as 30% of consumers say they’re more likely to respond to a business who sends a text message versus a phone call or email (reporting convenience as their major deciding factor).
How Your Consumer Market Perceives the Future of Business Communication (cont)

Reasons to use text messaging over phone calls
(Ranked in order of importance)

- Convenience: 145 (34.4%)
- Quick response times: 104 (24.6%)
- Easy to do on a mobile device: 78 (18.0%)
- Do most communication this way: 32 (7.6%)
- Don’t have to talk to a person directly: 65 (15.4%)

“The savvy marketer needs to prepare now to be able to respond to both their customer’s and management’s messaging focus.”
— Mike Myer, CEO at Quiq

While email and phone calls work for business communication, our fast-paced lifestyles reflect the way that customers expect to interact with businesses today and in the future. By being proactive with business messaging, companies can ensure they are building customer loyalty along with comprehensive, engaging communication.
About Quiq

Quiq helps brands present their customers with consistently jaw-dropping customer experiences across two-way SMS/text messaging, rich messaging, web chat, and social channels. With Quiq's business messaging platform, companies can easily orchestrate commerce and service conversations involving both bots and humans. For more information about Quiq, go to http://www.goquiq.com.