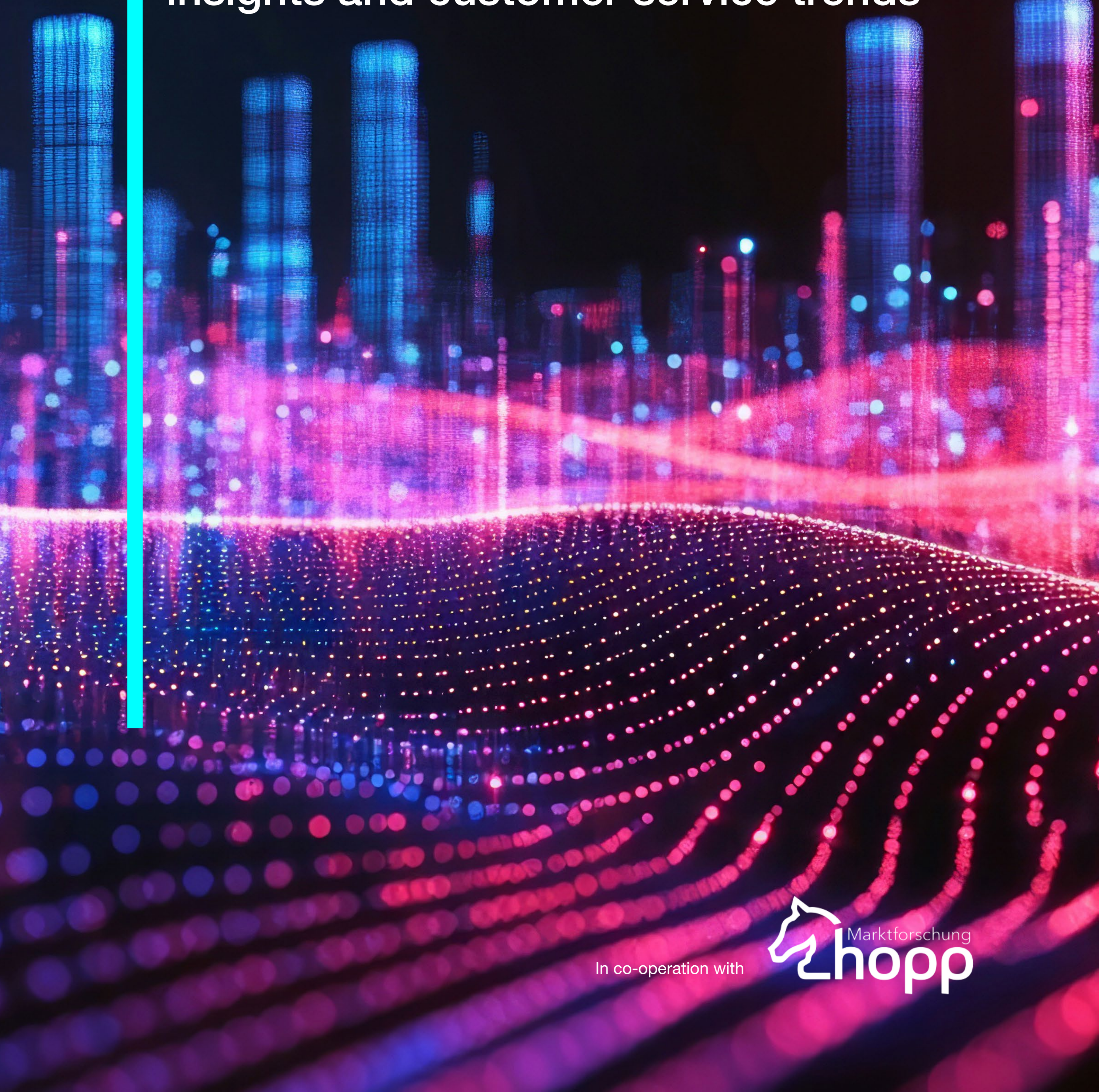
Capita

CX Study 2024

3rd market study on customer experience insights and customer service trends



In co-operation with Marktforschung hopp

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Introduction

An excellent customer experience is a vital factor in a company‘s success. Customers not only expect high-quality products and services, but also outstanding service and support. Especially in the age of AI, digitalisation and self-service, they want to feel valued and understood, and they expect fast, friendly and effective support when they need it.

Launched in 2022, Capita CX studies aim to analyse current trends and best practices in **Germany‘s customer experience field** and understand how businesses can improve their customer retention and satisfaction through effective service strategies. **Each year, our studies alternate between the perspectives of end customers and businesses.** After interviewing over 100 customer service managers in 2023, it was the customers‘ turn again this year. So, after two years, it‘s a good opportunity to analyse what has happened on the customer side of the service. What experiences did customers have in 2022 vs. 2024 in their service contact? Which contact channels did they use then, which do they use now? And how did their first experiences with AI-based solutions, such as chatbots or intelligent voice response systems, go? We asked them.

The Capita CX Study in its 3rd edition – conducted on our behalf by hopp Marktforschung – provides a representative picture of **German online users aged between 16 and 69** who have used customer service within the last twelve months (survey period: 27 June – 30 July 2024). In a panel-based online survey, **2,002 participants** in the study evaluated their last customer service contact, gave the reasons for their contact and provided an assessment of the increased relevance of new contact channels.

01
Status quo in customer service

Status quo in the use of customer service

The Capita CX Study 2024 reveals that **74% of customer service users were satisfied** with their last service contact (for detailed information, see page 5). This important figure remains at the same level as in 2022.

Despite the fact that the use of new channels – including, for example, service chats, chatbots and service apps – has increased compared to the last survey, consumers still primarily prefer traditional contact channels to have their concerns addressed.

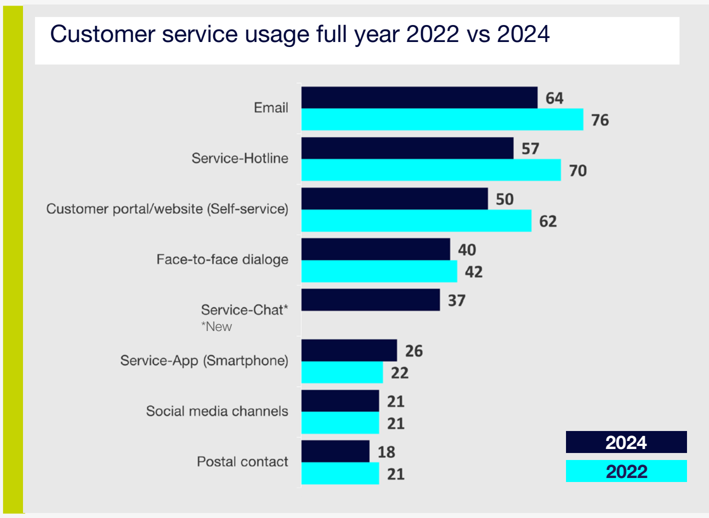
In 2024, traditional contact channels such as service hotlines and email are still very popular.

Accordingly, the companies were contacted by the survey respondents within the last twelve months primarily via email, telephone and self-service customer portals. We also asked about the use of service chats for the first time. 37% of users stated that they had used this at least once in the last twelve months. This meant that this channel was able to secure fifth place straight away.

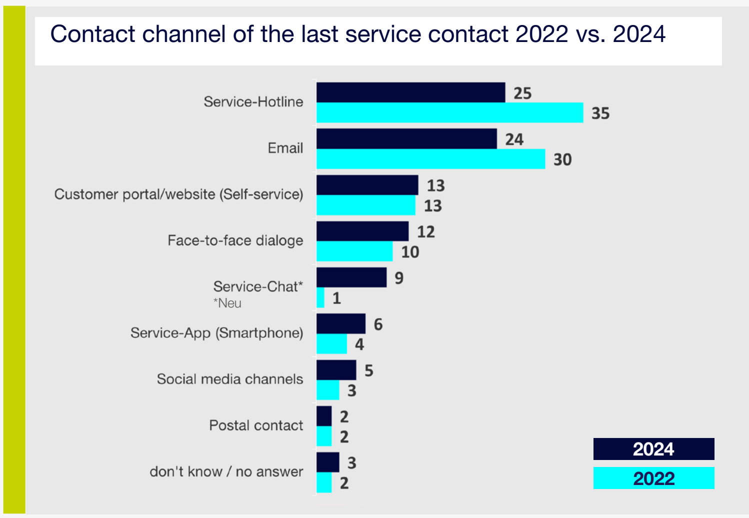
Contact channel usage over the entire year versus last service contact

If we compare the results of the question about the contact channels used in general in the last twelve months with the question about the last contact channel used, we get a relatively homogeneous picture. Only the use of telephone and e-mail in the top two positions is reversed.

Note: When comparing the years 2022 and 2024 below, it should be noted that this year we have included the service chat as a separate channel for the first time. This should be taken into account when considering the apparent percentage decline of the classic channels in 2024.



All figures in per cent | Multiple answers possible | n 2022 = 2.020 | n 2024 = 2.002

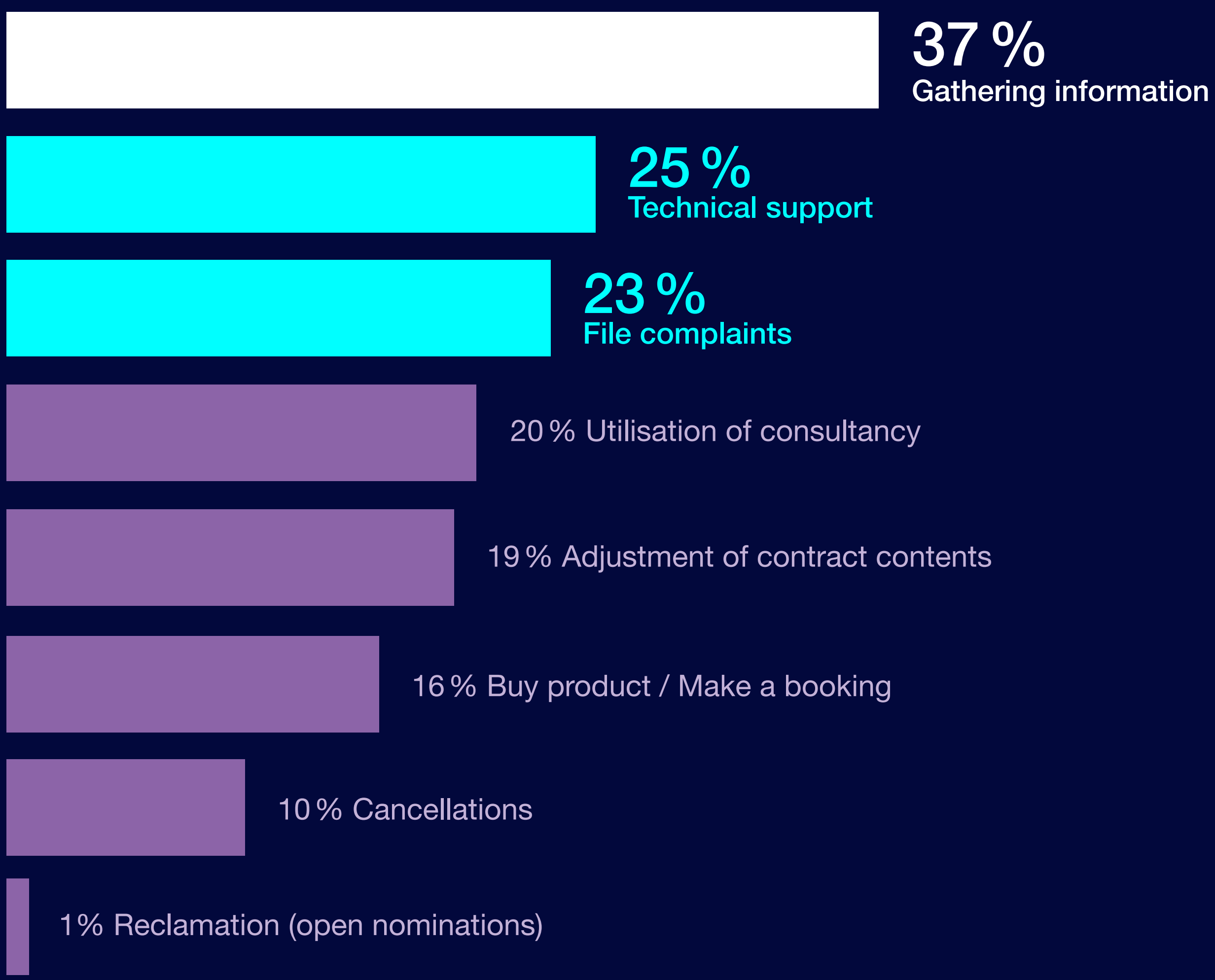


All figures in per cent | n 2022 = 2.020 | n 2024 = 2.002

The need for information as the main reason for getting in touch

We asked our participants about their reasons for their last contact with customer service. For 37% of users, the stated goal was to get information – the same as in 2022. But there were also developments in terms of the most important reasons for making contact. For example, technical support rose to second place with 25% of the vote, displacing the adjustment of contracts, which is now only the fifth most common reason for contacting customer service, presumably due to the growing number of self-service options.

The top reasons for contacting customer services in 2024:



All figures in per cent | Multiple answers possible | n = 2.002

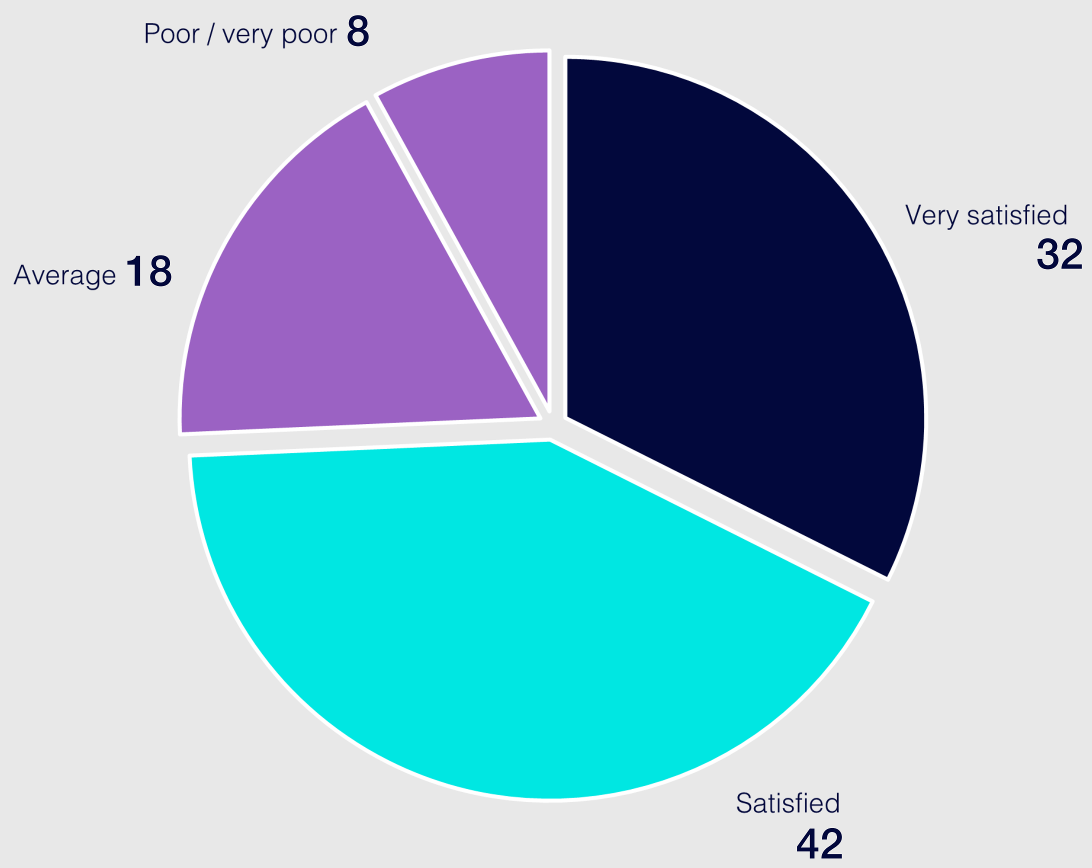
Experience and satisfaction with customer service usage

Overall, 74% of users were explicitly satisfied with the outcome of their last service contact, of which 32% were very satisfied and 42% satisfied.

Only 8% of customers said they were dissatisfied with the service.

74 %
of users are explicitly satisfied with the outcome of their last service contact.

Satisfaction with the last service contact



All figures in per cent | n = 2.002

Poor service and the intention to switch providers

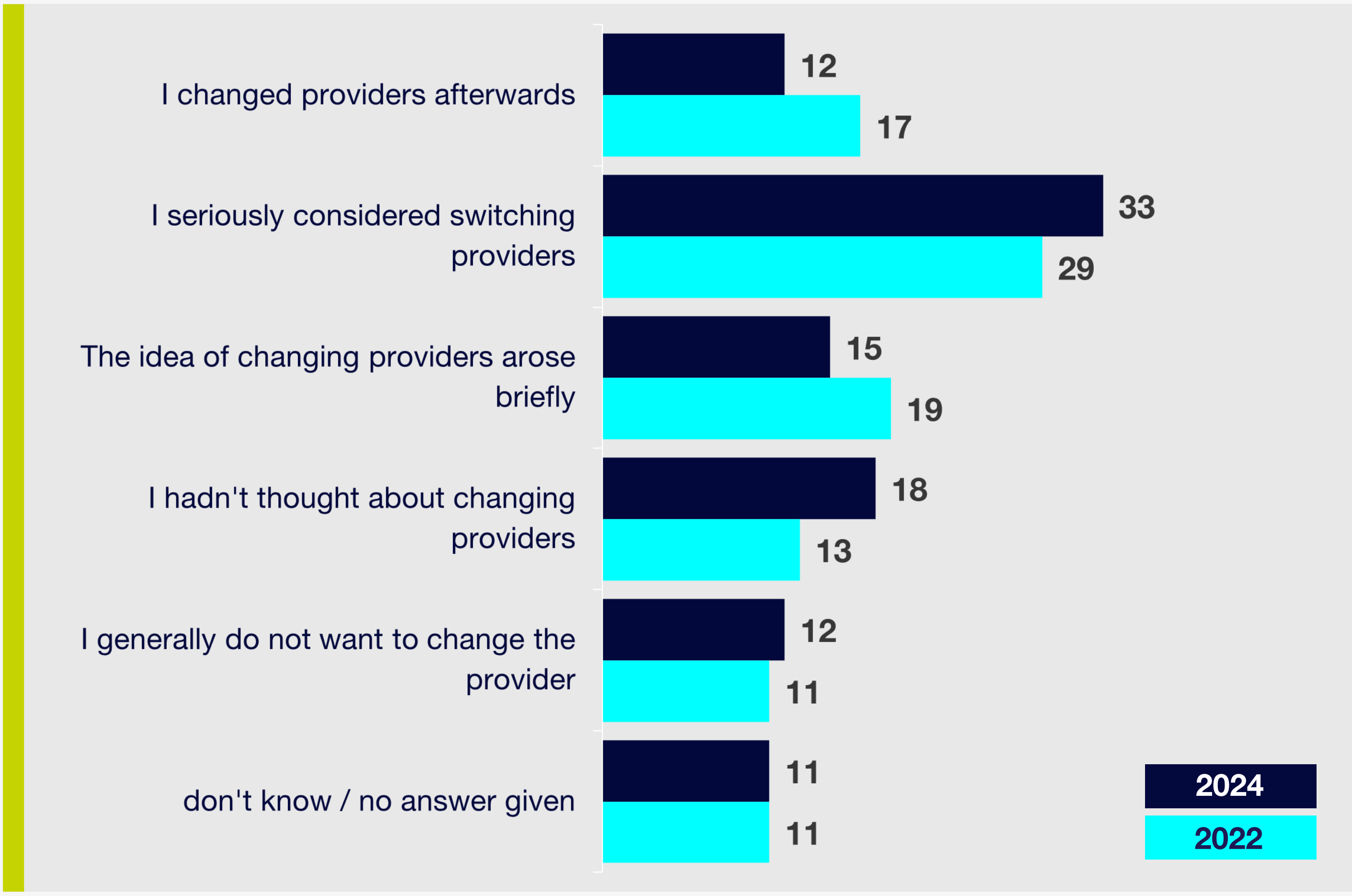
45 %
of dissatisfied customers switched providers after a poor service interaction, or seriously considered it.

Among the small percentage of dissatisfied customers, there is a noticeable trend that could become relevant:

Of the 8% of customers who were explicitly dissatisfied (160 respondents), 12% subsequently changed providers, and a further 33% seriously considered doing so.

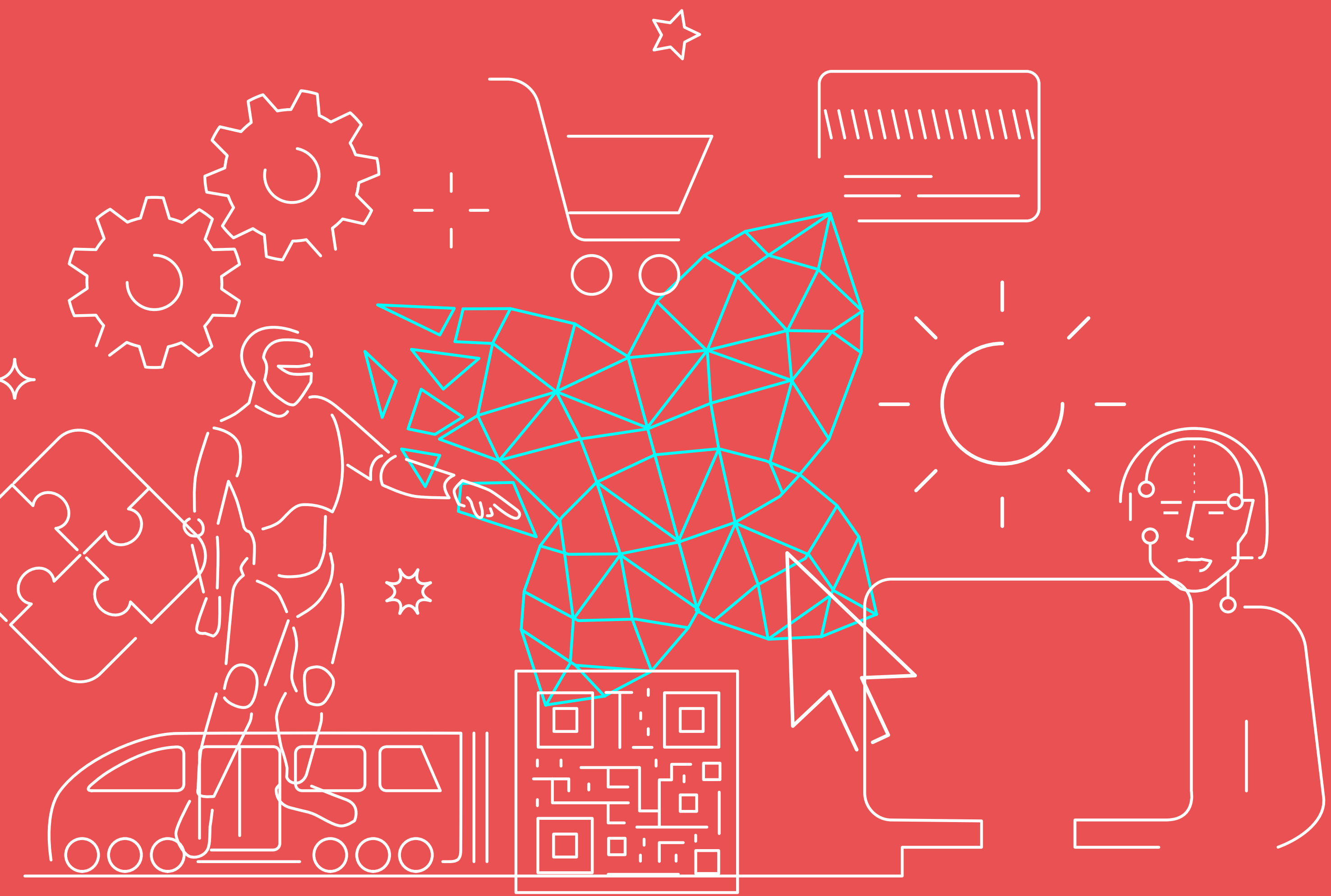
Compared to the Capita CX Study 2022, 5% fewer participants actually switched providers, but the proportion of those considering a switch increased by 4%.

Change of provider considered – comparison of Capita CX study 2022 vs. 2024



All figures in per cent | n 2022 = 194 | n 2024 = 160

02
The customer service of tomorrow, starting today

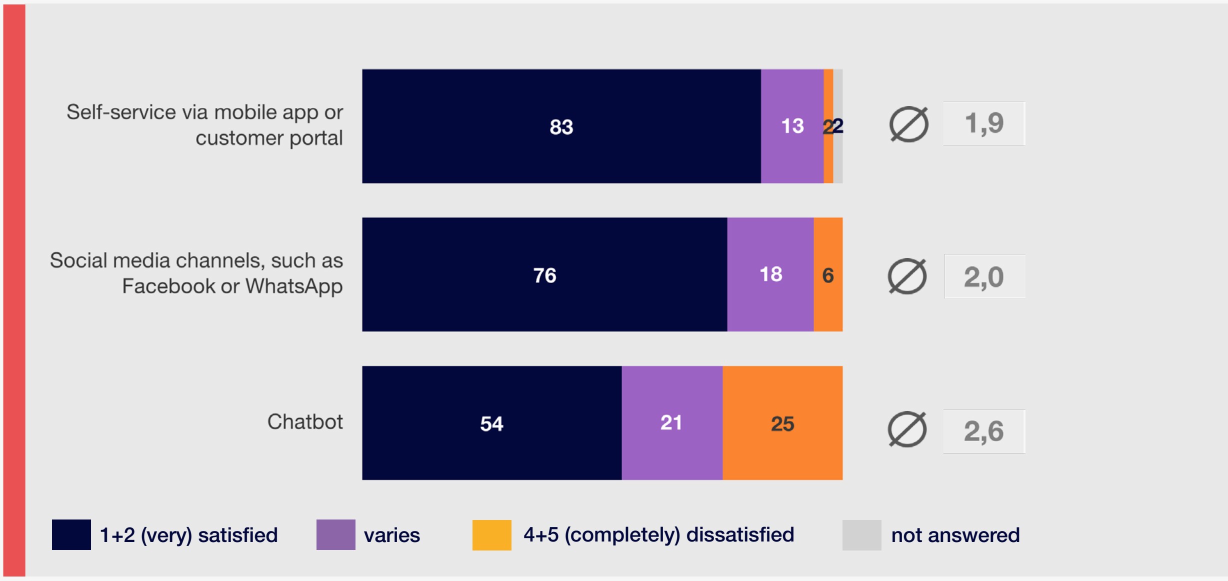


Satisfaction with and frequency of use for modern customer service channels

The majority of users are very satisfied with the way their requests are handled via self-service and social media. Only chatbots have so far failed to fully convince in customer service. Only 54% of users were satisfied or very satisfied with their contact with the often AI-supported helpers.

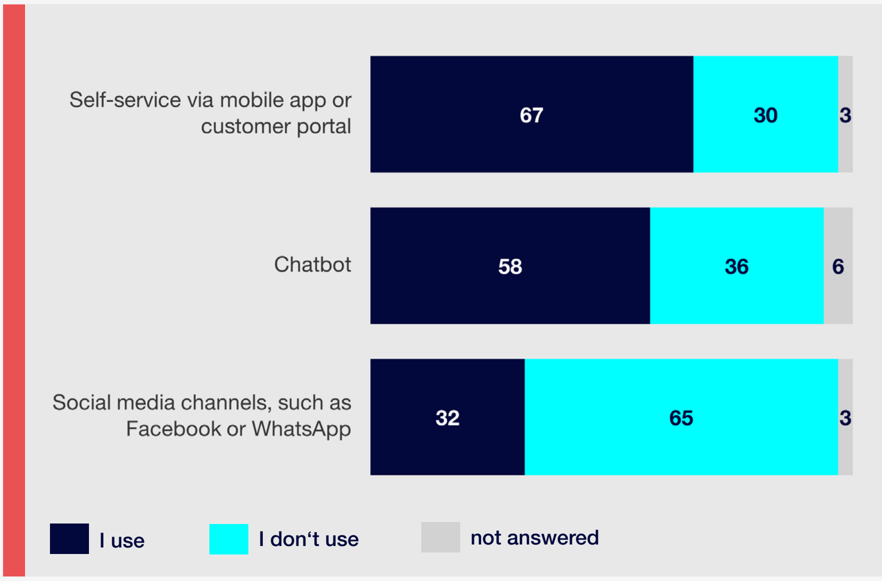
76 %
of survey participants were satisfied with customer service contact via social media.

Satisfaction with modern customer service channels



All figures in per cent / average value | n = 2.002

Frequency of use of modern customer service channels



All figures in per cent | n = 2.002

When asked which of the ‘modern’ customer service offerings they use, the participants answered that they use these channels noticeably more often than in our 2022 survey.

67% of respondents use providers‘ apps and customer portals to take care of service issues themselves.

Chatbots were used by 58% of respondents, and social media by almost one in three.

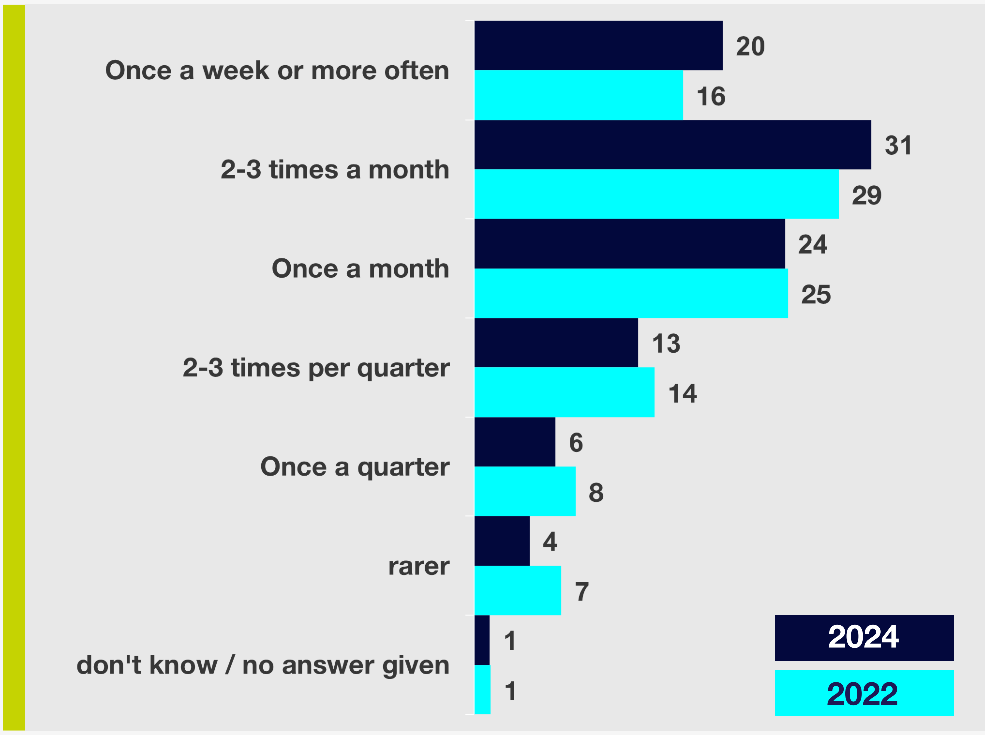
Customer portals: self-service is becoming more popular

50 %
of those surveyed regularly use customer portals to take care of service issues themselves.

83 %
of users of customer portals are satisfied or very satisfied with them.

20 %
of users of customer portals use them at least once a week or more often.

Frequency of use of customer portals for self-service



All figures in per cent | n 2022 = 620 | n 2024 = 737

20% of customers solve their issues independently via the customer portal once a week or more often. 31% do so 1-3 times a month.

The frequency and regularity of use of self-service offerings has increased slightly overall since the last survey in 2022.

Mobile apps: The mobile service option

26 %

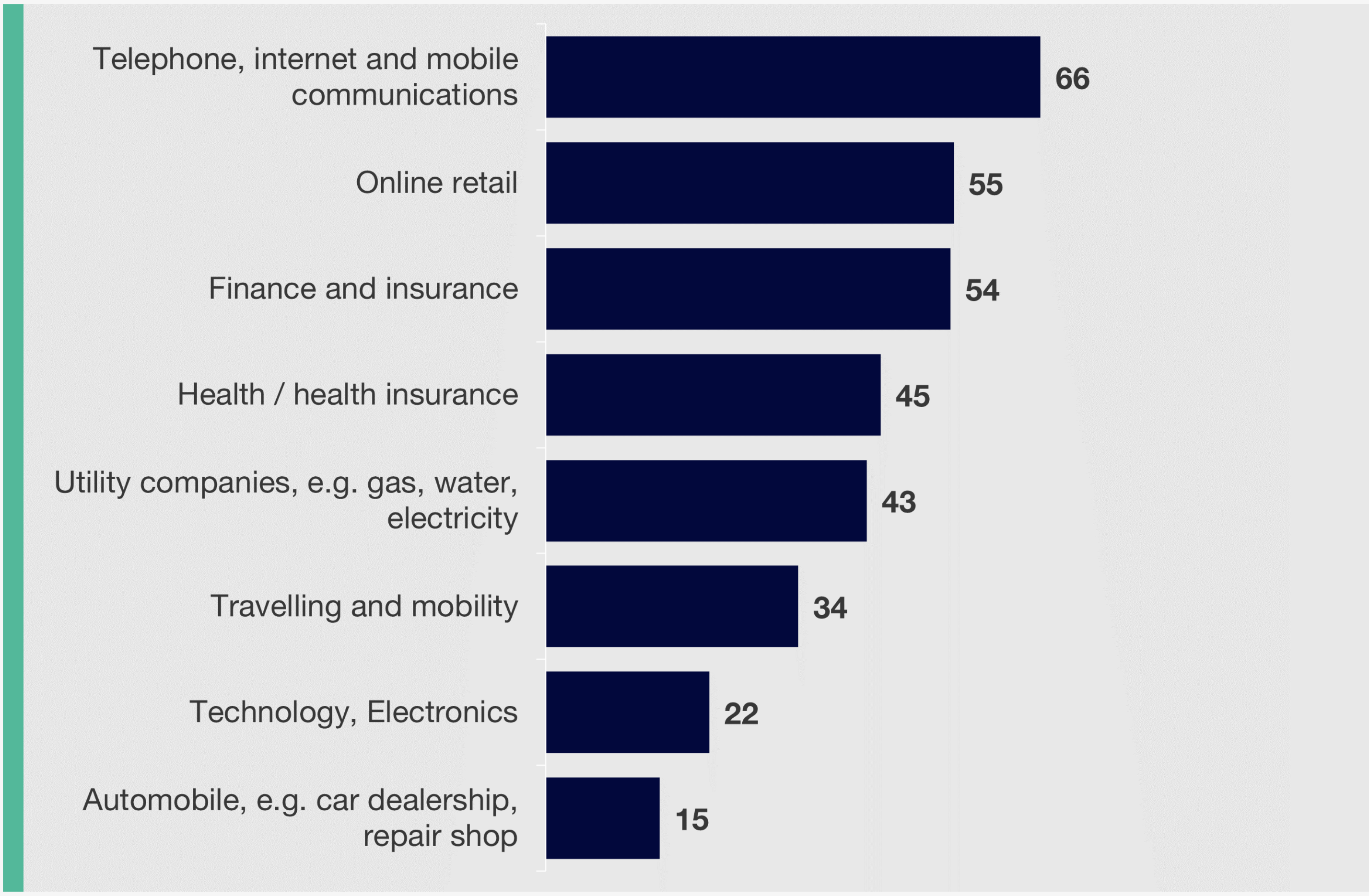
of those surveyed regularly use apps to take care of service matters.

Service apps are most commonly used for services in the telephony, internet and mobile communications sectors.

These are followed by online retailing, finance and insurance in terms of frequency of use. Healthcare/health insurance and utilities are further relevant sectors.

The frequency of use of mobile apps in customer service has increased by 4 percentage points since the last Capita CX study in 2022, reaching 26% in 2024.

The main sectors using the service apps



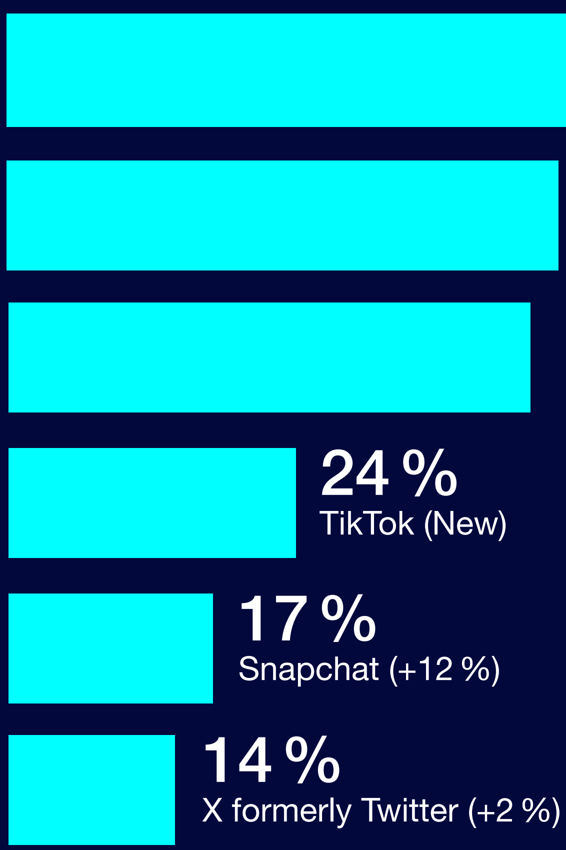
All figures in per cent | Multiple answers possible | n = 1.336

Social media: dynamic development in user behaviour

Once again this year, we asked about the use of social media as a service channel. The result: since 2022, the use of social media in customer service has increased from 24% to 32%. In 2022, one in four respondents had already contacted customer services via social media, and by 2024, this figure had risen to one in three.

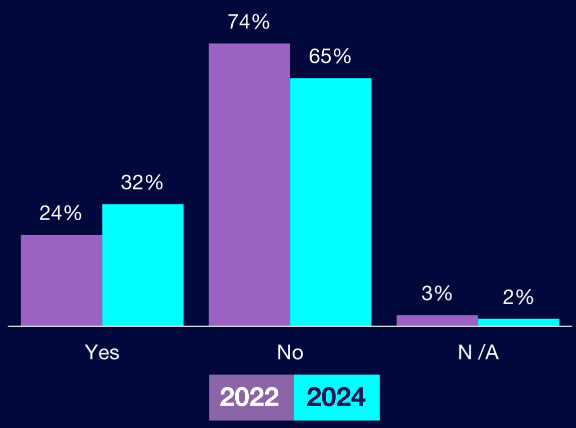
The use of all common social media for customer service enquiries increased, in some cases by double digits. Only Facebook lost favour with users and had to cede its first place from the previous year to WhatsApp.

This year's distribution by age group also confirms that, at 31%, 16- to 29-year-olds are the heaviest users of social media as a channel for contacting customer service. Among 30- to 59-year-olds, the figure is 22%, and among over-60s, only 9%.



Multiple answers possible | n = 641

Already made a Service request via social media



A third
of the survey participants have contacted customer services via social media.

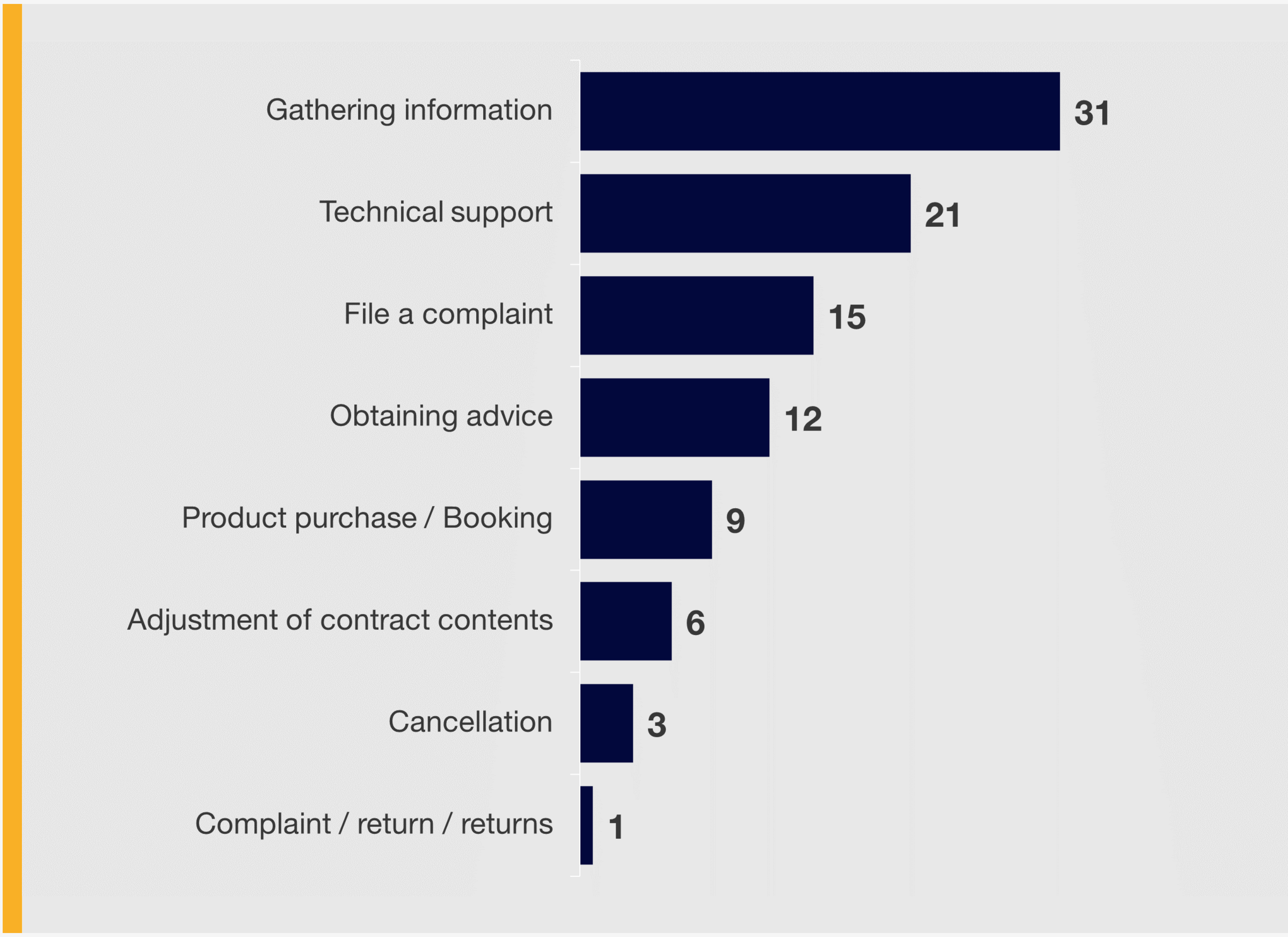
Chatbots:
Popular by users but...

Thanks to new AI models, chatbots have become increasingly powerful in recent years. It is therefore reasonable to ask what customers mainly use chatbots for – in other words, what tasks they trust chatbots to perform.

At 31%, gathering information is the top priority. But customers also trust digital assistants to provide simple technical support (21%) and to file complaints (15%).

58 %
of those surveyed regularly use chatbots for service requests.

Service request Chatbot use



All figures in per cent | n = 1.164

Chatbots:
...not yet there in terms of quality.

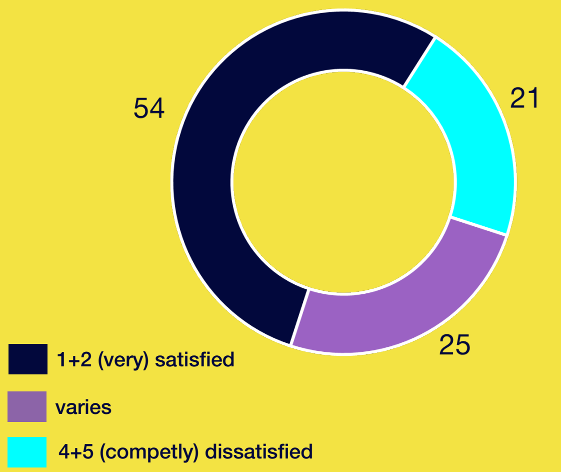
Only 54 %

of users are satisfied with the processing of their service request via chatbot

Unfortunately, chatbots often do not currently fulfil customer expectations. Only 54% of chatbot users surveyed were satisfied with the outcome of the interaction.

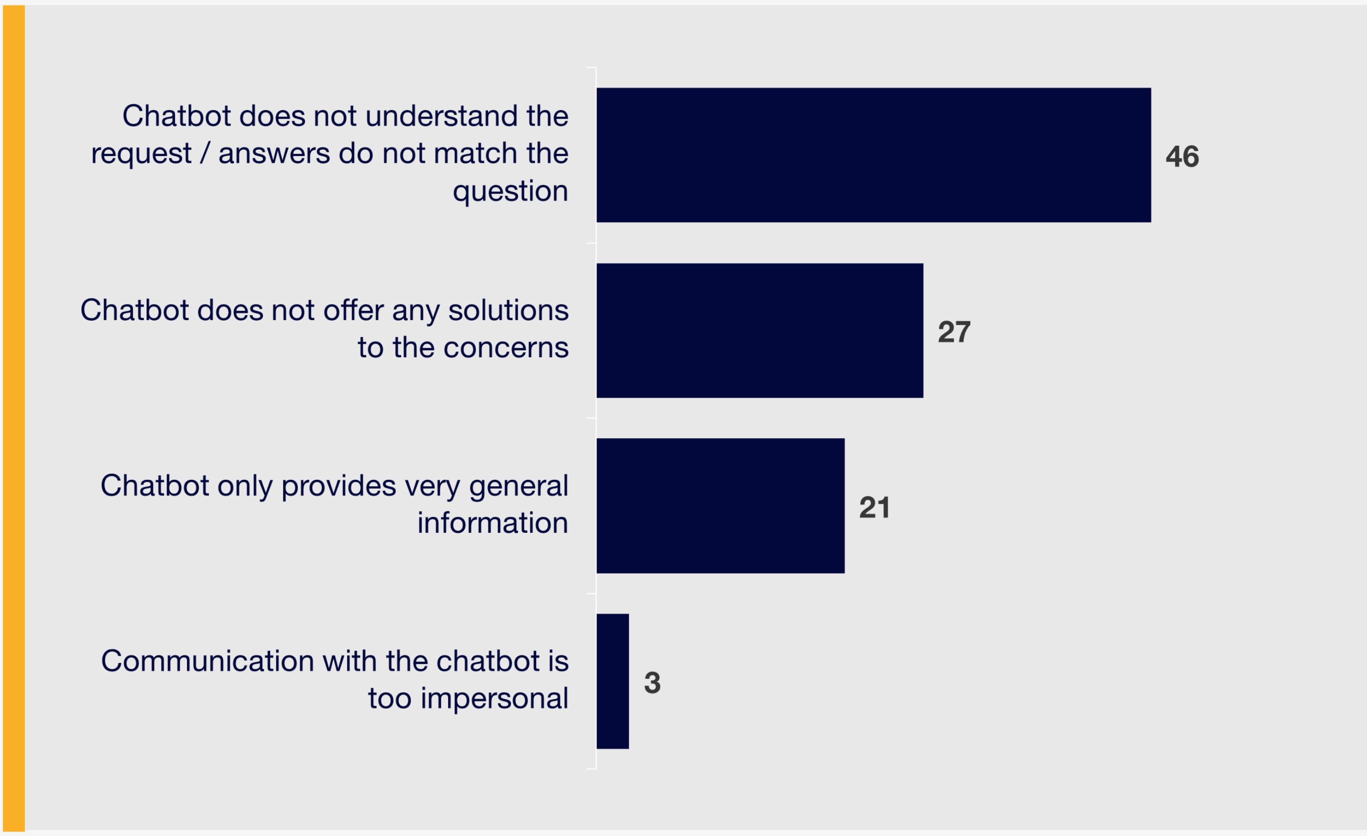
This is by no means because customers perceive the interaction as too impersonal (3%). Rather, chatbots are often unable to understand the request (46%), do not suggest suitable solutions (27%) or provide information that is too general (21%). Newer AI models could provide a remedy here and will be increasingly used in the coming years.

Customer satisfaction with chatbots in service



All figures in per cent | n = 1.164

Reasons for dissatisfaction with chatbot use

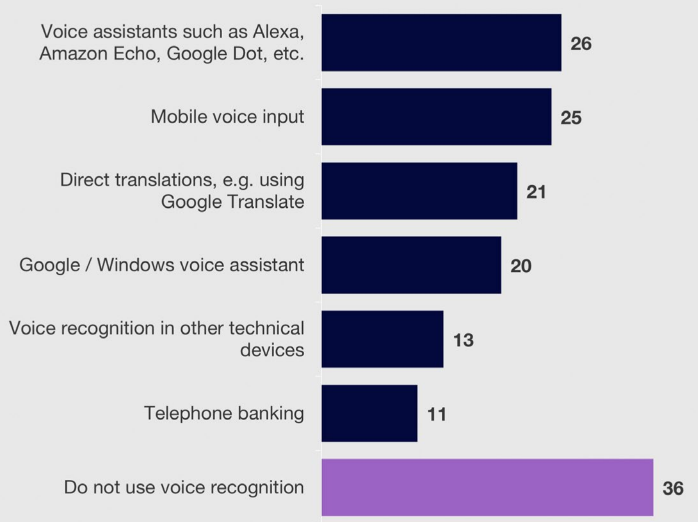


All figures in per cent | n = 289

Voice recognition: ‘Please Press 1’ belongs to the past...

Since Alexa, Siri and similar devices, intelligent voice dialogue systems have become part of customers‘ everyday lives. A fact that also increases the openness to using these systems in service. We have looked at the use of intelligent dialogue systems and their distribution and possible applications in service.

Regular use of voice recognition in everyday life



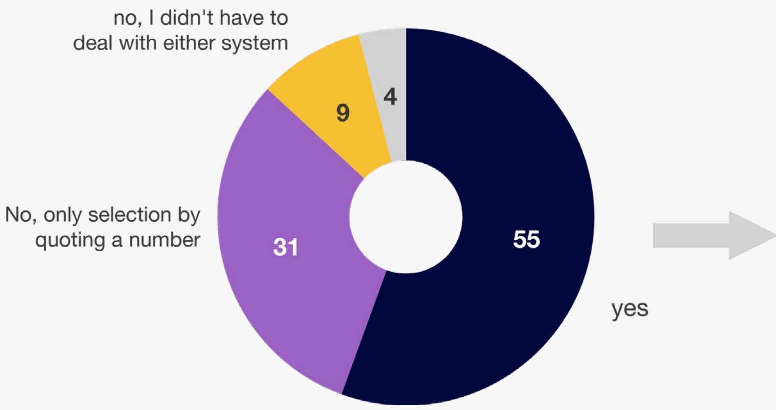
All figures in per cent | n = 2.002

64 %
of participants regularly use voice recognition in everyday life.

Use of intelligent voice recognition systems in customer service

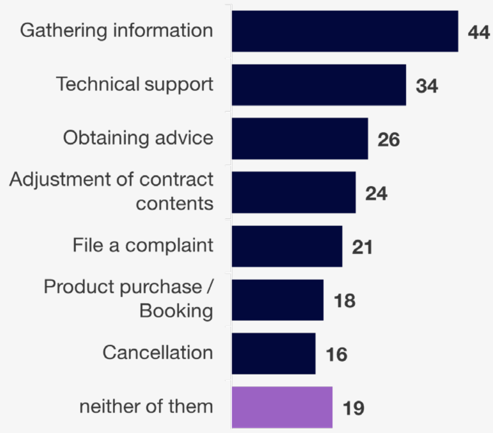
55% of respondents have already had contact with a system where the request could be freely formulated. A further 31% had already had contact with a digital system that did not allow voice input, but only a selection of the request by entering a number/name. There is acceptance for intelligent voice systems in customer service, particularly with regard to gathering information as this is a type of application that the respondents already know and use frequently with Alexa and co.

Have you ever used intelligent voice recognition in service hotlines?



All figures in per cent | n = 2.002

Which service issues could you imagine using intelligent speech recognition to solve in the future?



All figures in per cent | Multiple answers possible | n = 1.099

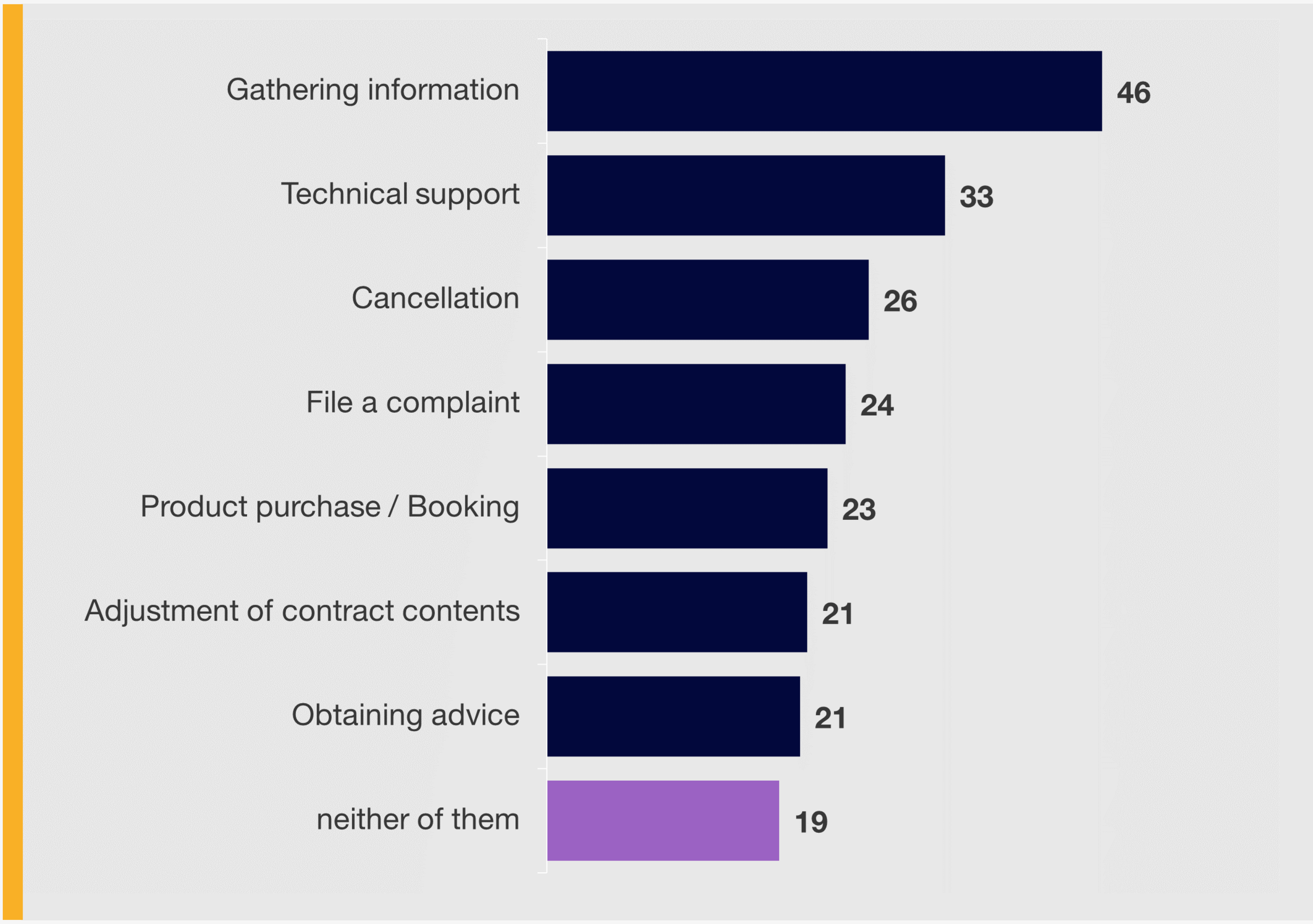
Artificial intelligence: The next step for customer service

AI applications have become indispensable in customer service. AI supports agents in the backend of their work, algorithms structure customer data and natural language models are used in voice dialogue systems and chatbots. But how much trust do end users have in the new technology when it comes to solving their specific problem? When can customers imagine direct contact with AI helpers such as chatbots or language assistants?

AI (e.g. voice robots, chat systems) is most often accepted for gathering information. Almost half of respondents can imagine using AI for such requests in the future. For other requests, service users are more hesitant. Technical support is the second most likely to be entrusted to AI.

46 %
of respondents can imagine being supported by AI when gathering information.

Which service matters would you like to be able to take care of using AI-based systems in the future?



All figures in per cent | n = 2.002

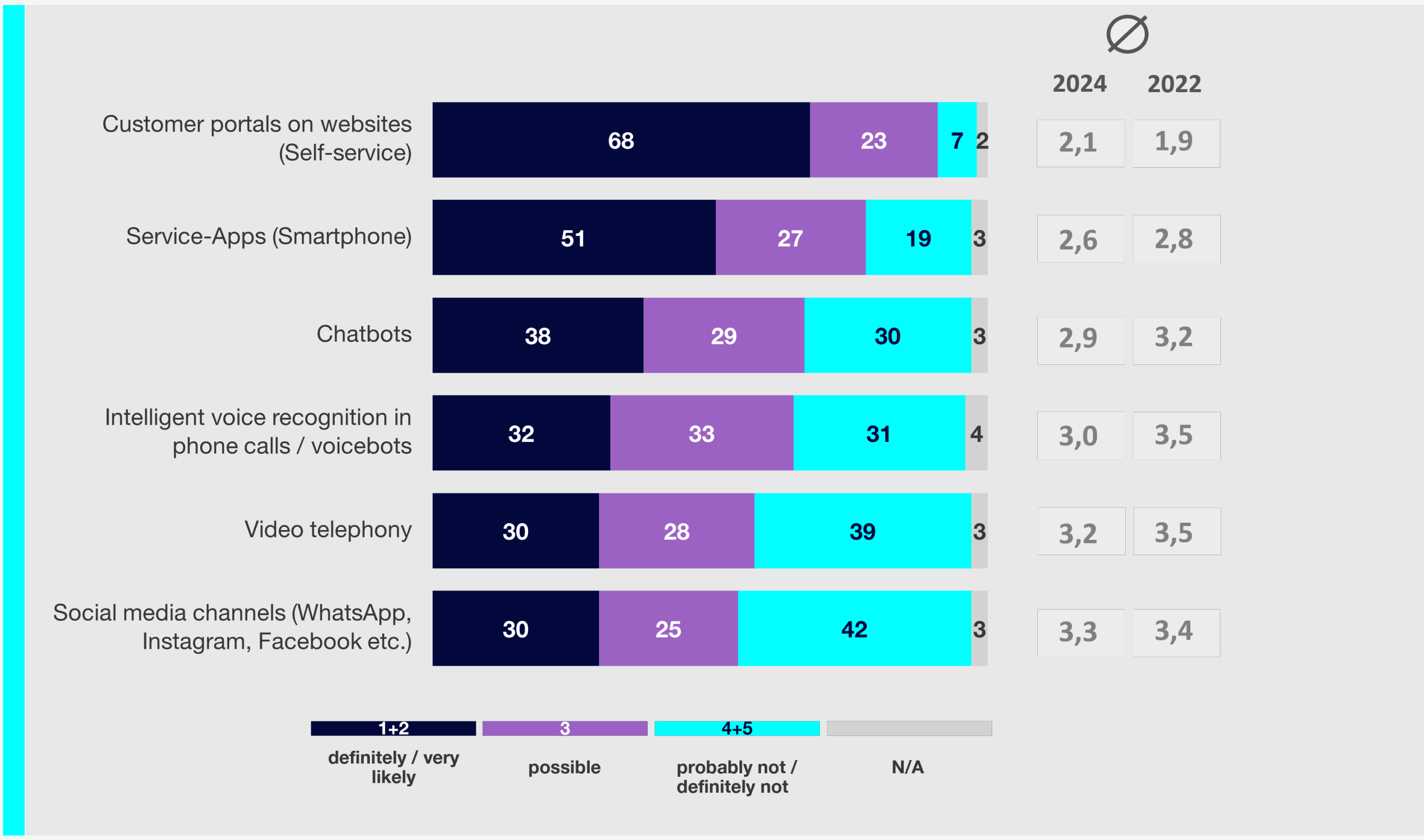
Customer service of the future: new contact channels becoming more relevant

Almost 70% of respondents are certain that they will use customer portals for self-service more often in the next three years. Only 7% believe the opposite. The relevance of the service app channel is also predicted to increase: 51% of respondents say they will use this channel more often in the future. However, 19% say they will not use service apps in the future. In 2022, almost half of the respondents were still of the opinion that they would not use social media channels, voicebots and video telephony more frequently in the future, in 2024, the respondents had already rated the likelihood of using these channels significantly higher.

By the way:

The chatbots, which were surveyed for the first time this year, are expected to become highly relevant for 38% of respondents in the next three years. Only 30% of respondents do not expect to use the little AI helpers in the future.

Assumed increase in relevance



All figures in per cent / average value | n = 2.002

03
Quickly done yourself or rather through personal contact?

Preference for self-service vs. personal support

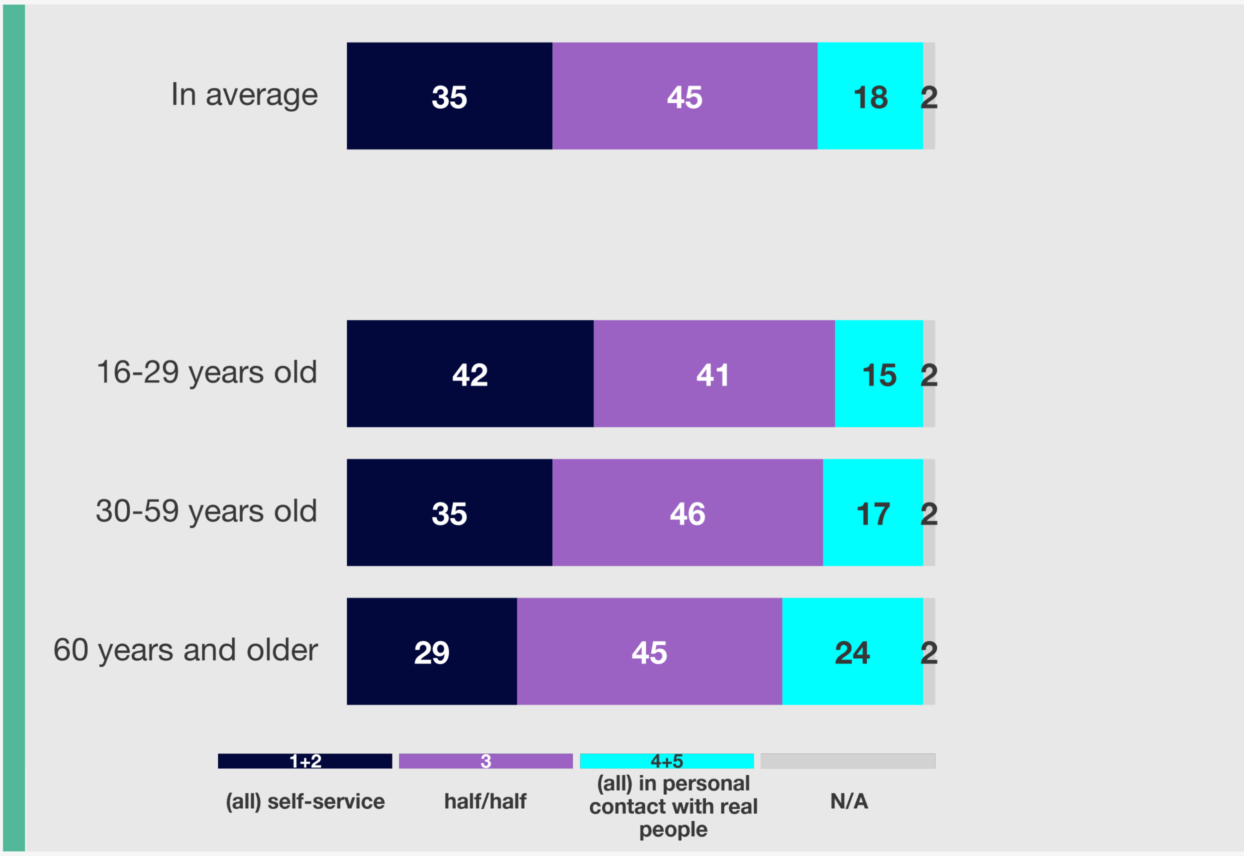
One of the most important developments in customer service over the last 10 years has been to empower customers to help themselves. Self-service apps, customer portals, video tutorials, FAQs and many other offerings enable customers to make changes to their contracts themselves, for example, or to fix minor technical problems independently. The ability to quickly take care of issues themselves and not having to contact customer service for every little problem (with the associated waiting times) is perceived as a thoroughly positive thing.

We wanted to know how pronounced this tendency towards self-service is among the study participants and asked whether they tend to prefer to be able to handle everything independently or would rather be helped by personal contact with customer service. The results showed that 35% of respondents would like to be able to take care of as many service matters as possible themselves in the future. Not surprisingly, the tendency towards self-service is particularly pronounced among younger respondents. However, at 29%, the tendency towards self-service is also still remarkably high in the 60+ age group.

35 %

of respondents would like to handle all their service requests themselves in future.

Self-assessment of service type preference by age

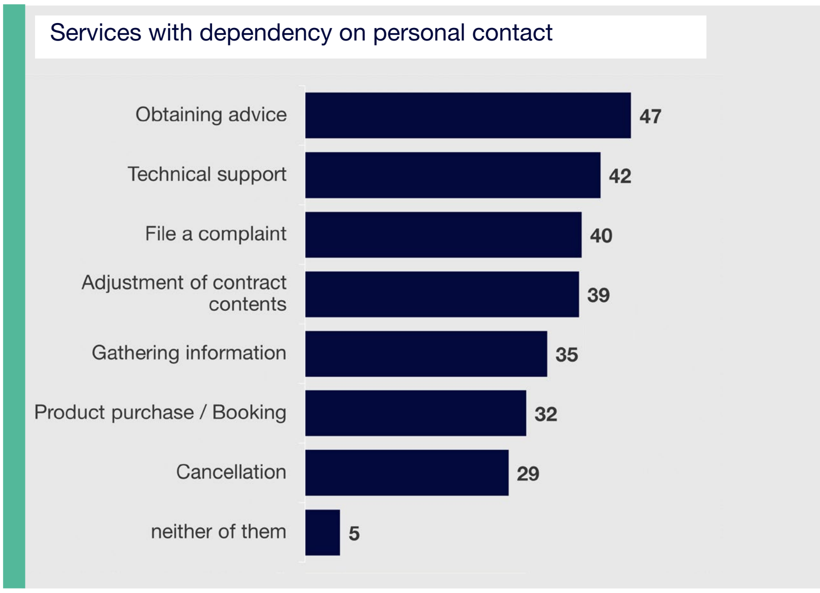


All figures in per cent | n = 2.002

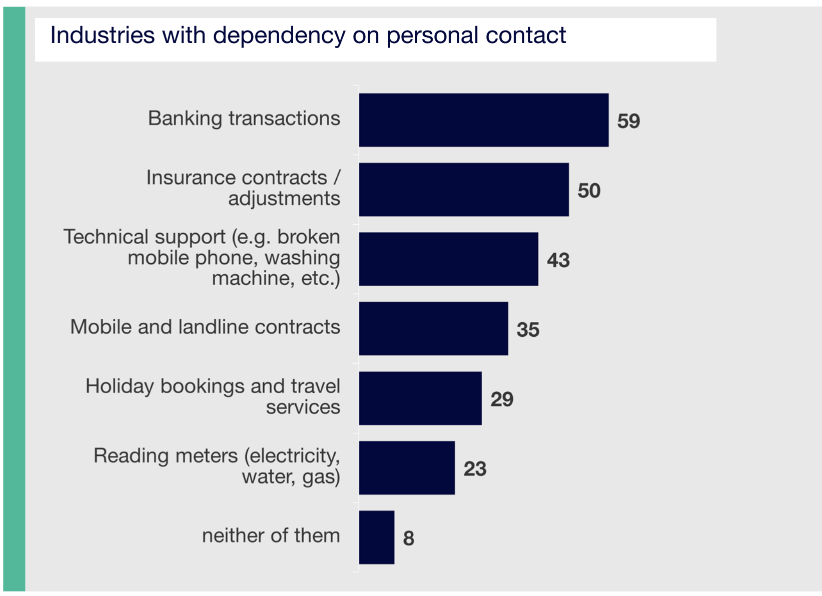
Services and industries where customers prefer personal support

47 %

of respondents prefer to talk to ‘real’ people in person when they need advice



All figures in per cent | Multiple answers possible | n = 2.002



All figures in per cent | Multiple answers possible | n = 2.002

In an age of diverse service channels, including complete self-service, we were interested in the question of which areas customers still prefer to talk to in person on the phone or instore.

The answer: The most common preference for a personal contact is for counselling services: 47% state that they would only like to speak to a ‘real’ person regaring such requests. This is followed by technical support (42%) and submitting complaints (40%).

When looking at different industries, there are also some where respondents find personal contact with employees more important than others. For example, 59% of respondents would like to have personal contact when carrying out (complex) ban-king transactions, followed by adjustments to insurance contracts (50%) and the use of technical services (43%).

To summarise, it is hardly surprising that this is the case: The more complex the issue, the more likely it is that a personal contact will be requested. Conversely, however, these figures also mean that more than half of those surveyed can imagine using the services listed here without personal contact, e.g. by email, chat or self-service.

04
Customer expectations and optimisation potential

Customer expectations towards good service

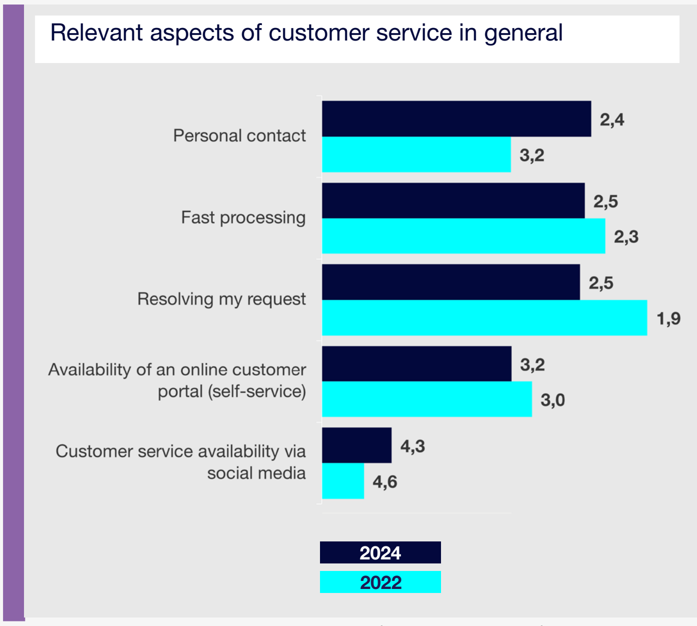
Compared to the first Capita CX study in 2022, a lot has changed in 2024 in terms of the service aspects that are particularly important to customers. In general, personal contact is now the most important factor for customer service users, with 42% of our survey participants ranking this aspect first. The frontrunner from the year before - clarifying my request - is only seen as the most important factor by 23%. The top 3 reasons are much closer together in the average rankings in 2024.

Personal contact, fast processing and clarification of concerns are the most important aspects of customer service.

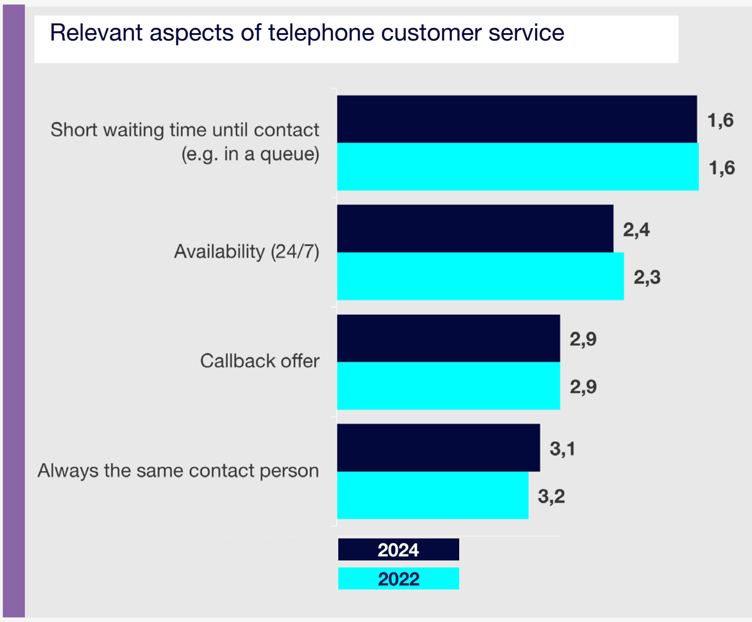
Short waiting times and 24/7 availability are the most important factors for service hotlines.

For service hotlines, the results of the survey are extremely close to those of 2022. Above all, short waiting times until contact is made and continuous availability - 24 hours a day, every day of the week - are desired. In the comparative ranking of the four aspects of telephone customer service mentioned, short waiting times achieved the best average ranking with a score of 1.6, followed by availability times with a score of 2.3. In a direct comparison with the other factors, users rated both the call-back offer and having a consistent contact person as less relevant.

Customer services overall and service hotlines: comparison of the most relevant aspects in 2022 and 2024



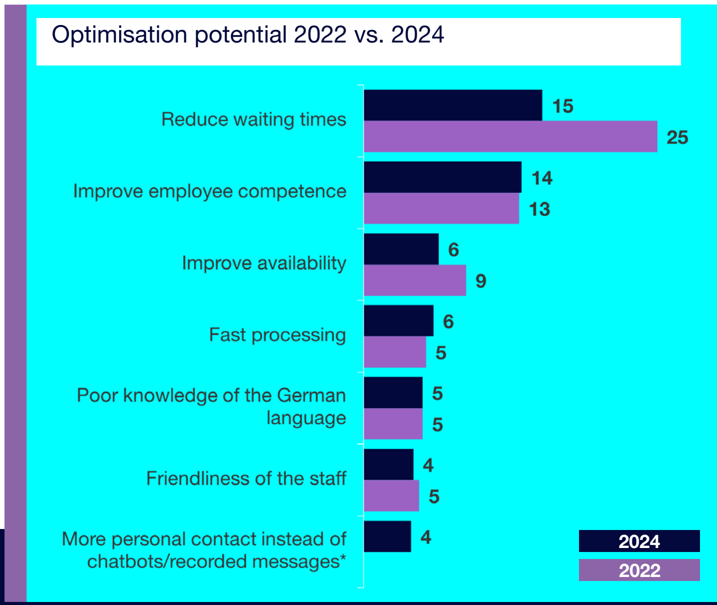
Figures in avarage ranks | n 2022 = 1,961 | n 2024 = 1,926



Figures in avarage ranks | n 2022 = 1,951 | n 2024 = 1,922

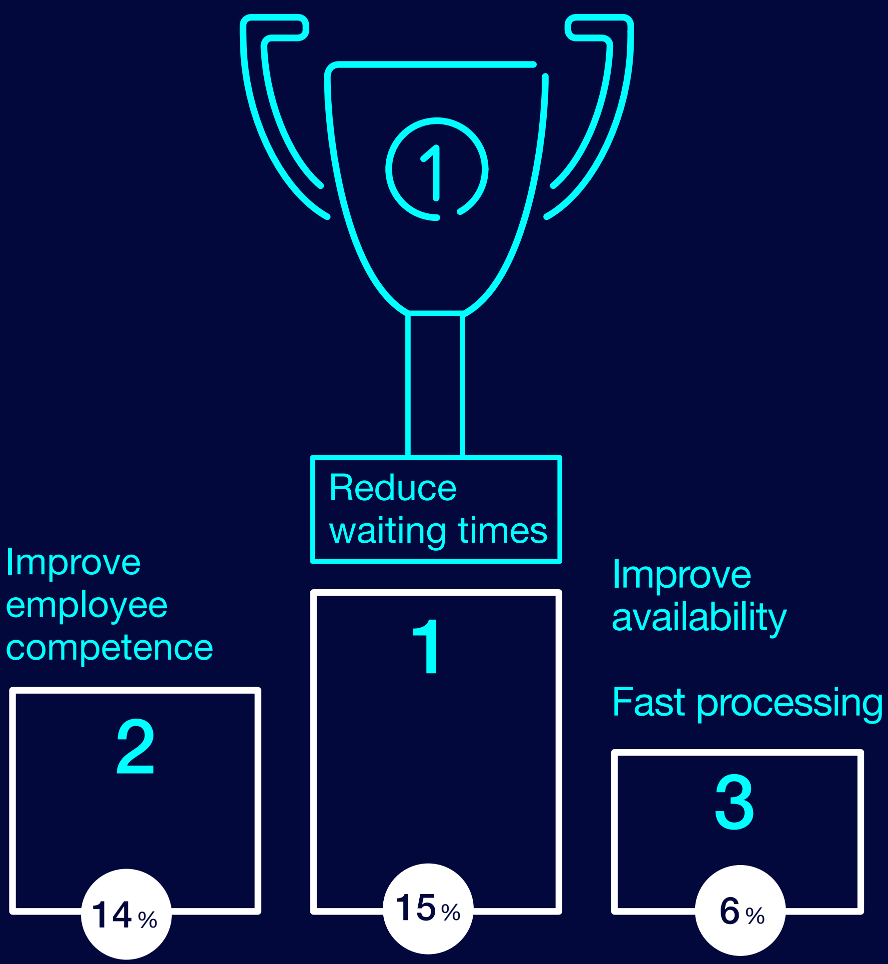
Optimisation potential

While too long waiting times were still the greatest need for optimisation in the 2022 survey at (25%), only 15% of respondents mentioned this in this year‘s survey. The other issues remained relatively unchanged compared to 2022. 14% of respondents rate the competence of employees as in need of optimisation and 6% would like to see better availability of services. The chart shows further optimisation impulses that smaller proportions of participants classified as relevant.

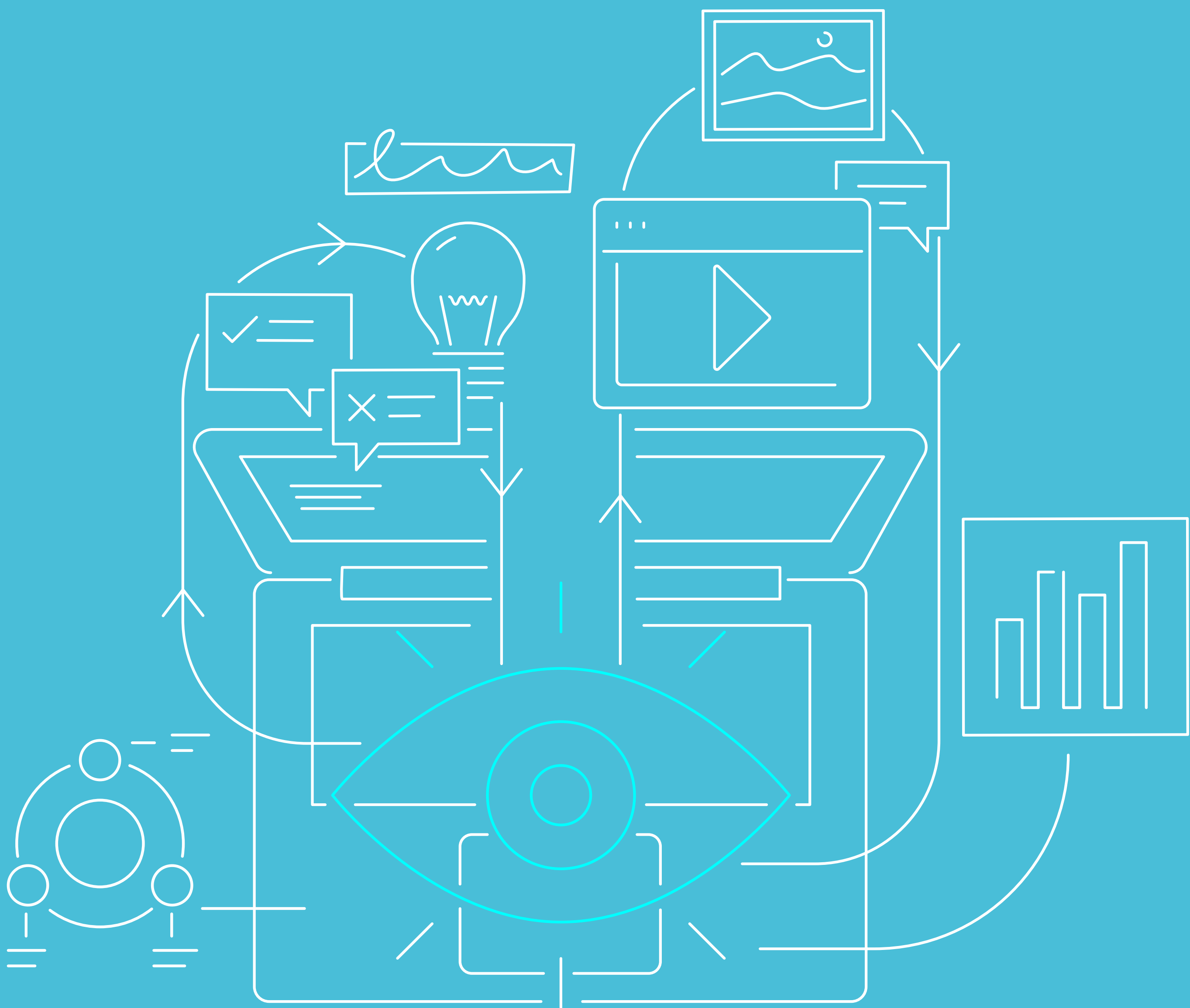


All figures in per cent | Multiple answers possible | n 2022 = 2.020 | n 2024 = 2.002

Optimisation wishes for customer services



05
Summary and outlook



Summary and outlook

Customers use various contact channels
On average, 3 different contact channels were used within the last 12 months, compared to 2 in the 2022 CX study. Although the use of modern channels - including service chats, social media and apps, for example - has increased compared to the last survey, consumers still primarily use the traditional contact channels of telephone and email to contact customer service.

Consistently high satisfaction with customer service
Almost three quarters of customer service users are explicitly satisfied with their last service contact. Gathering information is still the predominant reason for contacting customer service (31%), followed by technical support (25%) and submitting complaints (23%).

Poor service frequently leads to a provider change
Customers who are dissatisfied with their last service contact often switch providers. Of the 7% of customers who were explicitly dissatisfied, 12% subsequently switched providers, while a further 33% were seriously considering switching providers. This means that even a small proportion of dissatisfied customers can be relevant, as almost half of the dissatisfied service contacts led to the termination of customer relationships or prior considerations in this regard.

Self-service increasingly important
The ability to deal with service issues independently is becoming increasingly important to users. Of those surveyed, 50% use customer portals and 26% regularly use service apps on their smartphone for self-service. 35% of respondents would like to be able to deal with more service issues themselves in future. Even in the 60+ age group, 29% of respondents prefer self-service to personal contact. Against this backdrop, 83% of users are already (very) satisfied with how existing self-service offerings of companies are working.

Digital and AI-supported service channels
AI will play a decisive role in customer service in the future. Today, 58% of the survey respondents already use chatbots and 55% have already been in contact with intelligent voice dialogue systems. Respondents‘ trust in AI-supported applications is also increasing. 46% of users can imagine using AI to gather information, 33% even for technical support.

Chatbots: popular among customers, but not yet at the top in terms of quality
Chatbots have been implemented more and more frequently in recent years. Today, 58% of respondents already use chatbots regularly, especially to gather information. Unfortunately, chatbots often do not currently fulfil customer expectations. Only 54% of chatbot users surveyed were satisfied with the outcome of the interaction. The main reason for the poor rating is that the chatbots do not understand the request or cannot offer suitable solutions.

What defines good customer service and what customers want
When it comes to customer services in general, users stated that personal contact is most important to them. This point was ranked third in the 2022 survey, indicating that after extensive digitalisation measures, the option of personal service contacts is once again becoming more important to customers. When it comes to telephone customer services, the focus is on short waiting times until contact is made and continuous availability (24/7). The question about optimisation requests showed that long waiting times are the greatest need for optimisation, followed by the competence of employees.

Digital customer experience trends.
Increase in use of AI and relevant channels:

KI applications

Utilisation of AI technologies in the front and back end of customer service.

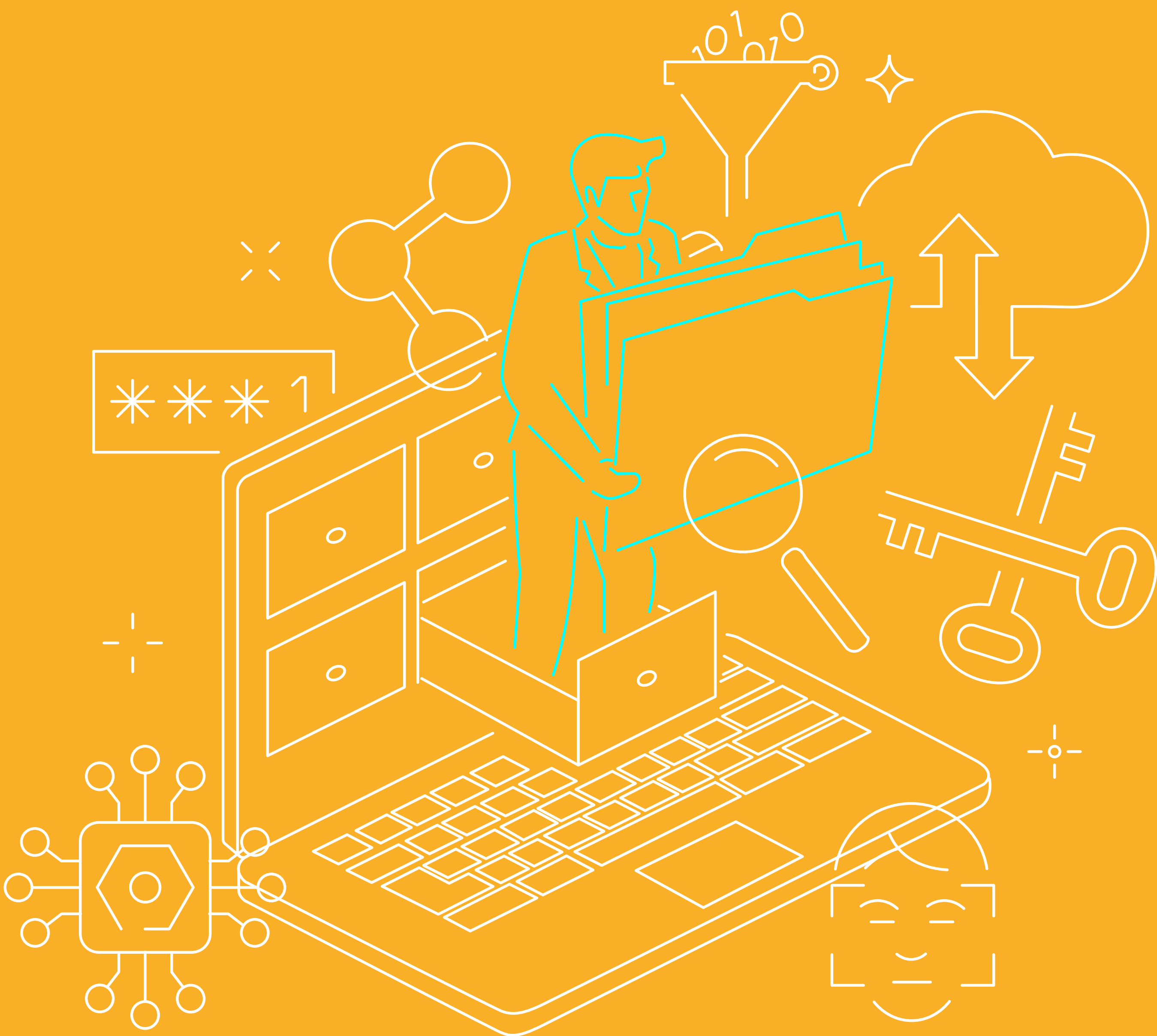
Self-services

Sophisticated self-service solutions via mobile apps and customer portals.

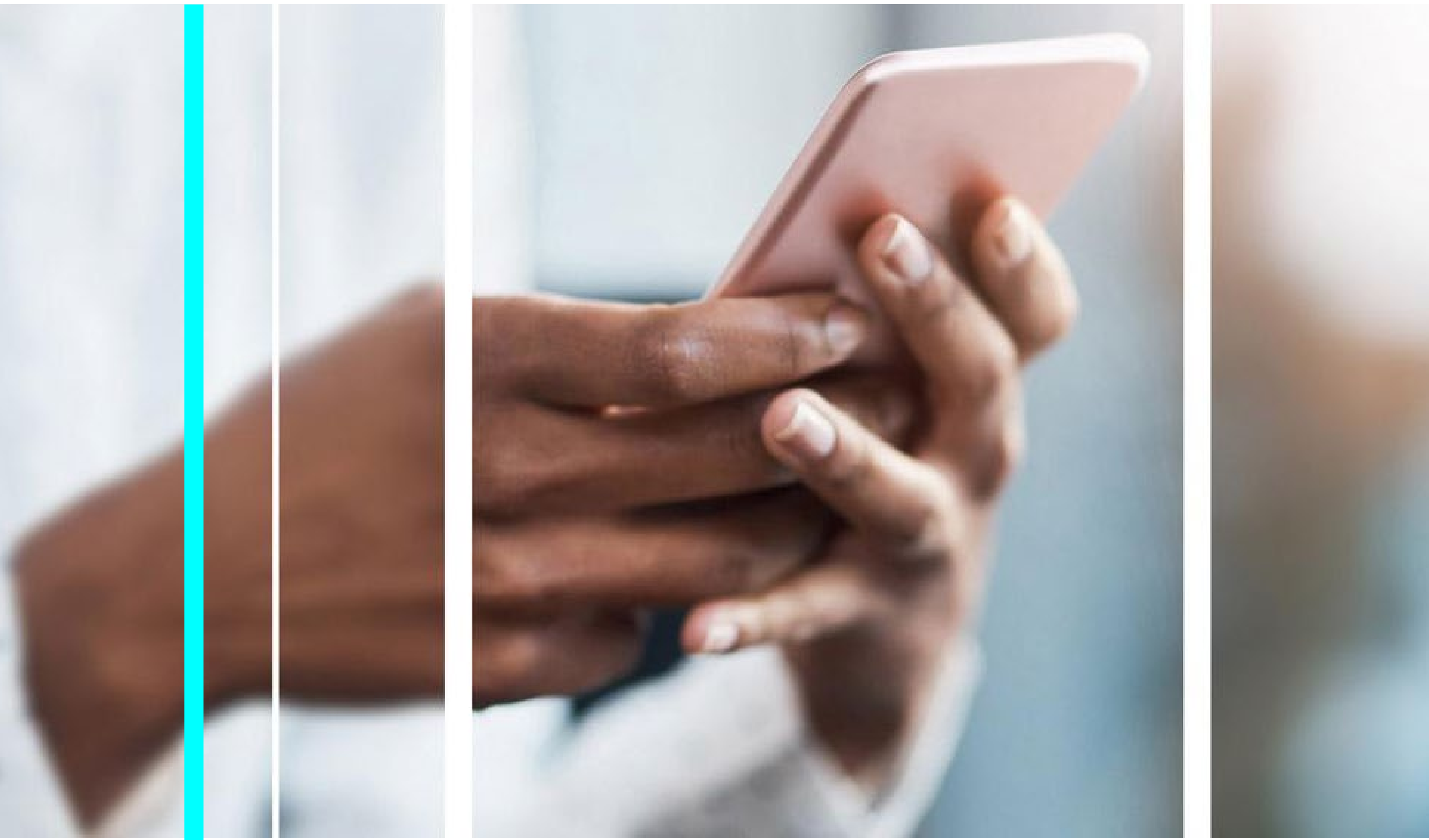
Chatbots

Powerful chatbots thanks to AI-supported natural language models.

06
About the study and the survey sample



The Capita CX Study



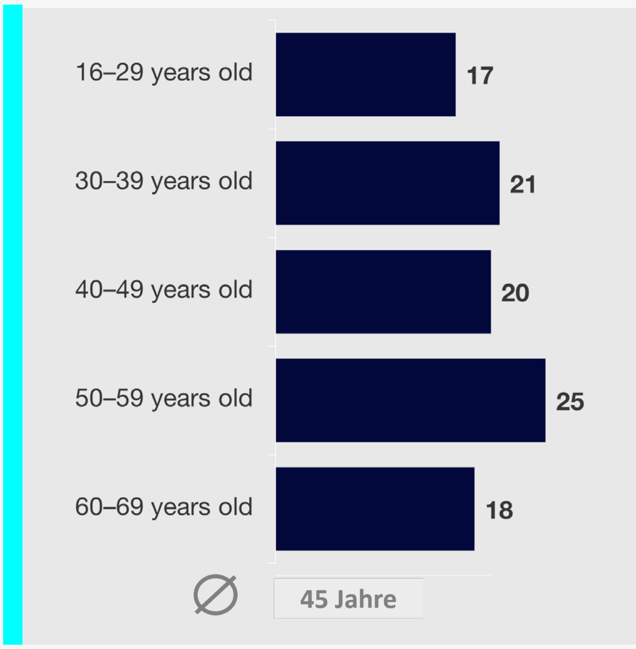
Capita expects customer management to continue to develop dynamically in the future. A variety of new technologies such as AI, chatbots, robotic process automation and new concepts - such as return of experience (ROX) or hyper-personalisation - will have a decisive influence on the customer service of tomorrow. The CX Study is published annually in order to continuously and analytically highlight this customer experience development in Germany. We alternate between surveying German end customers and CX experts from German companies in order to capture both perspectives on the status quo and the customer service of the future.

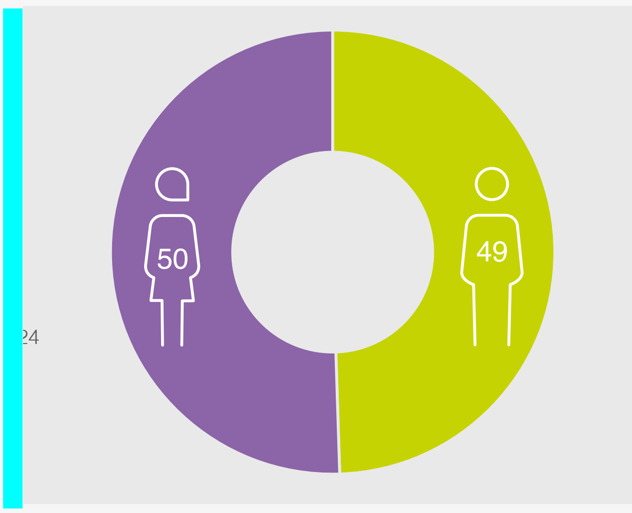
Survey sample

With a sample size of 2,002 people, the study provides a representative picture of German online users between the ages of 16 and 69 who have used customer service in the last 12 months. Quotas by age and gender were used to ensure that these socio-demographic characteristics correspond to the distribution in the German population, meaning that the results can be considered representative of German online users.

The data for the study was collected from 27 June to 30 July 2024.

Age and gender





Further information

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About Capita

Capita is a consulting, transformation and and digital services provider. With around 41,000 colleagues, the company has made its mission to ensure that every customer contact is a good contact through empathetic customer service employees combined with the right technologies, that positively change and simplify the connections and their customers in a positive way.

Capita is listed on the London Stock Exchange (CPI.L) and operates in the UK, Europe, India and South Africa. In Germany and Switzerland Capita, as part of the Experience Division, provides customer management for companies in a variety of industries, always with the aim of creating better customer experiences.

Further information at: **www.capita-europe.com**

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About hopp Marktforschung

We are management consultants.

We are market research experts with many years of project experience and provide answers to your business questions. We fuse market research with business management thinking and can thus provide you, the decision-maker, with concrete, success-oriented recommendations for action. We understand your operational challenges and support you in mastering them with our broad portfolio of solutions for practically all business cases.

We are a field institute.

As your field institute, we reliably collect data via our modern portfolio of quantitative and and qualitative methods: From CATI Studio to online focus groups, we have the right survey method for your requirements in-house.

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