

A Forrester Consulting
Thought Leadership Paper
Commissioned By Google

December 2020

What Businesses Need To Know About Communicating With Consumers



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Asynchronous chat gives consumers control over the conversation cadence. It includes text, social media, third-party messaging, and chat through a brand's mobile application.

Executive Summary

In the age of the customer, consumers gravitate to brands that offer simplicity, speed, and convenience when they need a question answered or a problem solved. Consumers have more choice about where they choose to shop than ever before, and as a result, they demand to be delighted. These expectations extend to when and how they connect with brands across communication channels.

Brands that rely on customer complacency and do not deliver an effective communications experience struggle to win and retain customers — and large enterprises are not exempt. Brands of any size that succeed in delighting consumers with seamless communications are better positioned to expand market share in a competitive landscape.

Google commissioned Forrester Consulting to evaluate consumer preferences for brand communications and how well brands are meeting those expectations. To do so, Forrester surveyed 1,027 US consumers and 441 US customer communication decision-makers at B2C brands; Forrester supplemented this survey data with four interviews with decision-makers. We found that brands must invest in robust and diverse channels for inbound and outbound communications to deliver better customer experience and business results.

KEY FINDINGS

- › **Asynchronous chat is a growing opportunity for customer service.** Over half of consumers rank at least one form of asynchronous chat (including text or messaging through social media, third-party apps, or a brand's mobile application) in their top three preferred methods of communication with a brand. However, asynchronous chat is still a nascent offering among businesses: Fewer than half of decision-makers report their brands offer chat through their own or a third-party app.
- › **Pandemic-driven lifestyle changes have accelerated consumer preferences for digital and willingness to try chat.** Since the onset of the pandemic, a third of consumers say they complete more transactions online than before. Over half of consumers have increased their use of third-party messaging and chat through a business's mobile application this year. About one in 10 consumers tried mobile chat for the first time.
- › **Brands with advanced communications perform better on key metrics.** Brands with advanced communications (as defined by number of channels, first-contact resolutions rates, and channel investment) have significantly higher Net Promoter Scores (NPS) and Customer Satisfaction scores (CSAT).¹ They are also 3.4 times more likely to have experienced significant (5% or greater) revenue growth in the last year.

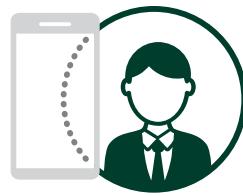
TERMINOLOGY

We define **asynchronous chat** as any communication channel where the consumer has control over the conversation cadence (e.g., text, social media, third-party messaging, and chat through a mobile app). For example, a consumer might send a message to a business, walk away for a few hours, and return to the conversation right where they left off.

This Year Is A Doozy For Digital

Consumers gravitating to digital engagement over traditional is nothing new. What is new is the accelerated rate of digital transformation and adoption by consumers, plus the breadth of choice consumers have to communicate across channels, platforms, and devices. We are in the midst of an extremely disruptive moment for consumer behavior, as consumers shed old habits and build new ones. In surveying 1,027 US consumers, we found that:

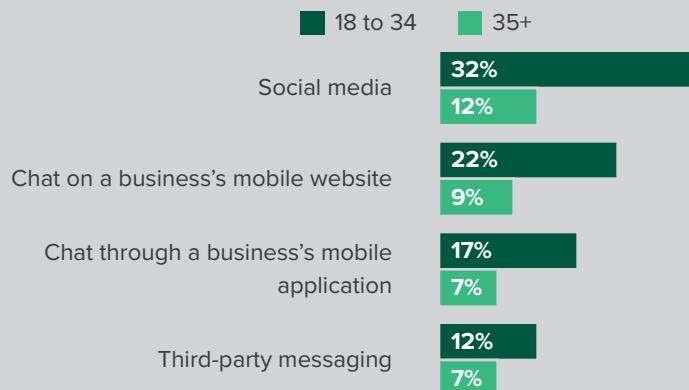
- › **Chat and messaging are growing in popularity, especially among younger generations.** Phone and email may be the top two methods that consumers have used to get in touch with business and institutions over the last six months, but this picture does not tell the whole story. Gen Z and Millennial consumers indicate higher use and preference for chat and messaging than other consumers (see Figure 1). Additionally, more than half (51%) of all consumers rank at least one form of asynchronous chat in their top three preferred methods of communication with a brand. However, asynchronous chat is still a somewhat nascent offering among businesses: Fewer than half of decision-makers report their brands offer chat through their own mobile application or a third-party messaging app.
- › **Consumers want speed in their preferred channel.** Consumers rank a brand's ability to resolve their questions or issues quickly as the most important feature when interacting with a business (see Figure 2). In close second, they want to contact the business in the method that they prefer. This finding is consistent with Forrester's research that consumers no longer need to trade off their needs when deciding where to shop, and they are empowered to seek out the best buying experience.²
- › **Consumers who prefer asynchronous chat do so for speed and convenience.** Among consumers who prefer some method of asynchronous chat, the two most common reasons are that they find it more convenient and expect it to be faster (see Figure 2). Interestingly, respondents under 35 are twice as likely as other age groups to say they prefer asynchronous chat because they want to pause and come back to the conversation later (30% vs. 15%, respectively).



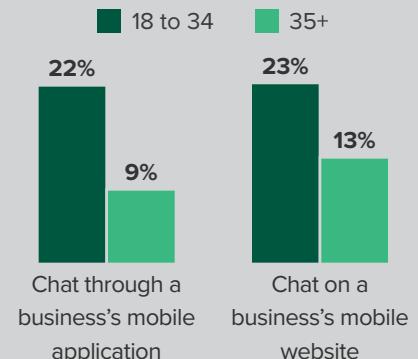
Over half of consumers rank at least one method of asynchronous chat in their top three preferred communications.

Figure 1

Methods Used To Contact Businesses And Institutions In The Last Six Months



Preferred Ways To Contact Businesses And Institutions In The Last Six Months

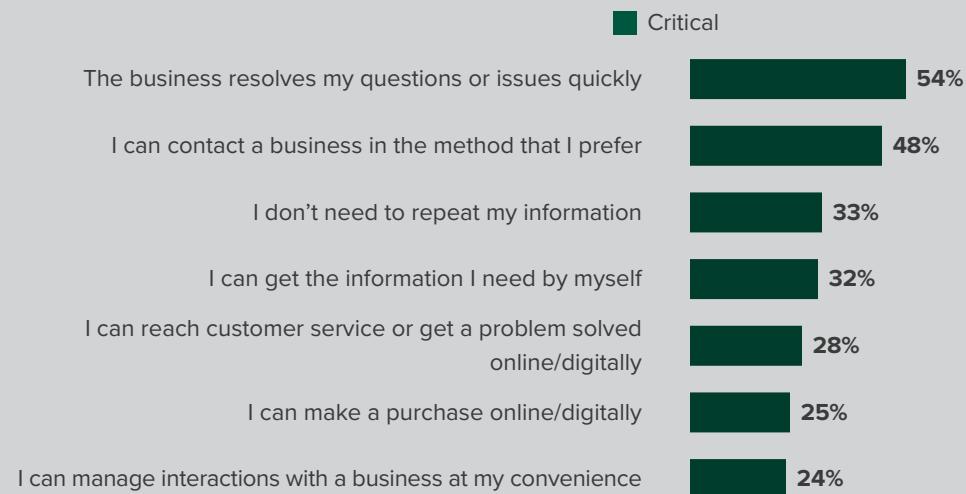


Base: 1,027 US consumers who use a smart electronic device at least weekly

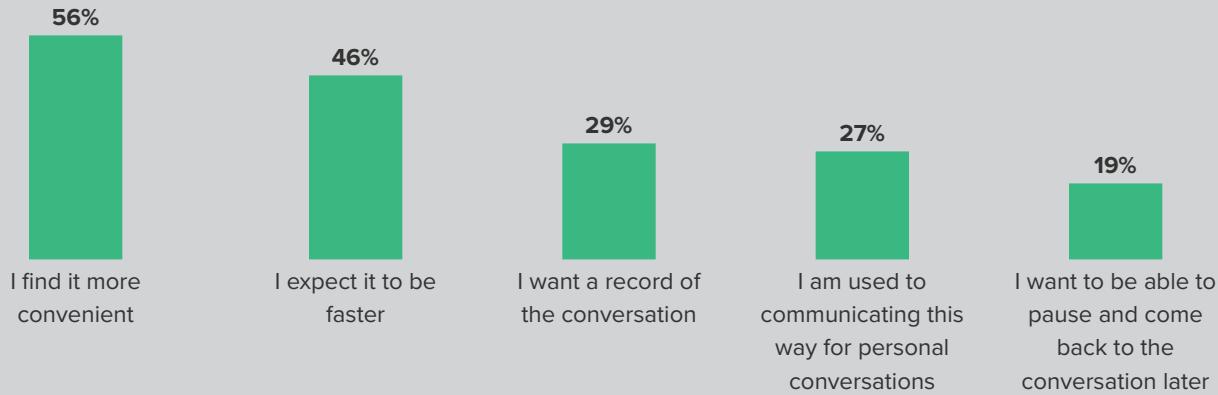
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Figure 2

“How important are each of the following when you are interacting with a business?”



Reasons People Prefer Asynchronous Chat*



“For what purposes did you communicate with businesses or have businesses communicated with you in the last six months?”
(Showing most frequently selected use cases for each channel)



Get help with an issue

- Website chat (**65%**)
- Mobile web chat (**88%**)
- Mobile app chat (**47%**)

Schedule an appointment

- Text (**41%**)



Prime opportunities for asynchronous chat exist both pre- and post-purchase.

Base: 1,027 US consumers who use a smart electronic device at least weekly

*Base: 526 US consumers who use a smart electronic device at least weekly and prefer asynchronous chat

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

- › **Customer service is a top use case for asynchronous chat.** Among consumers who have used chat with a brand on a website, mobile website, or mobile app in the last six months, the most common use case was to get help with an issue or to resolve a problem (see Figure 2). This suggests that consumers gravitate toward these channels for service. A secondary use case was appointment scheduling; this use case is the most common among texters with brands and can be a key step in influencing a purchase.
- › **The pandemic accelerated consumer preferences for digital.** Since the onset of the pandemic, a third of consumers say they complete more transactions online than before (see Figure 3). One-quarter of consumers expect this change to be permanent. Additionally, expectations for the primary method of engagement have shifted: 24% of consumers now say their primary method of contact with companies has moved from in person to digital, and 22% expect to be able to conduct all tasks digitally with a brand. Among Millennials and Gen Z, expectations for digital are even higher, with 35% of consumers under 35 expecting to be able to conduct all brand interactions digitally, a rate 1.9x higher than other age groups.

"At the start of the pandemic, some of our contact centers closed, causing call wait times to spike. As a result, we saw chat volume double within two weeks, including some people using chat for the first time. We have sustained a five-point increase in chat volume even now that our contact center is fully back up and running."

Digital transformation director at a consumer electronics brand



Figure 3

"How have your interactions with businesses been impacted by COVID-19?"

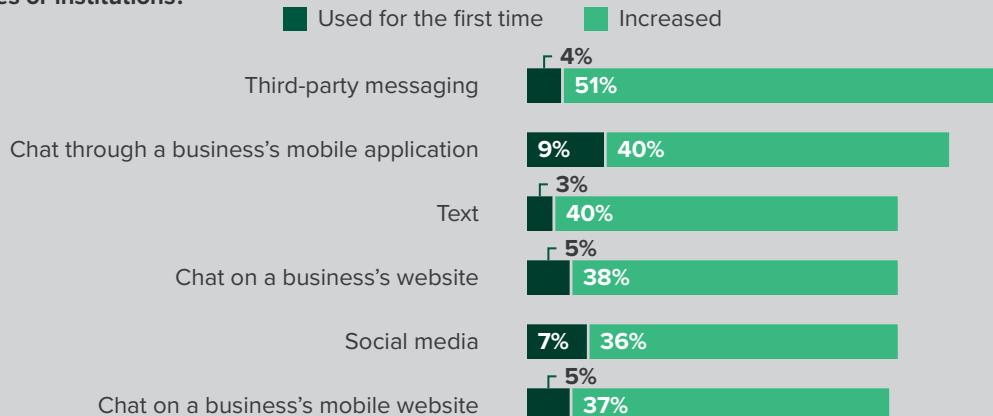
34% I complete more transactions online than before

24% Once the pandemic is over, I will continue to rely on digital to make purchases, schedule appointments, or contact customer service more than I did pre-pandemic

24% My primary method of contact with companies has moved from being conducted in person to digital

22% I expect to be able to complete all tasks or interactions digitally including making purchases, scheduling appointments, and contacting customer service

"Since the pandemic began, how has your use of the following communication channels changed when getting in touch with businesses or institutions?"*



Base: 1,027 US consumers who use a smart electronic device at least weekly

*Base: Variable US consumers who use a smart electronic device at least weekly

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

- › **The pandemic accelerated consumer willingness to try chat.** Over half of consumers have increased their use of third-party messaging and chat through a business's mobile application this year. About one in 10 consumers (9%) tried mobile chat for the first time.
- › **Consumers decide where to buy based on brands' communication channels.** When consumers can use the communication channels they prefer, over half are more likely to: 1) recommend the brand, 2) buy more often from the brand, or 3) make a first-time purchase (see Figure 4). Sixty-eight percent agree that if they can choose where to make a purchase, they are more likely to go with the business with convenient communications.

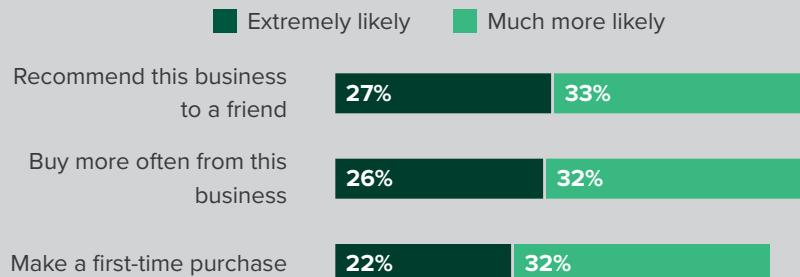
In response to this changing consumer behavior, brand decision-makers are boosting their support for digital engagement. Following the onset of the pandemic, 61% increased consumer education about how to digitally engage, and 56% have added more digital channels for consumers to reach their brands (see Figure 5). These trends are not new. Seventy-nine percent of brand leaders agree that customers' self-service preference has grown in the last two years. The pandemic didn't create digital demand, but it did accelerate it.

"We had to completely change our strategy to accommodate the COVID pandemic. We added reservations, online purchases with in-store pickup, and a heavy focus on online communication and data. We added new communication channels, and our customers are pleased with the various ways they can communicate with us. We can now reach customers who were previously out of reach because they didn't live by a store."

Senior marketing manager at a mobile telecommunications company

Figure 4

"For businesses that offer communication channels that you prefer, how much more likely are you to do the following?"



Base: 1,027 US consumers who use a smart electronic device at least weekly
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Figure 5

"What has changed for your business as a result of COVID-19?"

61% We have increased consumer education on how to digitally engage

58% More of our customer interactions are conducted digitally than before

56% Customers are demanding more digital information transparency than ever before

56% We have added more digital communication channels for customers to reach us

Base: 441 US customer communication decision-makers at B2C firms
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

68% agree: "If I can choose where to make a purchase, I am more likely to go with the business with convenient communications."

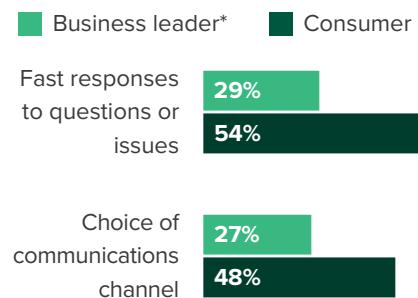
Brands Fail To Meet Customer Communication Needs

Even though brands are improving, they still have major gaps in their consumer communications. Our survey reveals:

- › **Brands underestimate the importance of speed and channel choice in consumer preferences.** Consumers prefer fast responses and communicating via their preferred channel, but most brands underestimate by how much. While 54% of consumers say fast response is critical, only 29% of business respondents expect the same (see Figure 6). Similarly, 48% of consumers say being able to choose the communication channel is critical, while only 27% of business respondents predict the same.
- › **Brands struggle to offer a seamless omnichannel experience.** Consumers want a seamless experience — and 85% of business respondents agree that their customers prefer to have their context follow them from channel to channel for a seamless brand experience. Yet in practice, this is difficult to deliver (see Figure 7). About half (49%) of decision-makers say their brands do not have the ability to carry context across channels. This fragmented experience — where a consumer might send an email, then make a phone call and repeatedly explain their issue to multiple contact center agents — is a source of friction and frustration that causes consumers to take their business elsewhere. Two-thirds (67%) of consumers say that having to repeat their information more than once would cause them to stop shopping with a business.
- › **Bad communications lead to inefficiency, decreased loyalty, and, in some cases, decreased revenue.** Brands that experience major challenges in achieving their customer communications objectives pay the price (see Figure 7). Forty-two percent of brand leaders say ineffective communications leads to inefficient services and, in turn, reduced customer loyalty (39%) and satisfaction (39%). One-quarter of brand respondents say it causes decreased revenue.

Figure 6

Brand Leaders' Expectations Of "Very Important" Features To Consumers Vs. Consumers' Actual Assessment



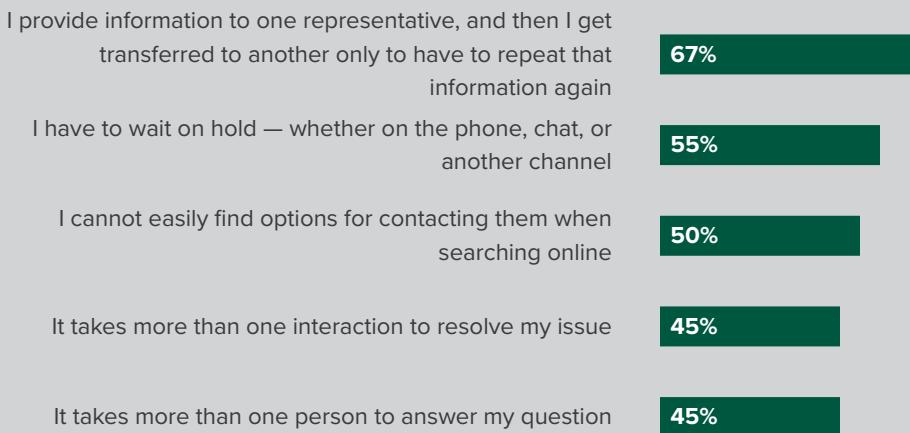
Base: 1,027 US consumers who use a smart electronic device at least weekly

*Base: 441 US customer communication decision-makers at B2C firms

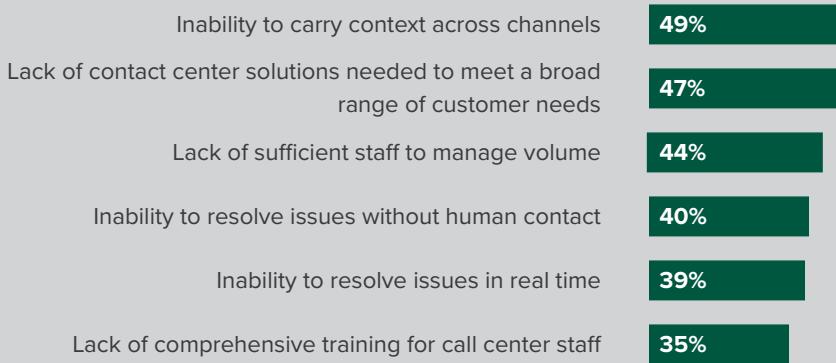
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Figure 7

Scenarios That Cause Consumers To Not Shop/Stop Shopping With A Brand

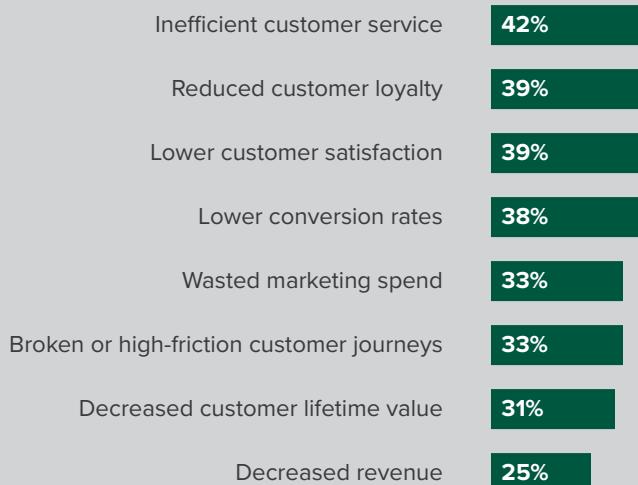


Brands' Biggest Challenges In Achieving Customer Communications Objectives*



85% of business respondents agree their customers prefer to have their context follow them from channel to channel for a seamless brand experience.

Consequences Of Communications Challenges†



Base: 1,027 US consumers who use a smart electronic device at least weekly

*Base: 441 US customer communication decision-makers at B2C firms

†Base: 436 US customer communication decision-makers at B2C firms that experience customer communication challenges

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Brands Must Invest In New Channels To Keep Pace With Competitors

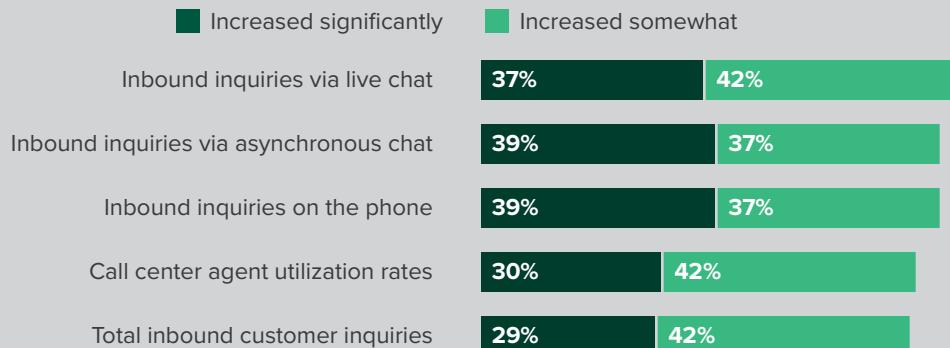
ASYNCHRONOUS CHAT PRODUCES RESULTS

Brands are increasing their investment in communications technology; specifically, 60% of brand decision-makers expect increases in their budgets in the next year (see Figure 8). Nine percent anticipate an increase of more than 10% in their budgets. What brands do with this additional budget is critical, and while asynchronous chat is currently nascent, adding this channel can give brands a competitive edge. We found that the benefits of investment in asynchronous chat include:

- › **Increased contact center efficiency.** A third of brand leaders (34%) say increasing contact center efficiency is a critical priority for improving their customer communications strategy over the next 12 months. Another 48% say this a high priority. The current influx of demand on contact centers may be the reason this is top of mind. Seventy-one percent of brand respondents have seen total inbound customer inquiries increase since the onset of the pandemic, with even higher seeing specific increases in chat inquiries and call center agent utilization rates (see Figure 9). Asynchronous chat can help: More than half of decision-makers whose brands have adopted asynchronous chat say they did so because agents are more efficient (see Figure 10). A director of digital support transformation at a consumer electronics brand shared that implementing asynchronous chat enabled agents at the brand to handle three times the number of cases concurrently.
- › **Improved customer loyalty.** Eighty percent of brand leaders rank improving customer experience as a critical or high priority over the next 12 months. Some use customer service improvements to do so. Sixty percent of decision-makers whose brands use text or messaging for customer service have seen increased customer loyalty, while another 55% have realized increased customer lifetime value (see Figure 10). This may be because consumers find it more convenient and prefer these channels.

Figure 9

“How have the following changed as a result of COVID-19?”



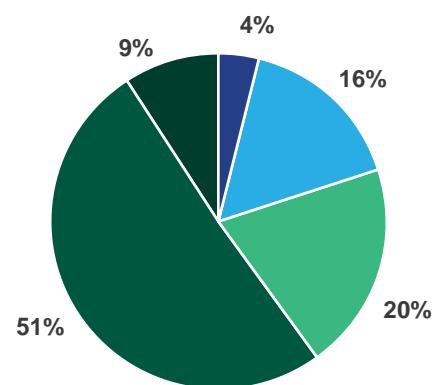
Base: Variable US customer communication decision-makers at B2C firms

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Figure 8

Planned Change In Customer Communications Technology Budget For The Next Fiscal Year

- Reduce by more than 10%
- Reduce by 1% to 10%
- Maintain current budget
- Increase by 1% to 10%
- Increase by more than 10%

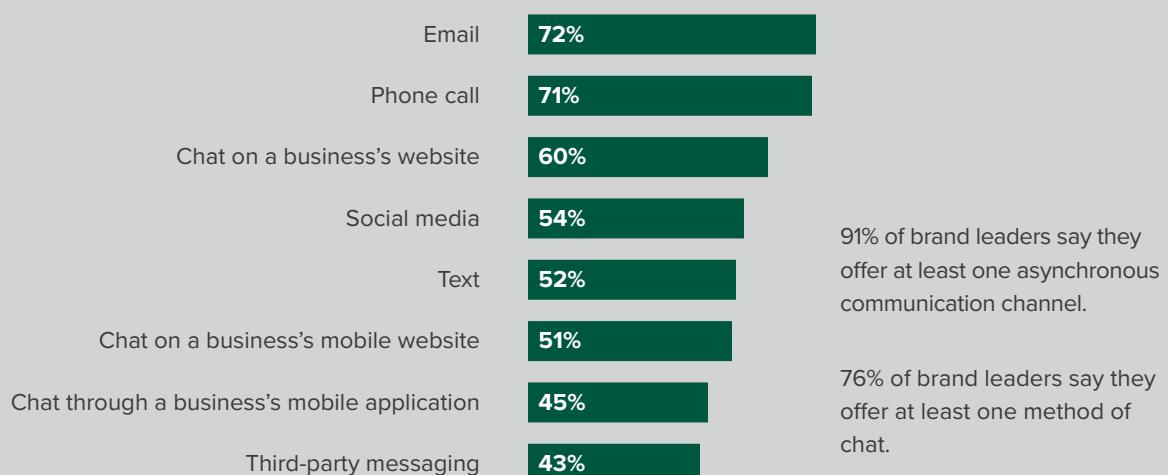


Base: 441 US customer communication decision-makers at B2C firms

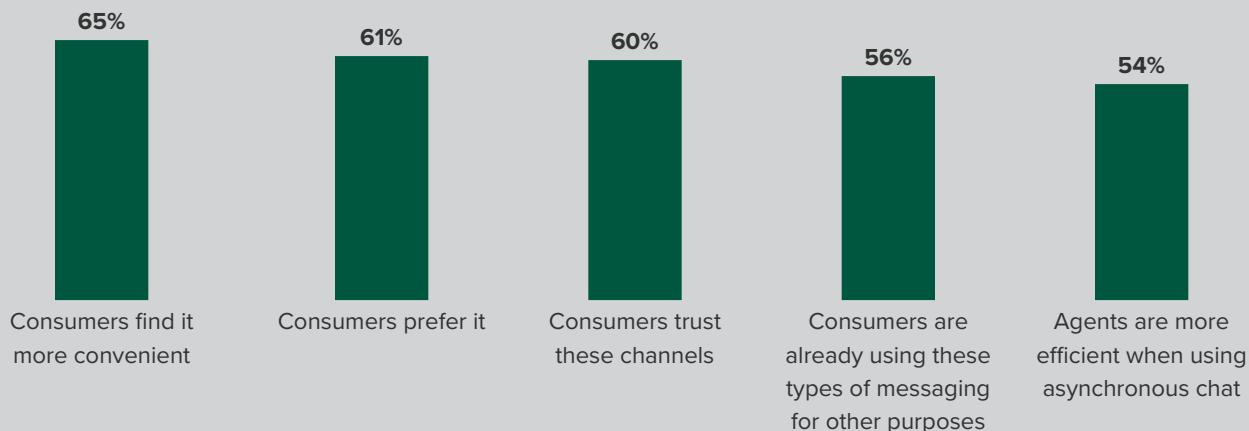
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Figure 10

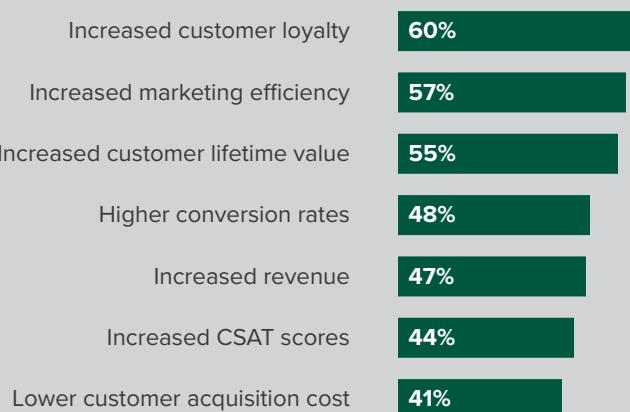
Channels Brands Offer To Consumers To Contact Their Organizations



Reasons Brands Adopted Asynchronous Messaging Capabilities*



Benefits Brands See From Using Text Or Messaging For Customer Service†



Base: 400 US customer communication decision-makers at B2C firms that offer asynchronous messaging

*Base: 441 US customer communication decision-makers at B2C firms

†Base: 281 US customer communication decision-makers at B2C firms that use text or messaging for customer service

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

BRANDS WITH ADVANCED COMMUNICATIONS PERFORM BETTER

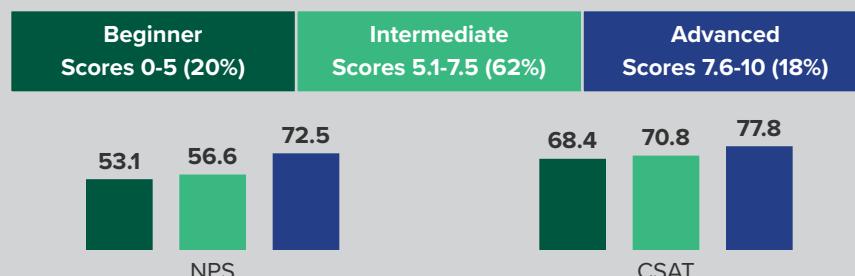
Asynchronous chat is just one piece of the puzzle. Brands must take a holistic view to their communications strategies. We defined brands' communications maturity based on number of channels, effectiveness of those channels (as measured by first-contact resolution rate), and planned investment in communications technology budget. Brands with advanced communications achieve better business results, including higher NPS, CSAT, and revenue growth. Compared to beginners, brands with advanced communications have (see Figure 11):

- › **Higher customer satisfaction.** Advanced brands have on average a 9.5-point higher CSAT compared to beginners. This is likely because customers can communicate with brands using the method they prefer and get their problem resolved the first time.
- › **Better customer advocacy.** Advanced brands have on average a 19-point higher NPS compared to beginners. A great experience leads to more willingness to share that experience with others, and consumers trust their peers above other sources.
- › **Increased revenue growth.** Advanced brands are 3.4 times more likely to have increased revenue growth significantly in the last year (5% or greater growth). Better communications mean happier customers, which leads to more/bigger purchases and advocacy.

Communications matters for how customers experience a brand, and robust communications programs can clearly impact business results.

Figure 11

Brands With Advanced Communications Perform Better On Key Metrics

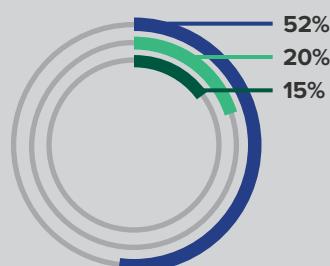


We define maturity based on:

- *Channels: How many communication channels does the brand offer to consumers?*
- *Effectiveness: What is the brand's first-contact resolution rate?*
- *Investment: What is the planned change in communications technology budget?*

2019 REVENUE PERFORMANCE

(Showing "increased by 5% or more")



Brands with advanced communications have on average:

- **19-pt higher NPS**
- **9.5-pt higher CSAT**

Advanced firms are **3.4x** more likely to have increased revenue significantly compared to beginners

Base: 441 US customer communication decision-makers at B2C firms

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Key Recommendations

Brands must understand where and how to engage consumers to provide consumer choice, offer a great experience, and drive business results. Modern consumers expect brand interactions to have the same convenience and familiarity as their personal interactions. Asynchronous chat will become an important element of customer service that provides customers with additional choice, the convenience of communicating on their time, and a record of their conversation. Forrester's in-depth survey of 1,027 US consumers and 441 US decision-makers at B2C brands about customer communications yielded several important recommendations for implementing asynchronous messaging:



Map your digital service journey to identify priority use cases. Journey mapping can help you identify prime asynchronous messaging use cases. Start small — for example, you might start a single use case, like resolving questions around specific promotions, and iterate and expand as you learn. Use early test cases to identify where a consumer may jump from messaging into another channel, then remove the source of friction to continuously improve the experience.



Use notifications and chat history to provide a better experience.

Notifications may stand alone, giving consumers information they need without further action (e.g., appointment reminders or balance alerts), or they may initiate conversations. For example, a quick-serve restaurant might message a customer if she is close to the restaurant after she orders based on her location; if yes, the restaurant then prepares her food so it is hot when she arrives. A second key feature is conversation history. Consumers will want to go back and check information provided by agents, such as order status.



Offer messaging that covers brand properties and third-party platforms that consumers already use. The future of customer service will be integrated in the platforms and channels that consumers already use (e.g., social media, maps, apps). Across industries, brands benefit from third-party messaging platforms that work across devices and provide real-time support. Brands with time-sensitive customer needs (e.g., airline customers racing to a flight) especially benefit from messaging.



Supplement agent capabilities with cross-channel consumer insight.

The efficiency of agents handling multiple conversations simultaneously is not without its downsides. Simply passing historical information from a phone call, online purchase, or former issue along will not do the job. Solutions must synthesize the interactions and customer data to provide agents with suggestions that they can easily consume and act upon.



Measure KPIs that align to business objectives and are appropriate for the given channel.

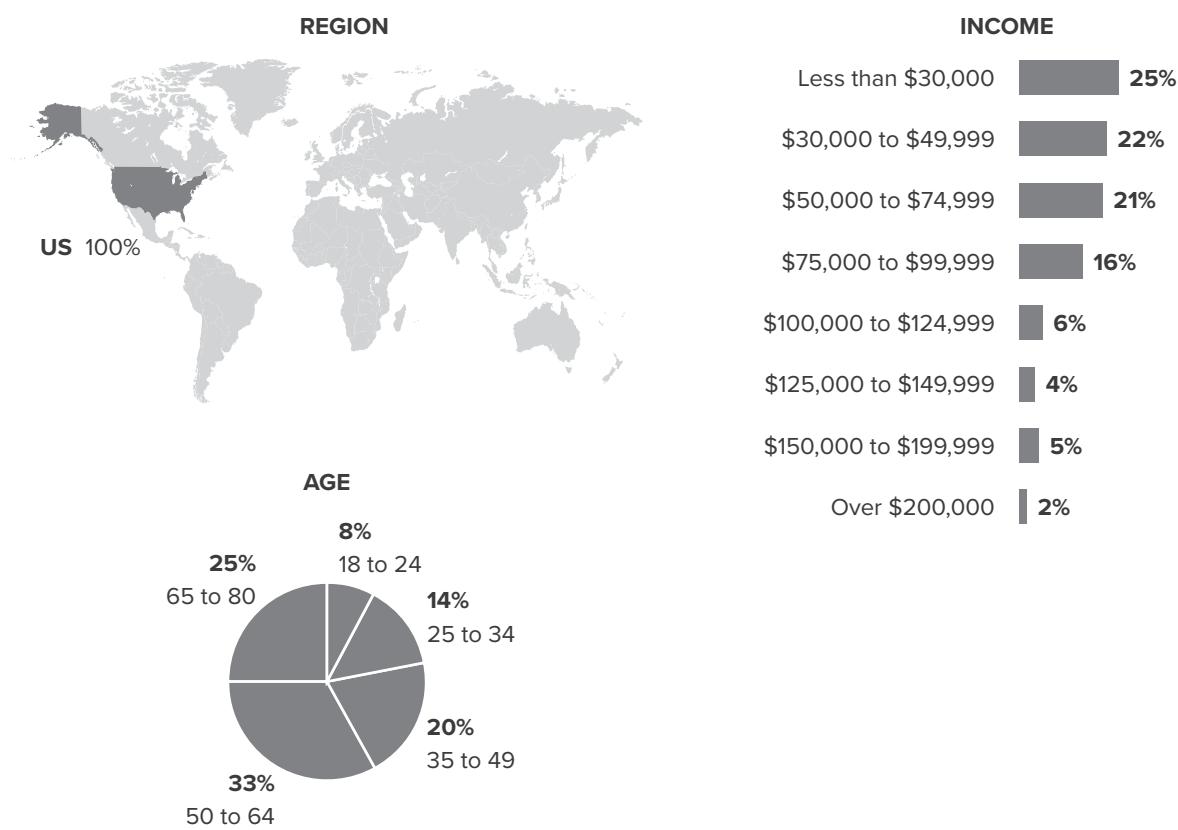
Contact centers can still make use of a host of traditional KPIs such as volume handled, first-contact resolution, average wait time, average handle time, and more that drive the cost savings and efficiencies they seek. Customer satisfaction KPIs such as NPS or likelihood to use the channel again are also important. However, asynchronous metrics will differ from synchronous engagement, such as voice or web-based chat sessions.

Appendix A: Methodology

In this study, Forrester surveyed 1,027 US consumers who use a smart electronic device at least weekly. Forrester also conducted four interviews and surveyed 441 US customer communication decision-makers at B2C brands. The purpose of this study was to test consumer preferences for various inbound and outbound communication channels with brands and how well brands meet those preferences. Questions provided to the participants asked about channel offerings, preferences, use cases, and benefits. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began in August 2020 and was completed in September 2020.

Appendix B: Demographics

Consumer Survey Demographics

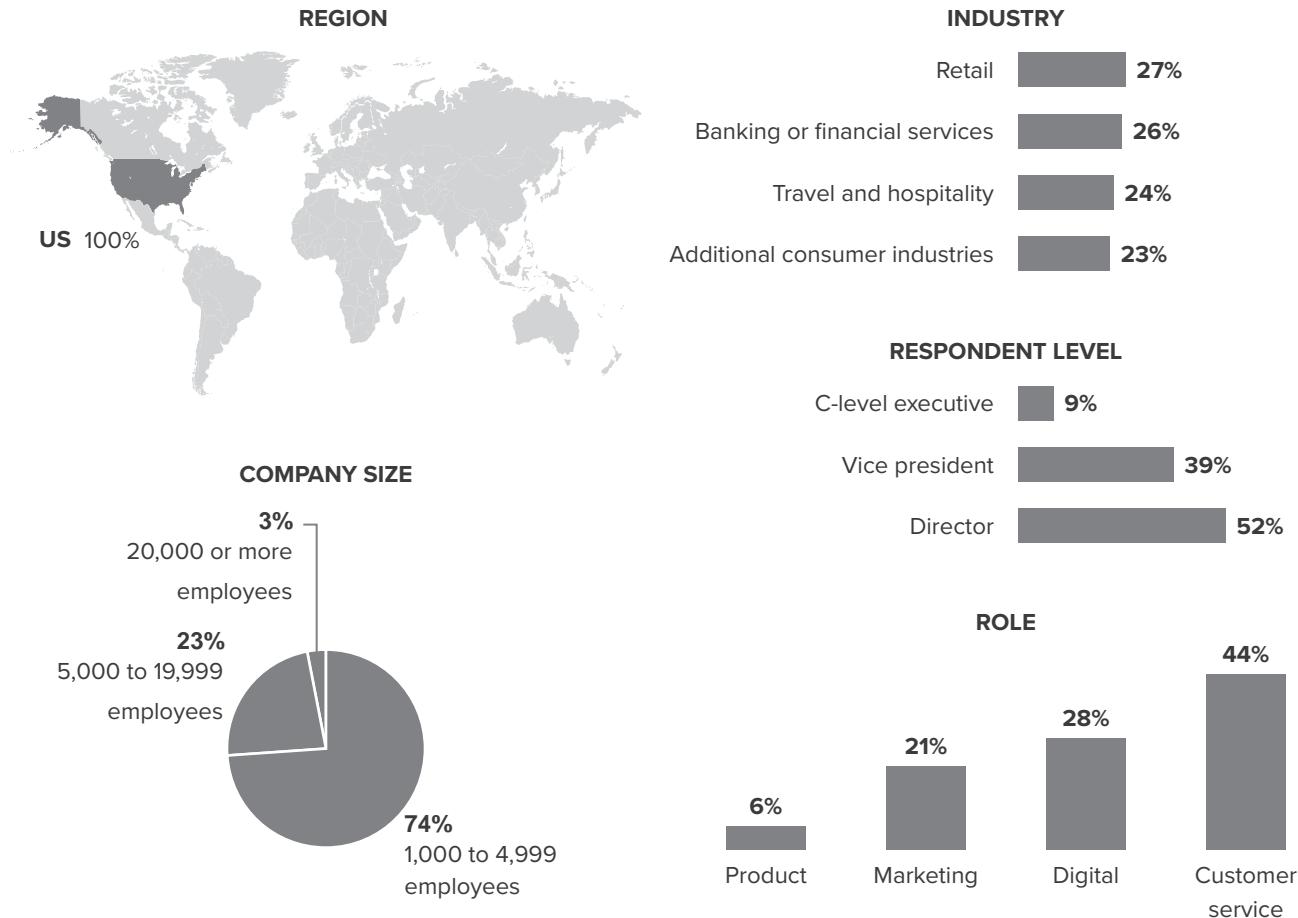


Base: 1,027 US consumers who use a smart electronic device at least weekly

Note: Percentages may not total 100 because of rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Business Survey Demographics



Base: 441 US customer communication decision-makers at B2C firms

Note: Percentages may not total 100 because of rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, September 2020

Appendix C

RELATED FORRESTER RESEARCH

“The Case For Asynchronous Messaging: Apple Business Chat, Messenger, WhatsApp,” Forrester Research, Inc., July 23, 2020

“Guide: How To Craft A Mobile Notifications Strategy,” Forrester Research, Inc., August 7, 2020

“Choose The Right Customer Service Solution For Your Business,” Forrester Research, Inc., July 9, 2020

Appendix D

ENDNOTES

¹ Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

² Source: “Vast, Fast, And Relentless: Consumer Buying Enters A New Era,” Forrester Research, Inc., August 11, 2020.