2016

CONNECTED SUBSCRIBER REPORT

Insights into the Expectations of Today's Digital Customer

salesforce research

Introduction

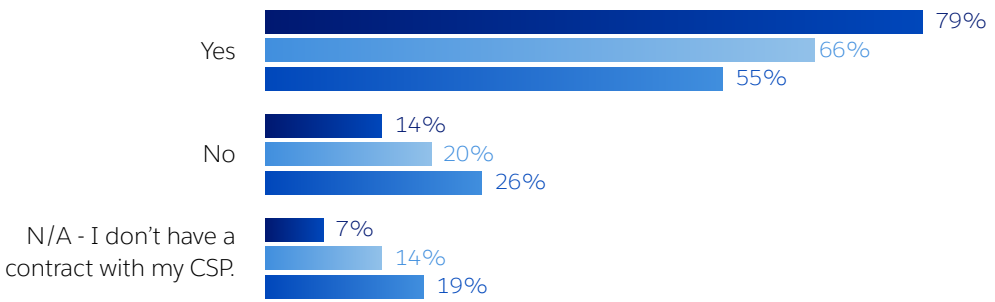
To explore the current methods and attitudes in how Americans today choose and communicate with their communications service providers (CSPs), as defined as wireless phone companies, cable providers (internet/telephone/cable), telecom carriers (internet/telephone/cable) and satellite providers, Salesforce Research conducted its "2016 Connected Subscriber" report. Based on responses from more than 1,900 Americans who currently subscribe to a CSP, the research found that generational gaps appear when it comes to customers' methods in researching and choosing a CSP. Additionally, discrepancies between types of CSPs occur when analyzing the ways in which customers prefer to communicate with their carriers and providers. CSPs are being disrupted by over-the-top (OTT) content providers shaking up the industry with streaming video and audio services. However, CSPs have an opportunity to win. Those who embrace technology to create seamless customer experiences and put customers at the center of their businesses will be far more likely to succeed in the future.

I. Choosing and Communicating with a CSP: Generational Gaps

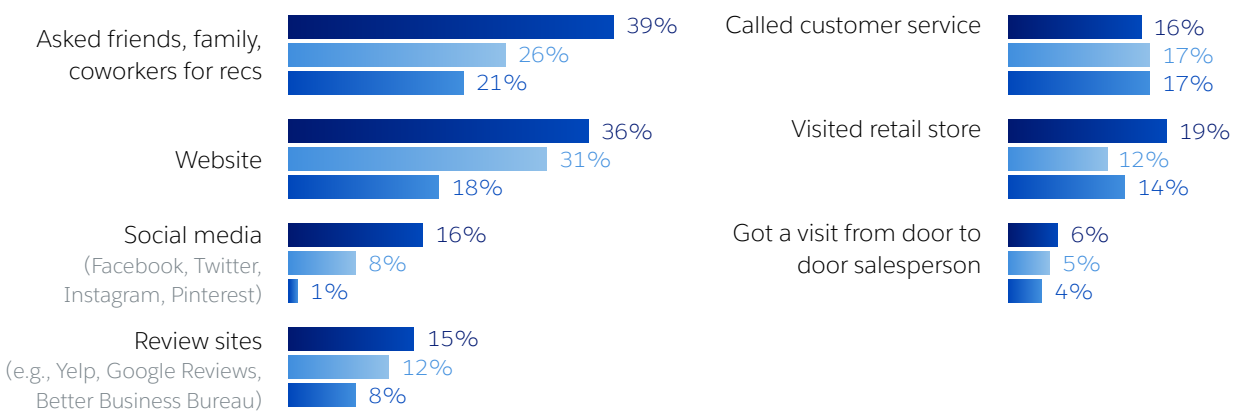
Generational gaps emerge when it comes to the methods around researching and communicating with communications providers. For example, Millennial subscribers (79%) are more likely than Baby Boomers (55%) to research their providers before entering into contracts. The most common methods for researching a CSP is by asking friends and family for recommendations, or by searching the web. Millennials also rely more on friends and family for recommendations (39%) than Baby Boomers (21%).

Millennial subscribers (79%) are more likely than Baby Boomers (55%) to research their wireless provider, cable company or telecom carriers before entering into contracts.

Did you research your CSP before signing a contract?



How do you research a CSP prior to signing a contract?*



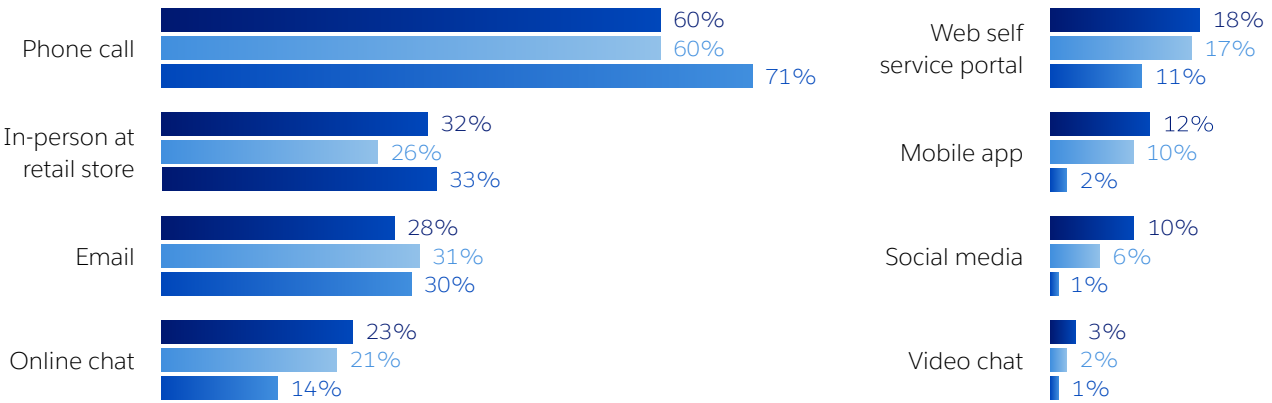
*Multi-select question

Millennials (Ages 18-34) | Gen Xers (Ages 35-54) | Baby Boomers (Ages 55+)

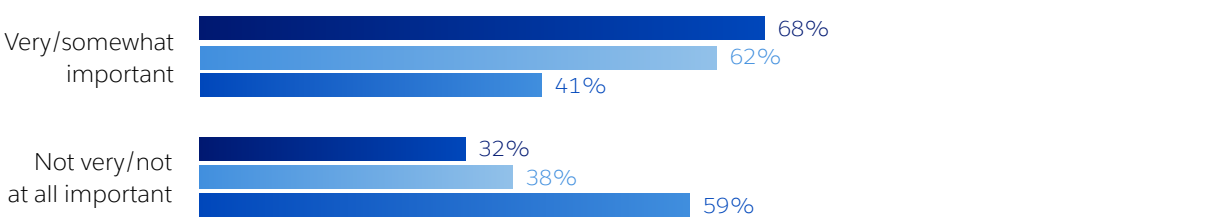
But all age groups tend to prefer the phone to communicate with a CSP during the purchase process. Furthermore, Millennials (69%) and Gen Xers (62%) find it much more important than Baby Boomers (41%) to have a seamless experience across channels, where an agent or retail clerk is able to access information, such as a shopping cart, started in another method.

Millennials (69%) and Gen Xers (62%) find it much more important than Baby Boomers (41%) to have a seamless experience across channels.

Which of the following forms of communication do you prefer when communicating with your CSP during the purchase of a product or service?*



How important is it to you to have a seamless experience across methods, where an agent or retail clerk is able to access information, such as a shopping cart, started in another method?



*Multi-select question

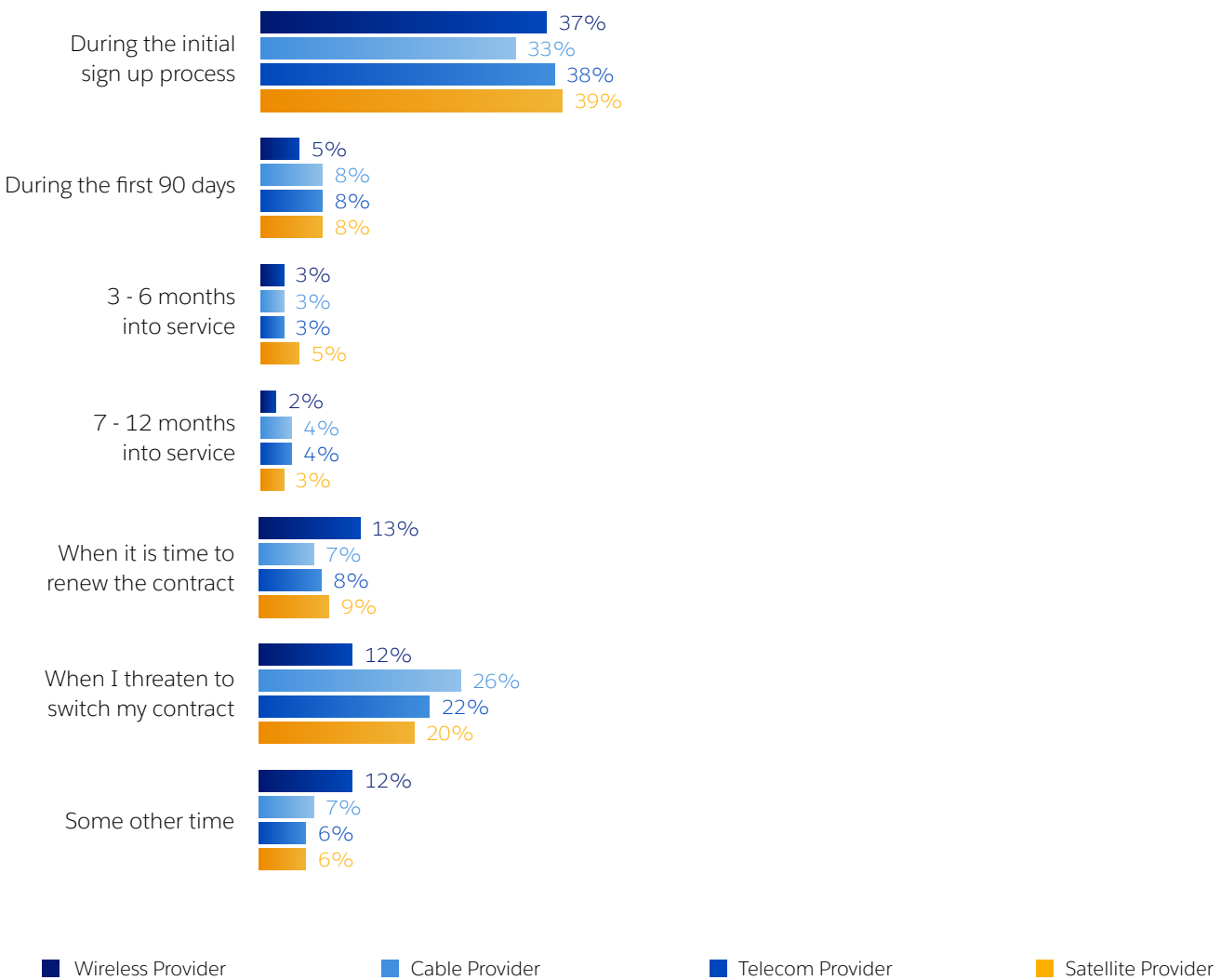
Millennials Gen Xers Baby Boomers

II. Customer Service and Billing: Telcos vs. Cable/Satellite Providers

A well-known issue in the comms & media industry is CSPs' inability to deliver quality customer service. Subscribers agree the best customer service occurs during the initial sign-up process. As CSPs look to broaden their abilities to serve customers across different channels, wireless carriers have an advantage when it comes to customers downloading their wireless app (42% vs. 25% for cable companies, for example). And while wireless subscribers who have downloaded the mobile app tend to leverage it to view (71%) or pay a bill (46%), cable subscribers who have downloaded the mobile app are just as likely to use it for consuming content.

Subscribers agree the best customer service occurs during the initial sign-up process.

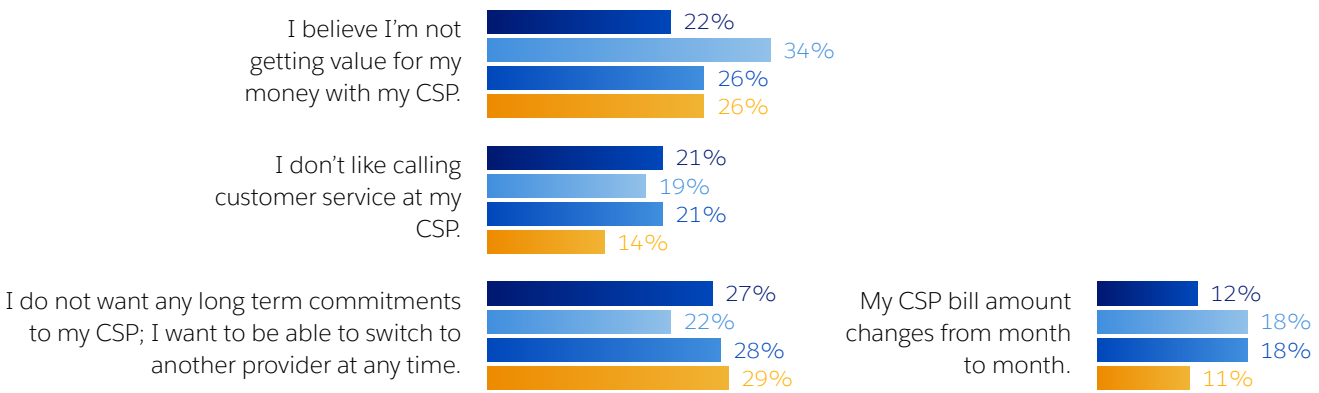
When do you receive the best customer service/prices/promotions from your CSP?



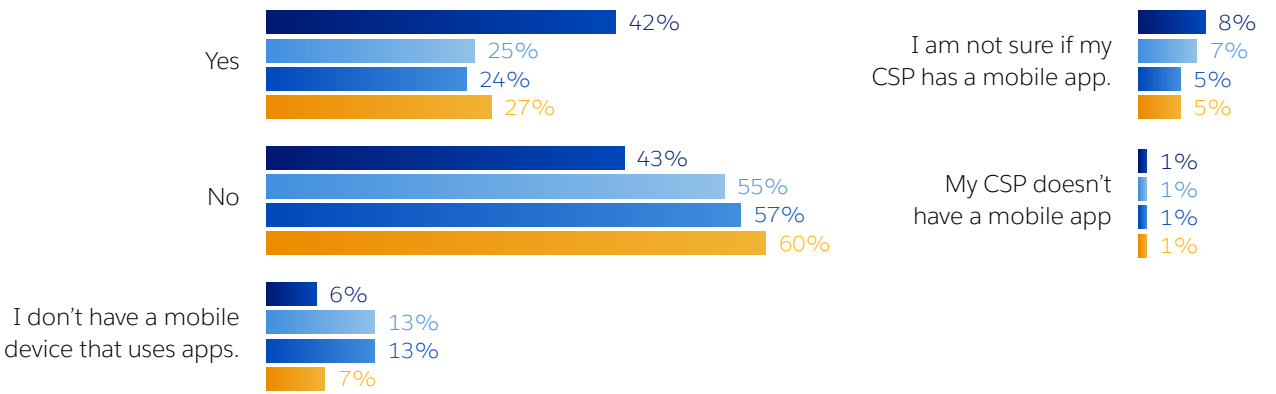
Unfortunately, when it comes to support issues, CSP subscribers across the board choose the phone above other channels – an expensive proposition for providers – and wireless subscribers also continue to go in-store for support. According to the study, if CSP charges were simpler and predictable, nearly 1 in 5 subscribers would be willing to eliminate their bills altogether and instead get charged monthly through their credit card or bank account, which could in turn eliminate their need to call the contact center on bill-related issues and questions.

Customers believe they get the least amount of value for money from cable providers.

Please indicate which of the following statements best describe how you feel about your CSP.*



Have you downloaded your CSP's mobile app?

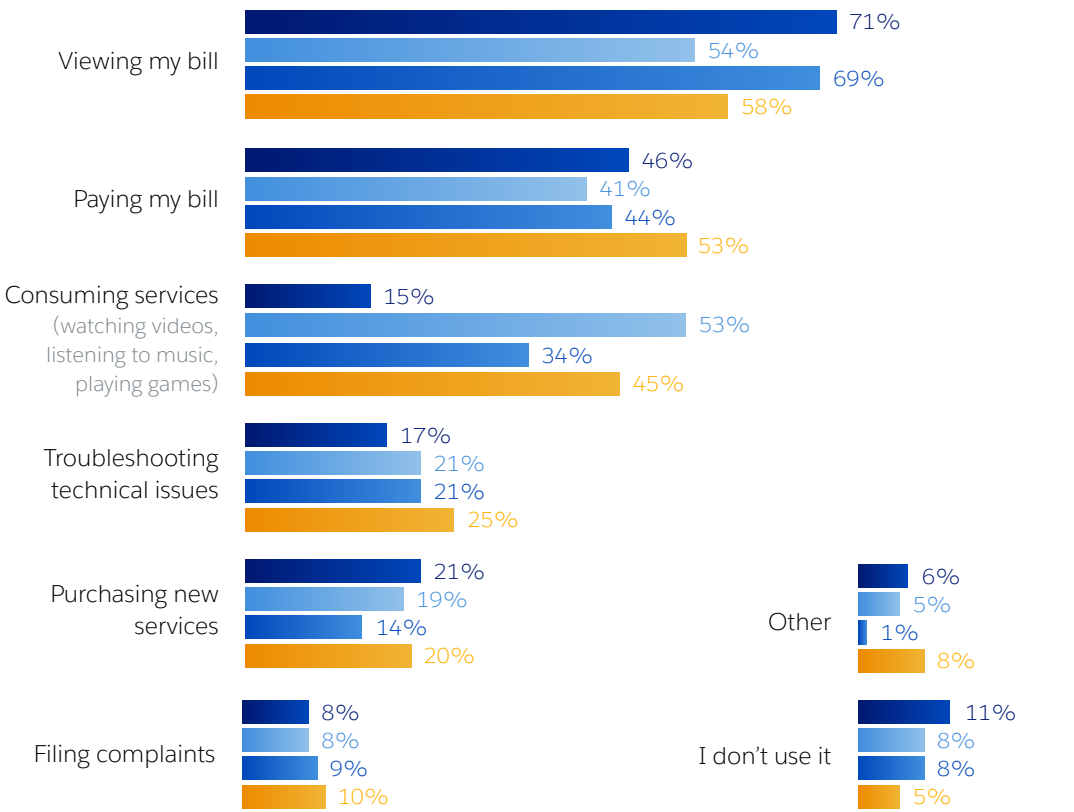


*Multi-select question

Wireless Provider | Cable Provider | Telecom Provider | Satellite Provider

Subscribers consume video and other content from their cable provider's mobile app more than any other type of CSP.

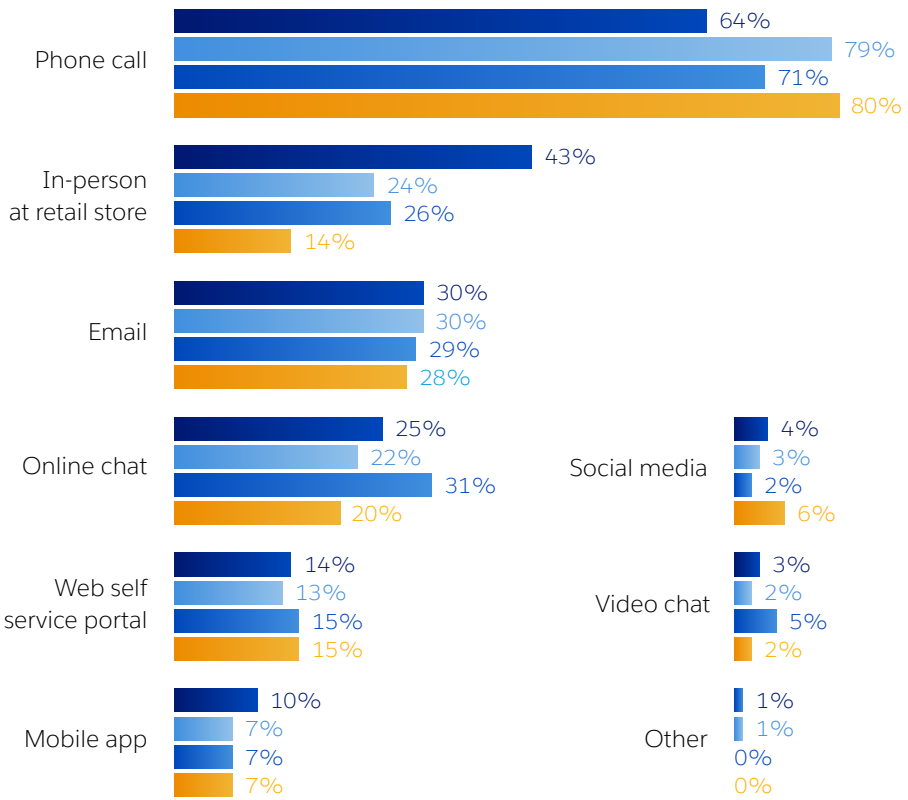
Of those who have downloaded their CSP's mobile app, for which of the following, do you use your app?*



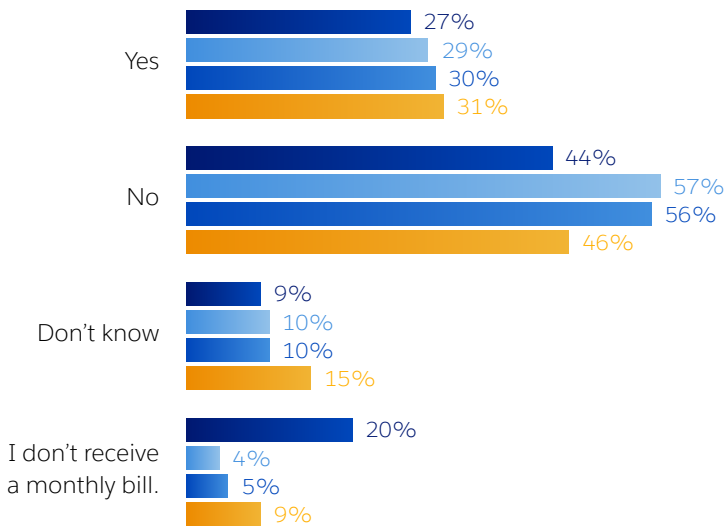
*Multi-select question

Wireless Provider | Cable Provider | Telecom Provider | Satellite Provider

Which of the following forms of communication do you prefer when communicating with your CSP for customer service?*



If the pricing and charges were easier to understand (e.g., flat rate charges), would you prefer to not getting a monthly bill and simply getting charged for your monthly services and one-time charges through a credit card (e.g., similar to that of Netflix, Amazon Prime, Apple, etc.)?



*Multi-select question

Wireless Provider | Cable Provider | Telecom Provider | Satellite Provider

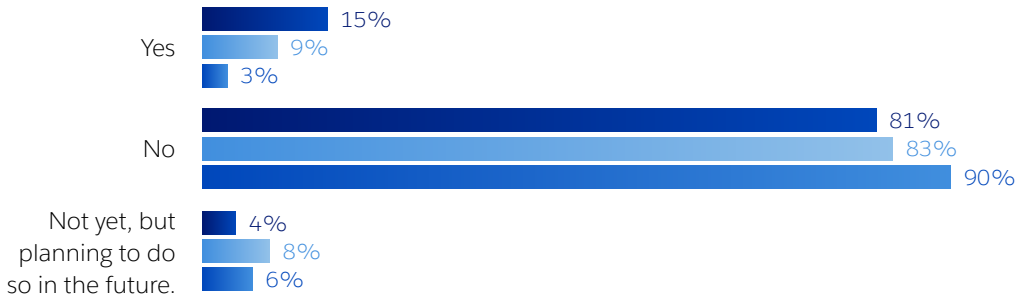
III. Changing Customer Expectations: Cord-Cutting, OTT and IoT

Perhaps one of the most talked-about trends in the comms & media industry, cord-cutting is a real phenomenon, with the majority of cord-cutters[1] choosing to disconnect their TV or cable service due to cost, according to this research. At the same time, consumers are choosing OTT streaming services, such as Netflix, Hulu and others. And Millennials (61%) overwhelmingly top Gen Xers (46%) and Baby Boomers (24%) in this regard.[2] OTT services bleed over into pricing models as well, with over a quarter (29%) of all subscribers preferring to not getting monthly bills and simply getting charged for monthly services and one-time charges through a credit card, similar to that of OTT providers. As CSPs broaden the services they deliver to subscribers, IoT related solutions (such as connected home, connected car, etc.) are rising in popularity, with 42% of Millennials expressing that they would be interested in purchasing additional connected devices and services from their CSPs.

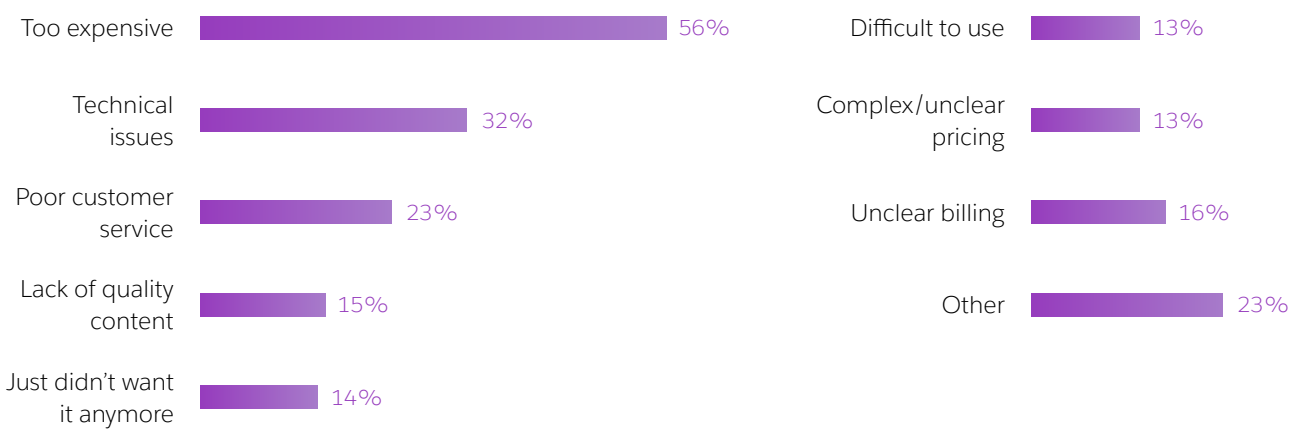
[1] Those who subscribe to a telecom/cable/satellite provider and have a TV service who have disconnected their TV service in the last 12 months.

[2] Those who subscribe to a telecom/cable/satellite provider and have a TV service who subscribe to an online/mobile video streaming service from other companies instead of their CSP/ because their CSP does not offer it.

Have you disconnected your TV service in the past 12 months?



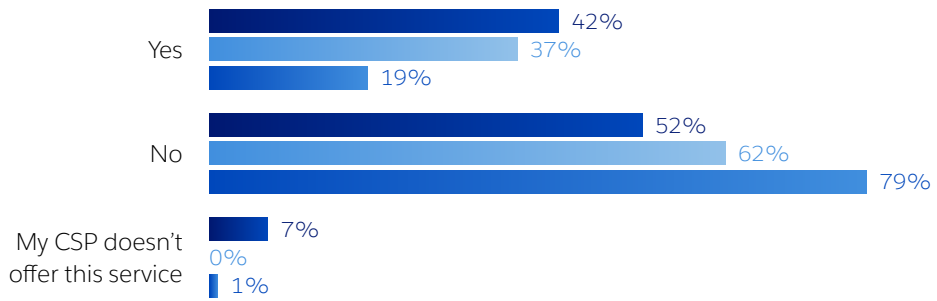
Of those who disconnected your TV service in the last 12 months, why did you do so?*



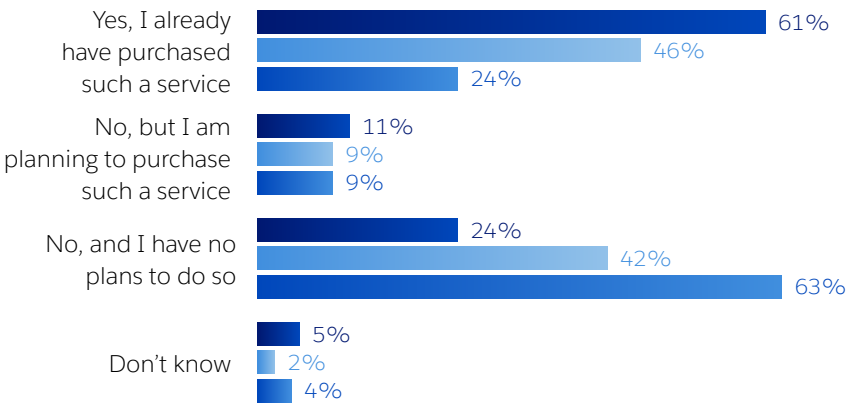
*Multi-select question

Millennials | Gen Xers | Baby Boomers | All

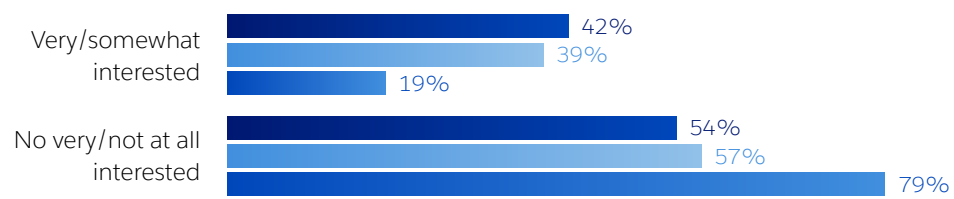
Are you using a video streaming service (similar to Netflix, Hulu, Amazon Prime) from your CSP?

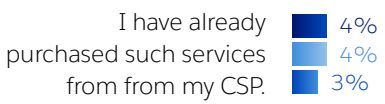


Have you subscribed to online/mobile video streaming services from other companies (e.g., Netflix, Hulu) instead of your CSP/ because your CSP doesn't offer it?



How interested would you be, if at all, in purchasing additional connected devices and services from your CSP, such as connected home, connected car, connected health products, etc., if they were offered?





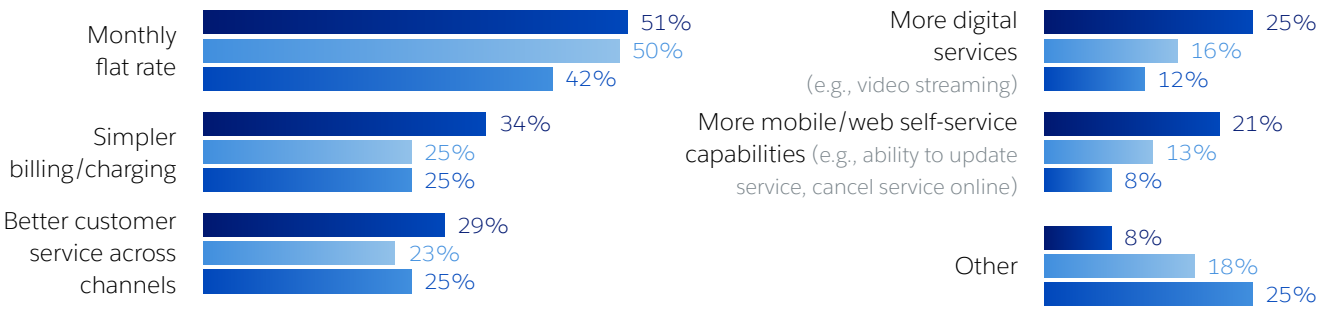
*Multi-select question

Millennials Gen Xers Baby Boomers

IV. Future of CSPs: How to Get Ahead of Disruption

Given the popularity of digital services such as OTT and IoT, coupled with the poor state of customer service, how can CSPs succeed in this disruptive environment? According to this study, the answer comes back to simplicity and providing better service across channels. For example, half of Millennials and Gen Xers would be more likely to stick with their CSPs if they were given a monthly billing flat rate. And more than a third of all subscribers would like to not repeat their information to every agent they speak with on a particular support issue. In fact, improvements as simple as notifying subscribers of better plans or offers based on usage, or when there are service issues or disruptions in their areas, would have a significant positive impact on subscribers' experiences and/or willingness to stay with their CSPs. At the end of the day, creating a seamless customer experience across all channels of communication will help CSPs survive and thrive in today's disruptive market.

Which of the following, if any, would increase your likelihood to stick with your CSP?*



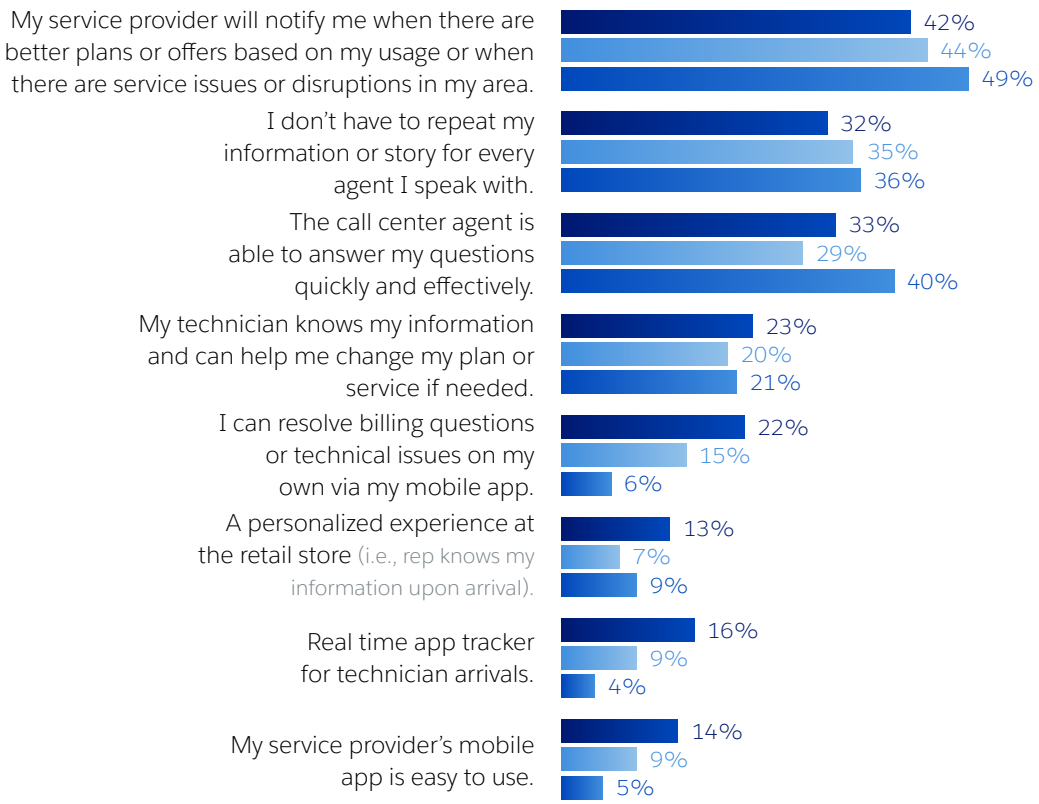
Have you ever had an in-person customer service agent or retail clerk from your CSP access a shopping cart that you started in another method (e.g., online, mobile, phone)?

*Multi-select question

Millennials | Gen Xers | Baby Boomers

More than 40% of those surveyed said that a service provider notifying them when there are better plans or offers would make them more willing to stay with their CSP.

Which of these potential improvements, would make a significant positive impact on your experience and/or willingness to stay with your CSP?*



*Multi-select question

Millennials Gen Xers Baby Boomers

V. Methodology

This survey was conducted online within the United States, Jan. 27-29, 2016, among 2,042 adults (aged 18 and over) among whom 1,954 subscribe to wireless/telecom/cable/satellite service provider on behalf of Salesforce by Harris Poll via its Quick Query omnibus product. Subscribers included 566 Millennials, 618 Gen Xers, and 770 Baby Boomers. In addition, respondents included 516 wirless subscribers, 528 cable subscribers, 438 telecom subscribers, and 472 satellite subscribers. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, the words "margin of error" are avoided as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the online panel, no estimates of theoretical sampling error can be calculated.