
Consumer Intelligence Series:

Connecting with the digital consumer



Connecting with the digital consumer

Discovery sessions conducted on May 14, 2008

Series overview

"I want one company where I can get internet, wireless, phone, cable, my GPS satellite, cell phone, DVR, all in one package, where I deal with one company, one bill and not a zillion."

-consumer age 35-49

As part of our global consumer research program, PricewaterhouseCoopers Entertainment, Media and Communications practice is holding a series of consumer discovery sessions, which employ unique and creative techniques to elicit candid consumer feedback and gain an understanding of consumer attitudes and behaviors in a rapidly changing media landscape. By exploring both traditional and new media, this research will help identify emerging trends and provide insight on how to monetize content today. Below is a summary of what we discovered when talking with consumers ages 21 – 49.

Summary – More freedom. More flexibility. More focus on “me”.

In an era where consumers have more choices than ever before, internet, mobile and broadband service providers are increasingly challenged to win their trust and loyalty. The key to connecting with customers on both an emotional and rational level lies with personalization and customization. Consumers want their service providers to offer flexible, customizable plans that address their specific, varying needs. In particular, there is a strong desire for more flexible and personalized contracts. Consumers increasingly desire the ability to customize or personalize their services to address individual needs, such as bundling, affordability or customer care. Overall, there is also a huge demand for improved customer service. Consumers want personal and effective resolution of their questions, needs and problems; they want swift follow-through handled by knowledgeable and empowered representatives. They also desire that their provider respect their privacy and not sell their personal information, even if such information is readily attainable. By providing customers with options and service, providers can engender commitment, trust and loyalty.

"I think the websites have improved so much, even just going as far back as five years ago, as far as content. I think now they're catering to people that do want to get all of their news on a website, so it's much more user-friendly."

-consumer age 21-34

Our key findings are as follows

- 1. The area of customer service represents an untapped opportunity to foster a personal connection in a relationship where no single company currently stands out for doing this. While previous media research found differences by age group, there is no distinction between older and younger consumers relative to customer service needs and desires.**
 - The nature of the relationship between the customer and service providers for internet, cell and broadband is perceived as being fairly impersonal and basically dormant beyond the initial account set up.

"(Good customer service is...) going out of your way to provide a customer with almost whatever they want."

-consumer age 21-34

- Although customers feel completely dependent on the provider's services for professional and personal uses, they are not necessarily invested in a relationship with them.
- Excellent customer service is perceived as being either non-existent or occasional, surprising and the exception rather than the rule.

2. Consumers express a desire for a personal connection and want to feel like they “matter” to their service providers. In addition to the obvious characteristics (knowledgeable, courteous, helpful, friendly) consumers want:

- **Readily available communication:** When there's a problem, providers must be ready to assist on their customer's timetable – 24/7 tech support via all means of communication including the internet, phone calls, texting or snail mail. This communicates that the company puts the customer first.
- **Guaranteed resolution of concerns/problems:** Many consumers said they felt valued when a provider partnered with them to resolve an issue, such as guiding them to the proper resources through the process, providing one call resolution or calling them back until the issue was resolved.
- **Recognition of individual needs:** This makes customers feel valued. Consumers want to feel that the company will stop at nothing to resolve their problems.
- **A human connection:** A great customer service experience reflects positively on the company. Through superior customer service, the representative adds a human element to the corporation.

"I think customer service means answers given to you quickly, efficiently... It's having all the information at hand and being able to locate it quickly."

-consumer age 35-49

3. There continues to be a pervasive desire for self-serve and on-demand options: “What I want, when I want it, where I want it—with no limitations on how I use it.” Further, there is a perception that this is all readily available for the consumers now, so there is no temerity in asking for it. In fact, limitations on flexibility and customization imply the provider may be withholding something, which can create resentment among consumers.

The top three most highly desired features and benefits confirm the demand for customized content and flexible consumption, which are the same across age groups.

- Extend or move all content currently available with cable package to portable device, mobile device and/or the PC.
- Watch all on-demand content on the web.
- Watch live TV channel lineup on the web.

"I would like less of an obligation contractually. Like my cell phone, the 2-year contract I think is just way too long."

-consumer age 35-49

Customers want:

- **More choices:** Downloadable movies on-demand, customized cable features and services.
- **More interactivity:** Web and traffic cameras on location, virtual gaming online interaction, any movie title or music offered on demand.
- **More "live" entertainment and information:** "Live" virtual TV via satellite, including concerts, sporting events, theatre and opera, or 3D at home.
- **More mobility:** The ability to enjoy internet/cable/phone services in the same way that they do at home, even when they are away, such as being able to watch a movie or TV program on their cell phone.
- **More connectivity:** There's a desire to improve connectivity among their digital devices, such as being able to program the DVR from their cell phone.

4. Both younger and older consumers primarily get local news and information via the internet.

- Accessing the internet or mobile device supports the consumers' desire to customize their news and information. They go directly to exactly what they want to know, such as weather, traffic, etc.
- They also believe the internet helps them avoid advertising altogether, or to at least click through it more quickly.
- There is occasion to use traditional media for local news or information when there is the desire for exposure to broader "more important" information (TV and radio; rarely newspapers, especially among younger consumers).

5. Network neutrality as a concept is unfamiliar and confusing to many.

- Very few consumers understand this concept. Further discussion indicates that it smacks to them of regulation and restriction, and that in the end, it will somehow benefit the corporation, not the customer.
- Consumers we spoke with did not perceive any benefit to this scenario.

Implications to your business

- **Personalize.** offering customers the ability to choose what services they want, the ability to use it without limitations and offering a fixed price with limited contractual obligation would satisfy their ultimate desire for personalization, flexibility and respect. Further, customized service has implications for increased customer loyalty and retention.

- **Offer distinctive customer-focused service.** A consumer-focused customer service strategy can be a differentiating offer – and, if done correctly – has the potential for positive impact on customer loyalty and retention. It's not simply about the product's features and benefits – it's about taking care of the customer.
- **Freedom from service tethers has potential for positive impact on customer loyalty and retention.** While consumers may feel a sense of empowerment, given the freedom to modify their service agreement or change providers at will, and given constraints on time and the mobile lifestyle, it is unlikely that most will frequently switch providers. However, by offering this highly desired benefit, the provider is likely to engender the greatest loyalty.
- **Be flexible and innovative.** The consumer never stops changing or moving, and they want their service plans to change with them. They want plans that constantly offer more options to provide them with more real-time, instant and on-demand access to information, social networks and news and entertainment.

For more information:

Deborah Bothun

deborah.k.bothun@us.pwc.com

213 217 3302

The content of this focus group summary is provided 'as is' and for general guidance on matters of interest only. This focus group summary should not be used as a substitute for consultation with professional accounting, tax, legal or other competent advisers who have been provided with all pertinent facts relevant to your particular situation. PricewaterhouseCoopers is not herein engaged in rendering legal, accounting, tax, or other professional advice or services.

© 2014 PricewaterhouseCoopers LLP. All rights reserved. PwC refers to the United States member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.