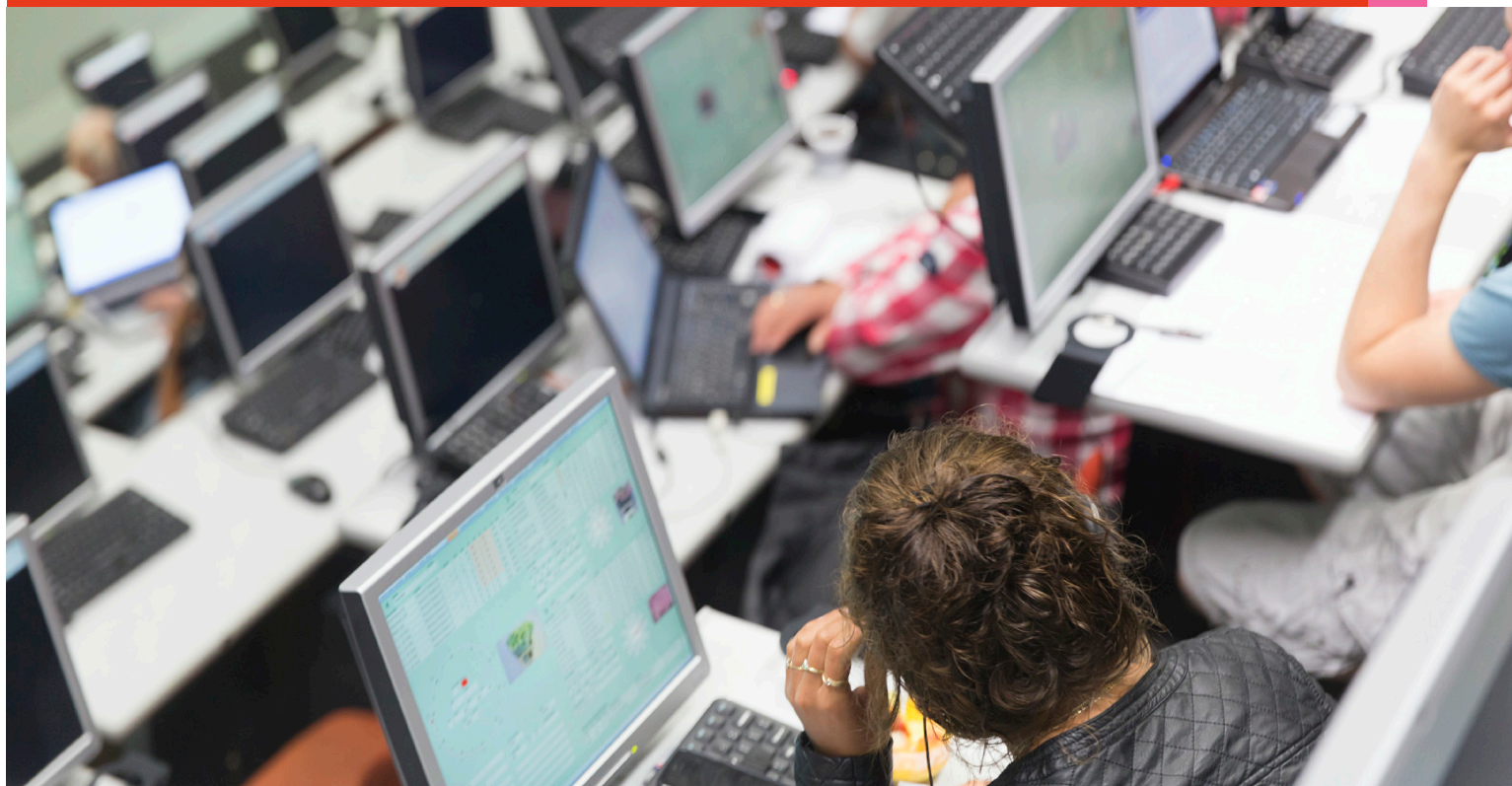


Consumer Intelligence Series

Customer care evolution

Digital leads the way

Through PwC's ongoing Consumer Intelligence series, we gain directional insights on consumer attitudes and behaviors in the rapidly changing media and technology landscape.

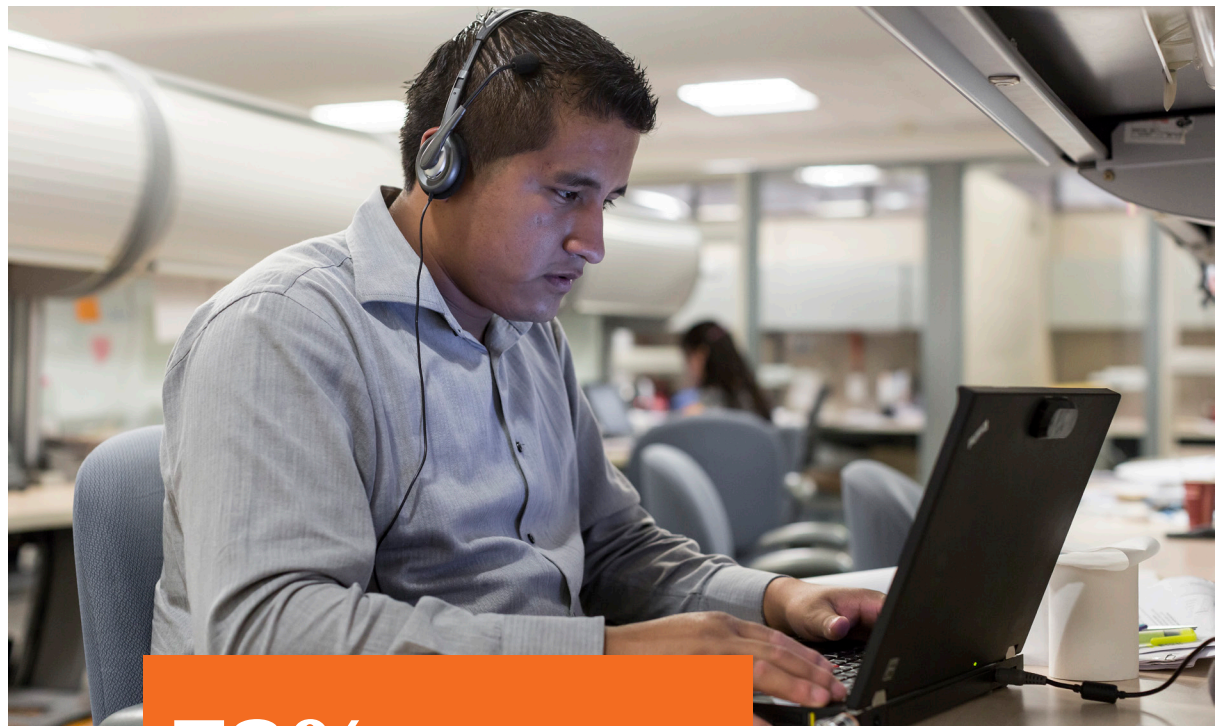


Series overview & study objectives

Through PwC's ongoing *Consumer Intelligence Series*, we gain directional insights on consumer attitudes and behaviors in the rapidly changing media and technology landscape. This report summarizes key findings in the communications sector from a 1,010-respondent survey¹ conducted in February 2015 exploring the topic of consumer preferences in customer care. The goal of this research was to understand consumer attitudes toward channel of choice when engaging in customer service.

Specific objectives were to:

- Determine satisfaction and preference levels for a variety of online and offline channels
- Learn the effects that channel switching has on consumer satisfaction
- Determine the effect of digital customer service experiences on a consumer's satisfaction



73%

73% of consumers say a combination of digital and traditional customer service channels work best in resolving an issue.

¹ Demographics — 62% male, 38% female
8% of sample: 18-24 years old
31% of sample: 25-34 years old
37% of sample: 35-49 years old
25% of sample: 50-59 years old

Highlights

Consumers frequently contact customer service, averaging 2+ times in the past 6-9 months.

- The most frequent industries contacted are telecommunications and retail stores.

Consumers are not wedded to a specific customer service channel.

- Almost 50% have used a **combination** of traditional and digital methods within the past 6-9 months.
- However, the single most used — as well as preferred — channel is speaking with a live agent on the phone.

Note: This finding does not coincide with other research that ranks live agents lower.

- Overall, consumers are generally satisfied with the channels they have used.

Regardless of channel, customers define a good customer service experience as one that quickly resolves their issues/concerns.

- The more swiftly the problem is resolved, the better the experience, which is particularly true among digital users. Traditional users also value a positive attitude.
- Lack of problem resolution, slow response, or poor agent attitude are the main contributors to a negative customer care experience.

Not surprisingly, consumers begin to think about switching channels only when the experience begins to spiral downward.

- Customers define inconvenience as too many steps or too much time.

Telecommunications and banking/financial services top the list of industries with the best reputation for digital customer care.

- Clear, easy-to-understand service and quick, effortless resolution are the most important features consumers seek in digital customer care.
- As with traditional channels, consumers seek quick, efficient resolution in a good digital experience.
- Healthcare and business service categories rank lowest in delivering good digital customer care.

For digital customer care, technical bells and whistles such as personalization (27%) and proactive notifications (19%) are not nearly as important as being able to navigate [a site] simply and easily (50%).

Consumers penalize organizations more for poor customer service than reward them for good service.

- Disgruntled customers will air their grievances on more venues (2.1) than those who had a good encounter (1.7).
- Whether positive or negative, respondents let their mouths and wallets do all the talking — sharing their experience with others and buying or refraining from buying products.

Two-thirds of customers believe that each channel is best suited to particular issues.

- Digital channels are best for more independent and less involved tasks such as checking account status and handling website and mobile app issues
- Consumers are more comfortable using traditional channels for issues that affect their pocketbook — billing issues/questions, requesting a refund or return — as well as for getting product/service support.

The vast majority of consumers are unwilling to pay a fee to use their preferred contact method — even for those channels with which they are highly satisfied.

- People are **least willing** to pay for the most widely used channels — live customer service rep on the phone, email, and online chat — likely because they've never had to pay for this service in the past.
- Some evidence suggests more customers are open to paying for online community forums; fewer than half the respondents surveyed.
- The few respondents who are willing to pay for customer service average \$4.76 per transaction.
- Digital users were highest, at \$5.38, and traditional users were lowest, at \$4.24. Combination channel users averaged \$5.03.

Key findings

1

Best of both: traditional and digital

People are not strongly partial to a specific customer service channel as nearly one-half (47%) have used a combination of traditional and digital channels.

- However, when respondents do indicate a preference, they choose traditional channels (such as live agent phone call, retail store, automated dial-in, postal mail or fax) over digital (such as email, online chat, website, social media, mobile website, mobile app, online community forum).

The most used (81%) and most preferred (84%) customer service channel is speaking over the phone with a live customer service agent.

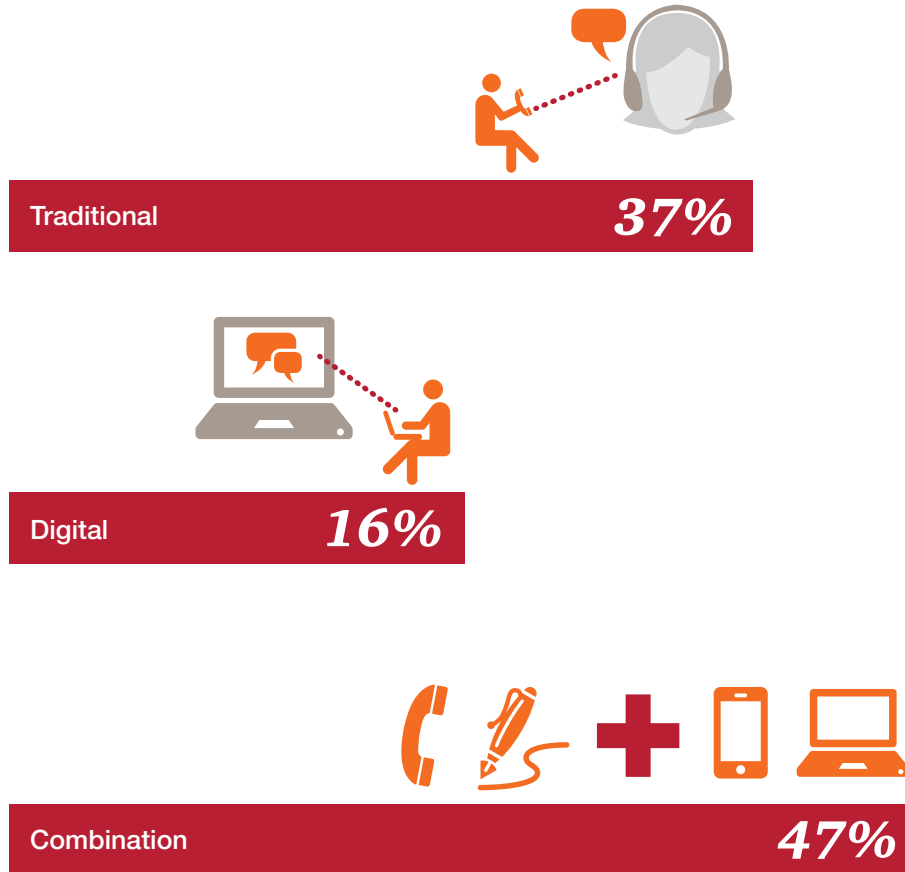
- Email is a distant second-most used (43%) and preferred (55%) method of interacting with a customer service representative.
- However, among the strictly digital category, email is the largely preferred digital method (75%).
- The third most used (30%) and preferred (41%) customer service channel is online chat.

Overall, consumers have had their most recent customer service interaction with telecommunications (25%) and retail stores (21%).

- Those self-described as strictly traditional have had their most recent customer care experience with telecommunications (30%); those described as strictly digital with retail stores (32%).
- Travel (4%) and business service firms (3%) were the industries least contacted for customer service in the past nine months.

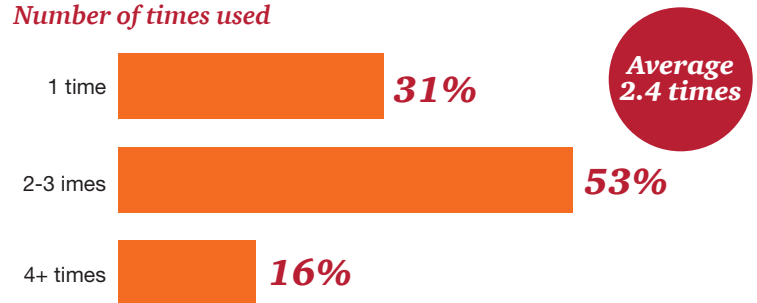
47% of consumers have used both digital and traditional channels*

Channels used



* Traditional channels: live agent phone call, retail store, automated dial-in, postal mail, or fax.
Digital channels: email, online chat, website, social media, mobile website, mobile app, or online community forum.

Number of times used



Base: Total respondents (1,010)

Q5a. How many times in the past 6-9 months — that is, between April, 2014 and today — have you contacted an organization's customer service department to address or follow up on a concern, compliment or complaint?

Live agents win out



Base: Total respondents (1,010)

Q6b. Which customer service channel(s) have you used in the past 6-9 months?

See Appendix (page 20) for more.

Preferred customer service channel

(multiple selections allowed)

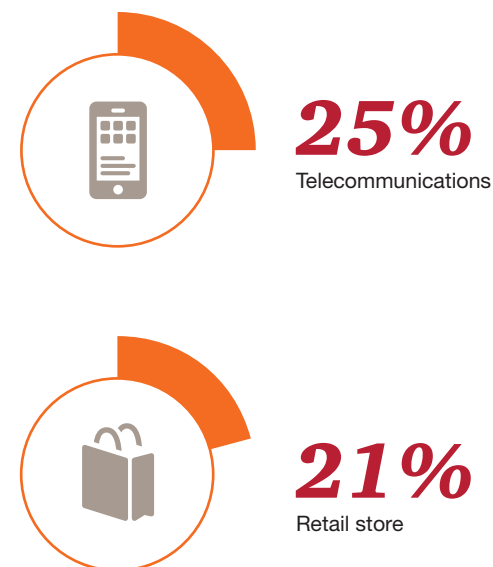


Base: Total respondents (1,010)

Q6a. Which are your preferred methods to contact customer service?

See Appendix (page 21) for more.

Industries contacted most often



Base: Total respondents (1,010)

Q7a. In which of the following industry(ies) did you have your most recent customer service experience?

See Appendix (page 22) for more.

2

Customers penalize bad service far more than they reward good service

Overall, consumers are satisfied with the customer service channels they have used in the past nine months.

- Consumers are most satisfied with a phone call with a live agent (81%), online chat (77%), and on-site retail stores (73%).
- Automated dial-in — (available in the customer service section of certain web sites) used and preferred by only 4% of respondents — not surprisingly, garners the lowest level of satisfaction (54%).

Regardless of customer service channel, the best customer service practices always start with resolving customers' problems — the faster the better the experience.

- Other crucial drivers are convenience as well as knowledgeable, helpful customer service representatives.
- Strictly digital users also value speed while strictly traditional users consider a positive attitude essential to excellent customer service.

Not surprisingly, most people think about switching contact channels when the customer service experience starts to turn negative overall (73%).

- This is primarily defined as being inconvenient (28%), involving too many steps to resolve the issue (17%) or spending too much time (14%).

Consumers define their worst customer service experience primarily as not having their problem resolved.

- Further, a rude or disrespectful service rep who shows little empathy for the customer's problem also contributes a great deal to the definition of worst experience.
- Being inconvenienced and/or having to endure multiple contacts with the company also contribute to the worst experience.

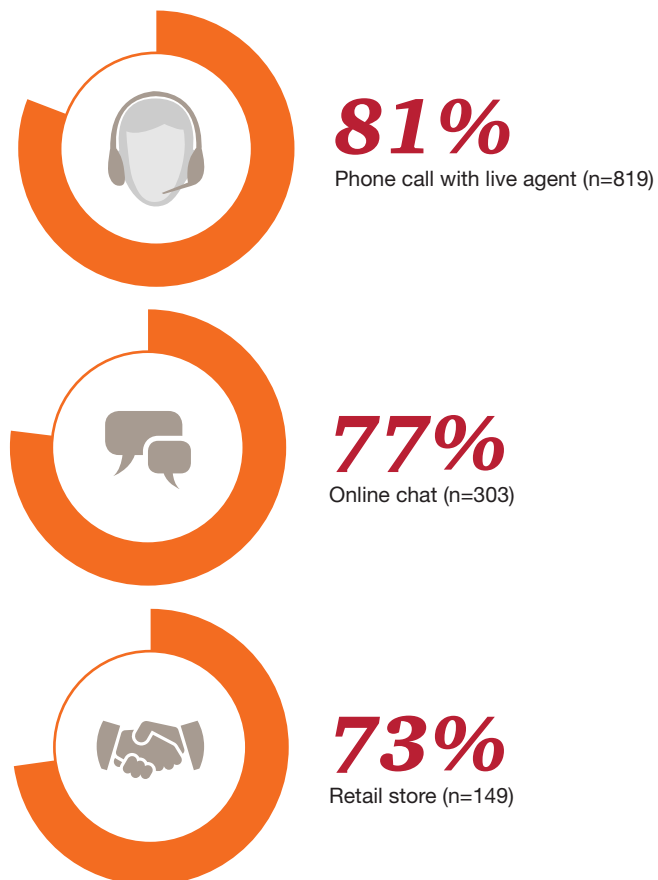
Consumers will penalize companies more for poor customer service than they will reward them for good customer service.

- Importantly, those who had a bad experience are inclined to express their displeasure *in more ways* than those who had a positive one will commend it.
 - On average, bad experiences are expressed via 2.2 actions taken.
 - On average, good experiences are expressed via 1.7 actions taken.
- **Word of mouth is powerful and prevalent.** Whether the experience is positive or negative, respondents will first and foremost *tell others about their experience*.
- After vocalizing their experience to friends and family, they put their money where their mouths are, rewarding a positive encounter with a repeat purchase and by contrast, *never* purchasing the product again after a bad experience.
 - Nearly one-third of disgruntled respondents will elevate their issue to a higher management level (28%) or write a negative review (27%).

Live agents win out

Consumers are most satisfied speaking with a live agent on the phone, online chat, or the experience in a retail store; they are least satisfied when using an automated dial-in service option.

Most-used channels (% very/somewhat satisfied)

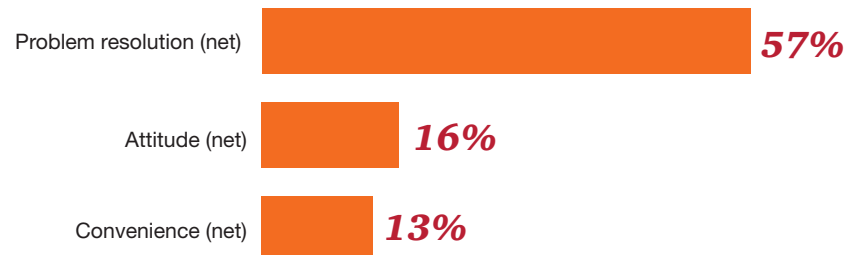


Base: Used channel in past 6-9 Months
Q6c. How would you describe your satisfaction with each channel?

See Appendix (page 23) for more.

Best customer service experience

Whether strictly digital or strictly traditional, the best customer service practices will always be measured by a **quick resolution of the problem/issue**.

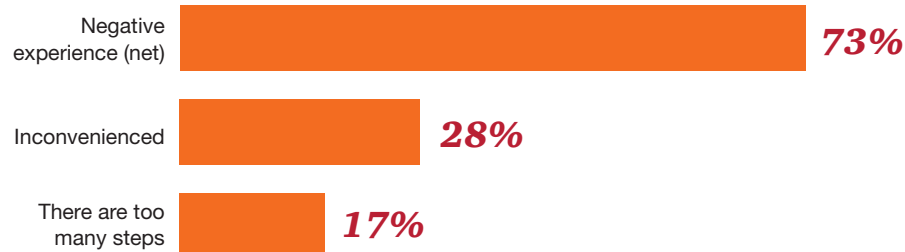


Base: Total respondents
Q8a. Describe your best customer service experience. Please indicate if the experience took place using traditional or digital channels.

See Appendix (page 24) for more.

Why do customers switch channels?

Because they have a negative experience, are inconvenienced or there are too many steps involved to resolve the issue.



Base: Total respondents (1,010)

Q11a. Which ONE of the following best describes your feeling about the need to switch channels during a single customer care experience?

See Appendix (page 25) for more.

Worst customer service experience

Respondents describe their worst customer service experience as being one where their problem was not solved and the customer service representatives were rude or disrespectful, showing lack of empathy for their problem.

A bad customer care experience is also defined by being inconvenienced by slow service or having to make multiple contacts with the company.

Traditional customer service channel users are more put out by reps with bad attitudes, while digital channel users get irritated when their emails are ignored.



Base: Total respondents

Q13. Describe your worst customer service experience. Please indicate if the experience took place using traditional or digital channels.

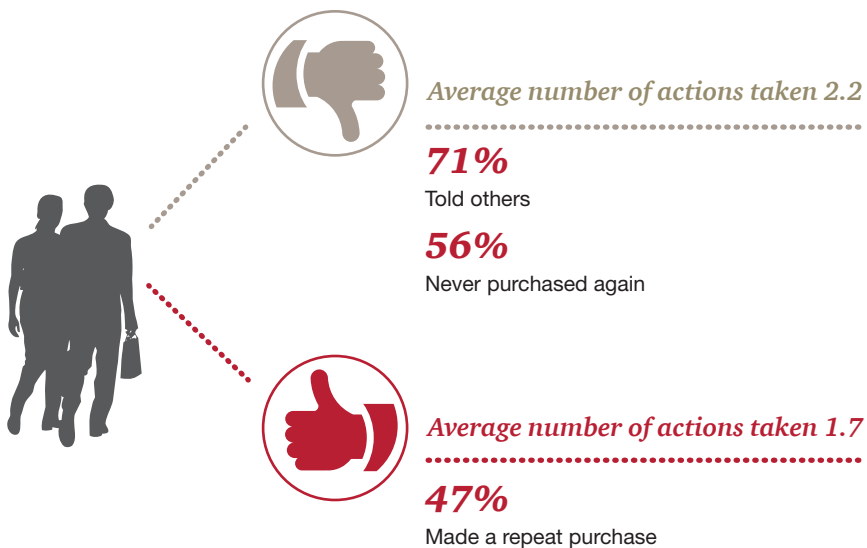
See Appendix (page 26) for more.

What actions do customers take after a good or bad customer care experience?

Consumers penalize poor customer service more than they reward good service. Those that had a bad experience are inclined to express their displeasure in more ways than those that had a positive one.

Whether consumers have a positive or negative customer service experience, the number one thing they do is tell someone about that experience.

After talking about the experience to others, consumers then let their wallets do the talking by either making a repeat purchase (based on a positive experience) or never purchasing again (based on a negative experience).



Base: Total respondents (1,010)

Q12a. Which best describes your actions after a good customer service experience?

Q12b. And which best describes your actions after a bad customer service experience?

See Appendix (page 26 and 27) for more.



Consumers penalize organizations disproportionately for poor customer service versus rewarding them for good customer service.

3 Digital customer care*

Telecommunications and banking provide the best digital customer service experiences: telecommunications (34%), banking/financial services (30%).

- Next are retail (22%) and technology (20%).
- Healthcare and business services follow.
[For the complete list of industries, please see page 28 of the appendix.]

Consumers are generally satisfied overall with their digital customer care experience. Getting their problem resolved in a quick, efficient manner is how they primarily define a good digital experience.

- They attribute good service to knowledgeable, courteous, respectful reps.

The most important features of a good digital customer care experience are:

- Clear, easy-to-understand information (73%).
- Quick, effortless resolution (67%).

Technical bells and whistles like personalization (27%) and proactive notifications (19%) are not nearly as important as simple, easy site navigation. (50%).

- Consumers believe connecting with their peers is the least important factor for a good digital customer care experience.

Improving digital channel customer care experiences among those few (66) dissatisfied users involves:

- Faster, better resolution of problems
- More knowledgeable service

* Some surveys classify email as a traditional customer service channel; our survey classifies it as a digital channel.

Who provides the best digital customer care experience?



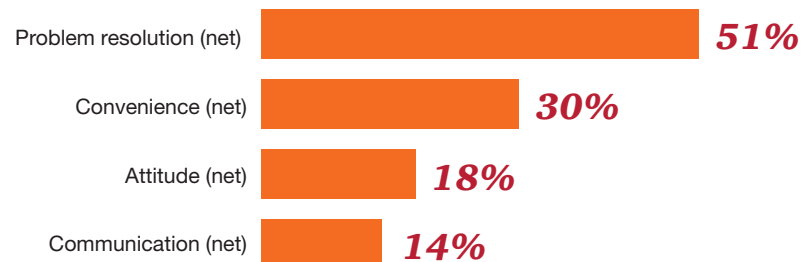
Base: Total respondents (1,010)

Q7b. Based on your knowledge, which industry(ies) provides the best digital customer service?

See Appendix (page 28) for more.

Please solve my problem— now!

Digital users — mirroring all respondents — want to get their problem resolved in a quick and efficient manner.



Base: Total respondents

Q8b. How would you define a “good” digital customer service experience?

*Note: Respondents may have answered multiple ways — so nets will not sum to 100

See Appendix (page 29) for more.

What do consumers want in a digital customer care experience?



Base: Total respondents (1,010)

Q9. Rank the following relative to how important each attribute is to a good digital customer service experience.

See Appendix (page 30) for more.

*If it solves the problem, ...
it is a good experience.*

*The best experiences
are those with
immediate results.*

*Knowledgeable reps who
can resolve the problem
and follow through with
the results.*

4

Digital versus traditional customer care

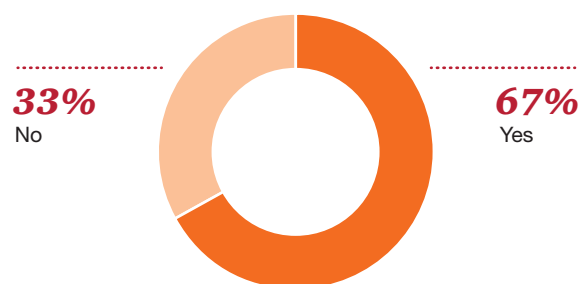


Digital channels are better suited to checking account status and handling website or mobile app issues.



Traditional channels are better suited to billing issues/questions, and support for products/services.

67% of respondents believe that specific issues lend themselves to one or the other channel: digital or traditional.

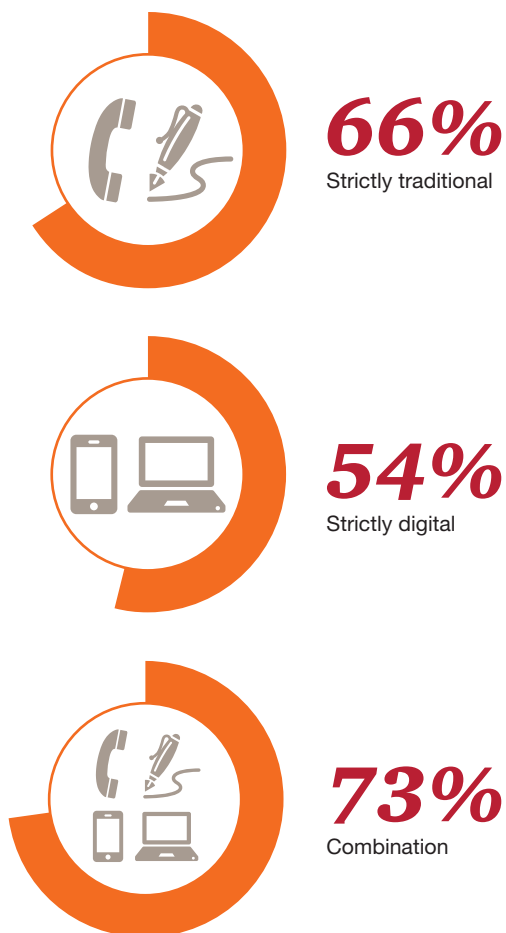


Base: Total respondents (1,010); strictly traditional (376), strictly digital (158), combination (476)
Q10a. Do you feel there are specific issue concerns or types which lend themselves better to traditional customer care channels and others which lend themselves better to digital customer care channels?

See Appendix (page 31) for more.

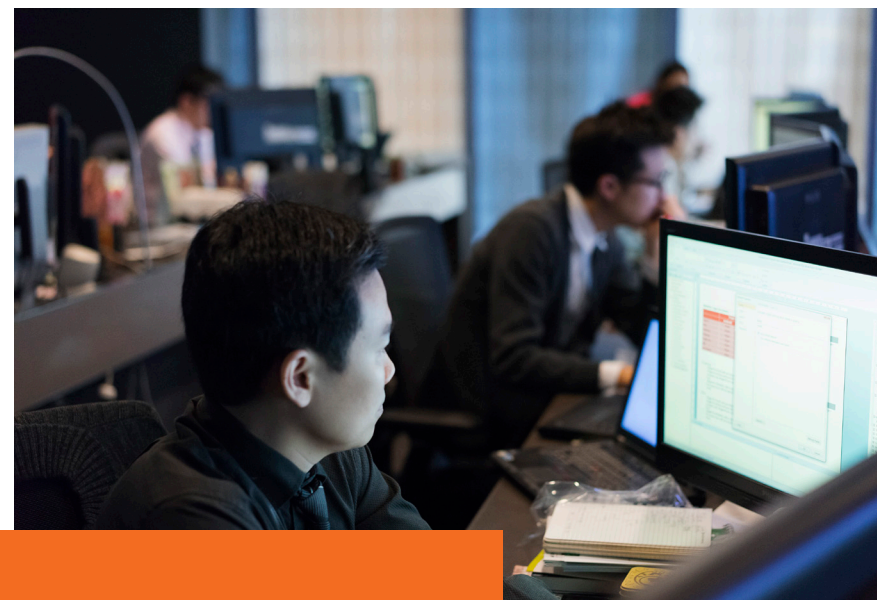
Which channel? That depends!

Consumers say some issues are better resolved using strictly traditional channels, others are better resolved using strictly digital channels, and some require a combination of the two.



Base: Total respondents (1,010); strictly traditional (376), strictly digital (158), combination (476)
Q10a. Do you feel there are specific issue concerns or types which lend themselves better to traditional customer care channels and others which lend themselves better to digital customer care channels?

See Appendix (page 32) for more.



Technical bells and whistles such as personalization and proactive notifications are not as important as simple, easy site navigation.

5

Pay for customer service? Most say, “No, thank you!”

Overwhelmingly (86%), consumers are NOT willing to pay a fee to use their preferred customer service contact method — even those with which they are satisfied.

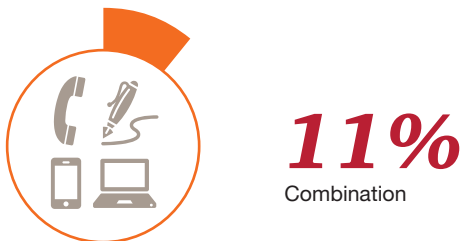
- Interestingly, respondents are least willing to pay for the most widely used customer service contact methods: live agents on the phone (13%), email (13%), and online chat (11%).
- There is some evidence to suggest that online community forums (30%) and mobile websites (24%) are the channels that consumers are most inclined to pay a fee for using. This may be due to the existing monetization of mobile apps as well as some online service agreements (for example, for computers and/or software).

The few customers who would pay to use a customer service channel are willing to pay on average \$4.76 per encounter.

- Consumers who strictly use digital customer service channels are willing to pay slightly more, averaging \$5.38.
- Those who use strictly traditional channels were lowest, averaging \$4.24.

Who’s willing to pay?

% willing to pay



Base: Very/somewhat satisfied or neutral with one customer service contact channel; strictly traditional (341); strictly digital (146); combination (458)
Q6e. If you could choose your preferred method — the one(s) with which you have been “very satisfied” — would you be willing to pay a fee to use that preferred method?

See Appendix (page 33) for more.

And how much?

\$ willing to pay (average)



Base: Among those who would be willing to pay a fee; strictly traditional (56*); strictly digital (25*); combination (50*)

Q6e. If you could choose your preferred method — the one(s) with which you have been “very satisfied” — would you be willing to pay a fee to use that preferred method?

*Caution small base size

See Appendix (page 33) for more.

Implications

1. Consumers are flexible in moving beyond traditional channels to include digital.

- With half of consumers using a combination of channels, they are obviously receptive to exploring — and willing to embrace — various customer care channels — including digital.
- An opportunity exists to improve the digital customer care experience by focusing on what's important to the consumer (such as faster problem resolution; clear, easy to follow navigation; follow up) so that it becomes the go-to channel, despite a live agent being the preferred and most-used channel right now.

2. If enhanced, online chat has the potential to replace live phone calls eventually.

- Customers are interested in online chat, with more than 40% actually preferring this channel. Given its intrinsically live nature, it has the potential to be an acceptable substitute.

3. Among those few consumers who are willing to pay for a preferred customer care channel, more are willing to pay for digital engagement.

- This indicates there is at least early receptivity to the idea of monetizing the customer care service.
- It would likely need to be accompanied by a specific perceived benefit (such as higher quality of service and faster, more accurate resolution of problems) to improve value perception.

4. An opportunity exists to move management of billing issues and refunds from traditional to digital channels.

- Implement quality control strategies — such as follow up communication — to be sure an issue is resolved using digital channels.
- Offer an option for live chat during the digital experience to assure proper handling of billing issues and refunds.

5. Swift resolution is most important.

- Guaranteeing a timeframe within which a problem will be resolved — when customers use digital channels — speaks to consumers' main priority for customer care while also providing an incentive to use digital channels.

6. Consumers associate the telecommunications and banking/financial industries with the best digital customer care management.

- Build on this strength with more resources devoted to improvement of digital customer care management (such as ease of navigation, fewer steps, resolution assurance) and innovation in digital customer care.

Appendix

Demographic profile



1,010

Total respondents interviewed



62%*

Female

40

Average age



38%*

Male

\$78k

Total average income



37%

Strictly traditional



16%

Strictly digital



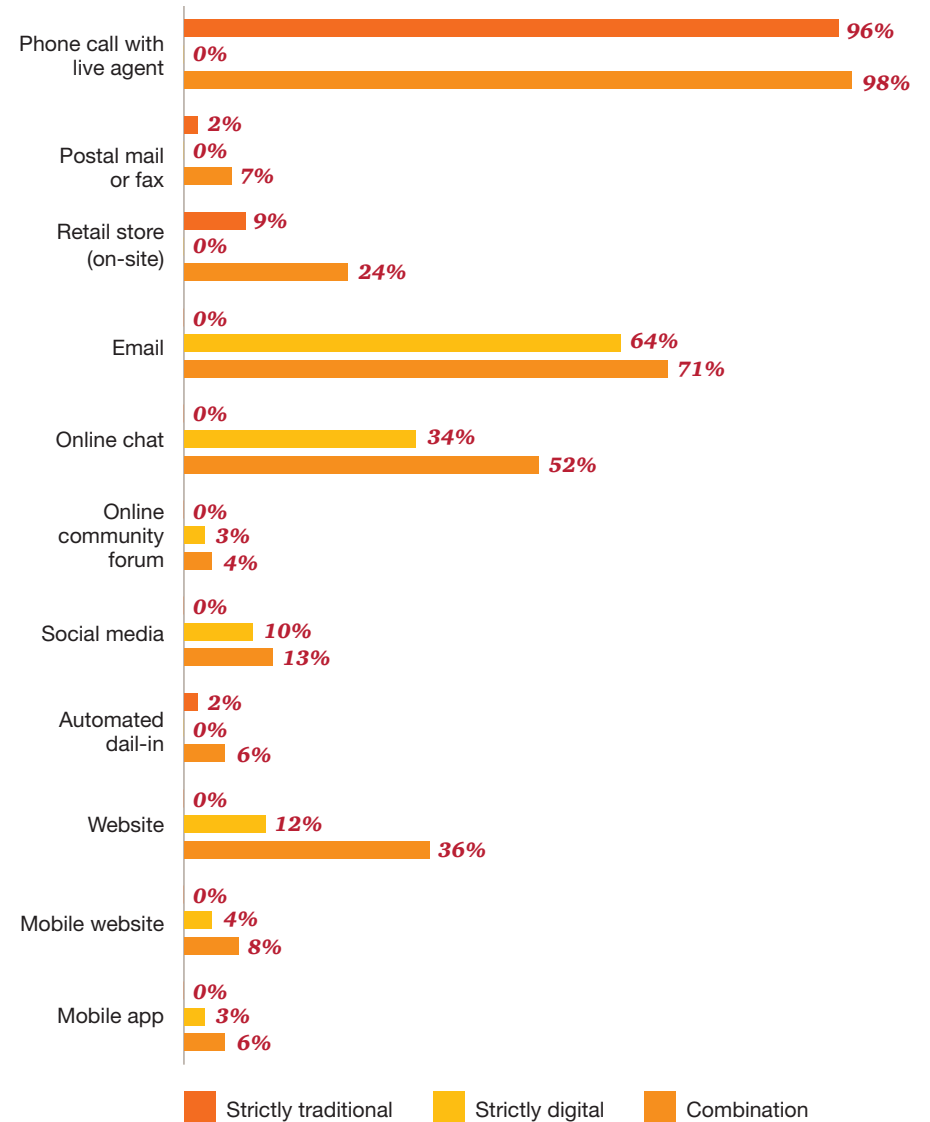
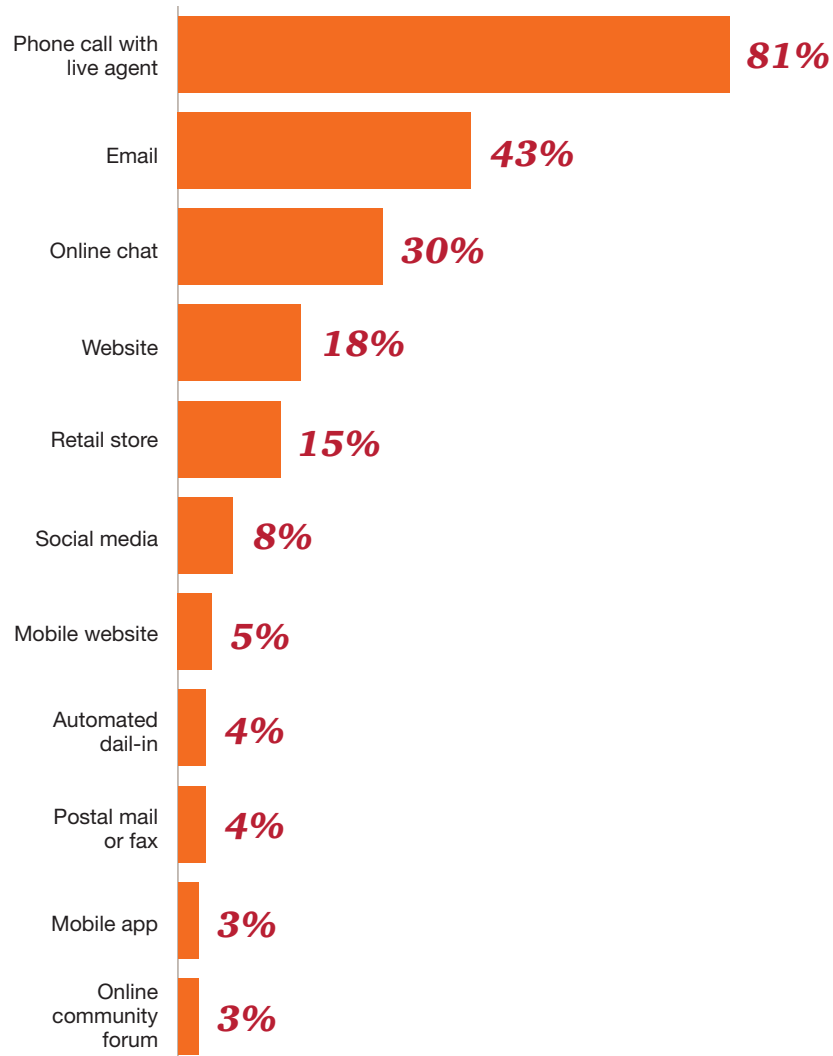
47%

Combination

| | Total | Strictly traditional | Strictly digital | Combination |
|--------------------------------|--------------|----------------------|------------------|--------------|
| Base: Total respondents | 1,010 | 376 | 158 | 476 |
| Gender | | | | |
| Male | 38% | 41% | 36% | 36% |
| Female | 62% | 59% | 64% | 64% |
| Age | | | | |
| 18-24 | 8% | 6% | 8% | 10% |
| 25-34 | 31% | 28% | 38% | 31% |
| 35-49 | 36% | 40% | 35% | 34% |
| 50-59 | 25% | 26% | 19% | 25% |
| Avg age | 40 | 40 | 38 | 39 |
| Income | | | | |
| Avg HH income | \$78k | \$73k | \$74k | \$83k |

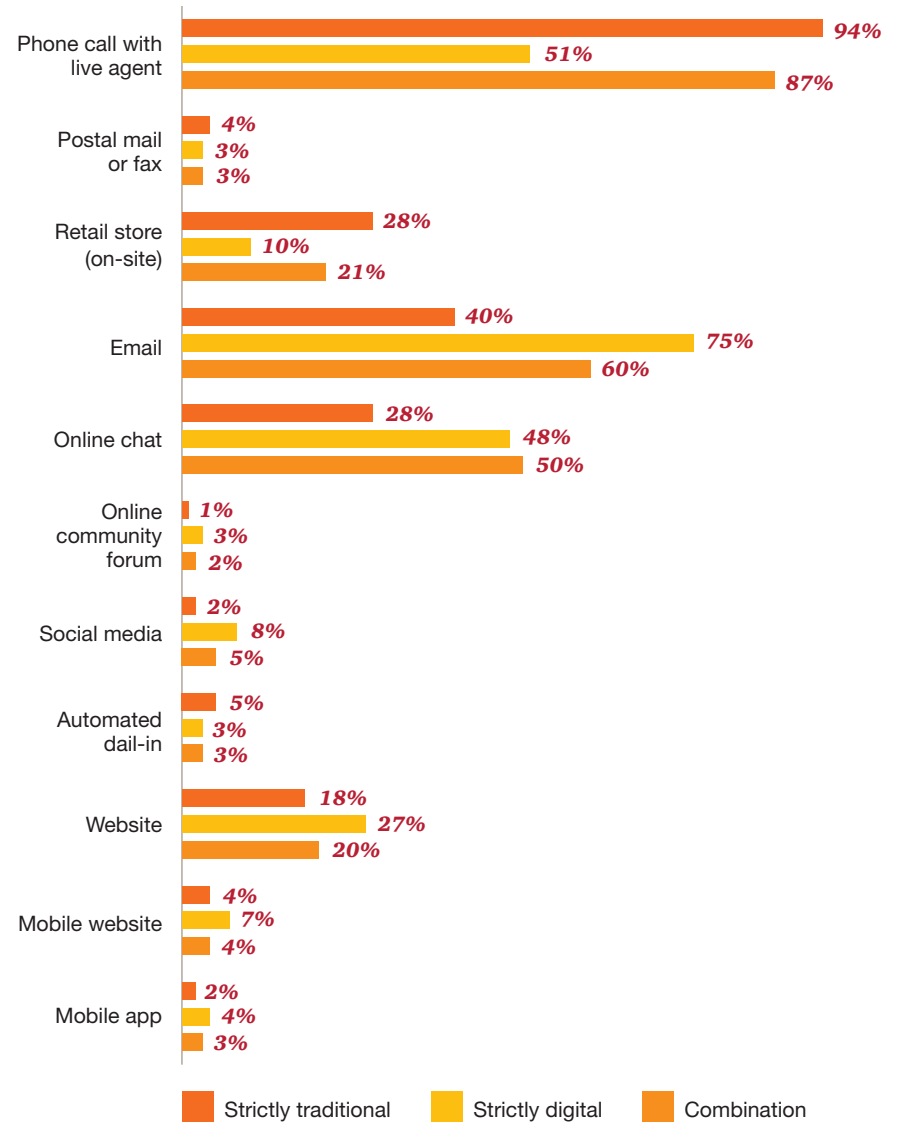
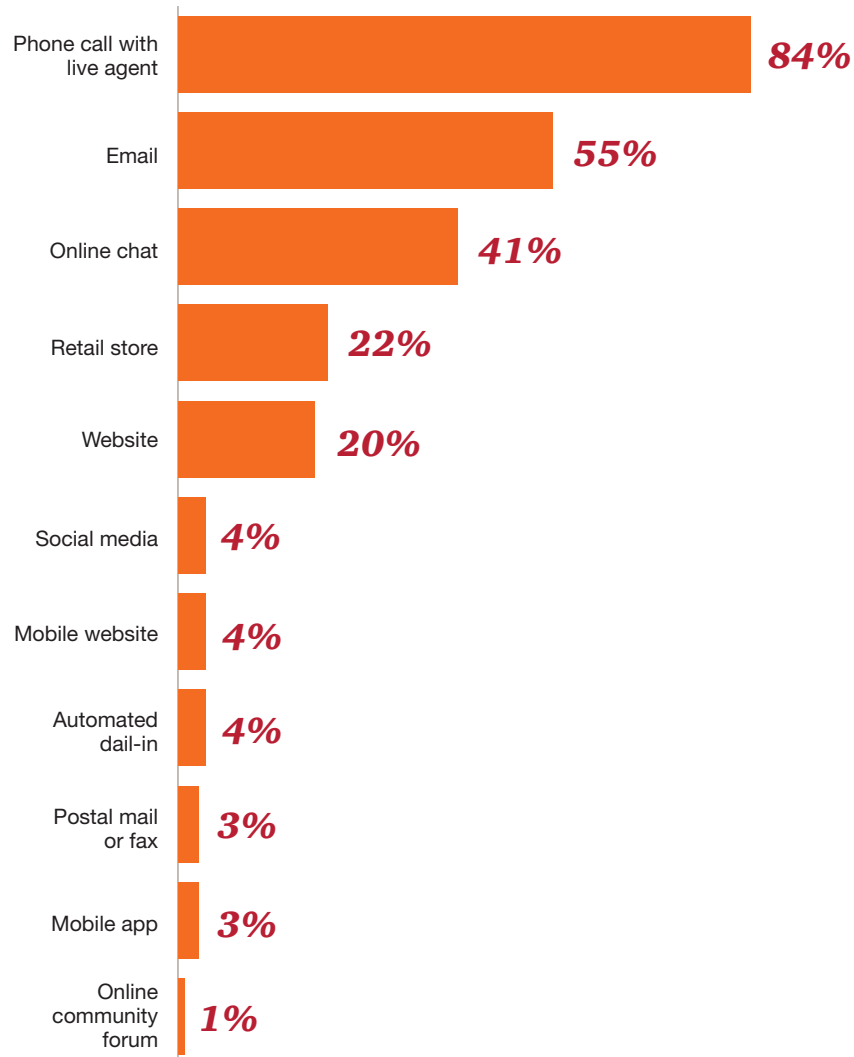
*To qualify for the survey, all respondents must have contacted a customer service department at least one time in the past 6-9 months

Contact channels used for customer service



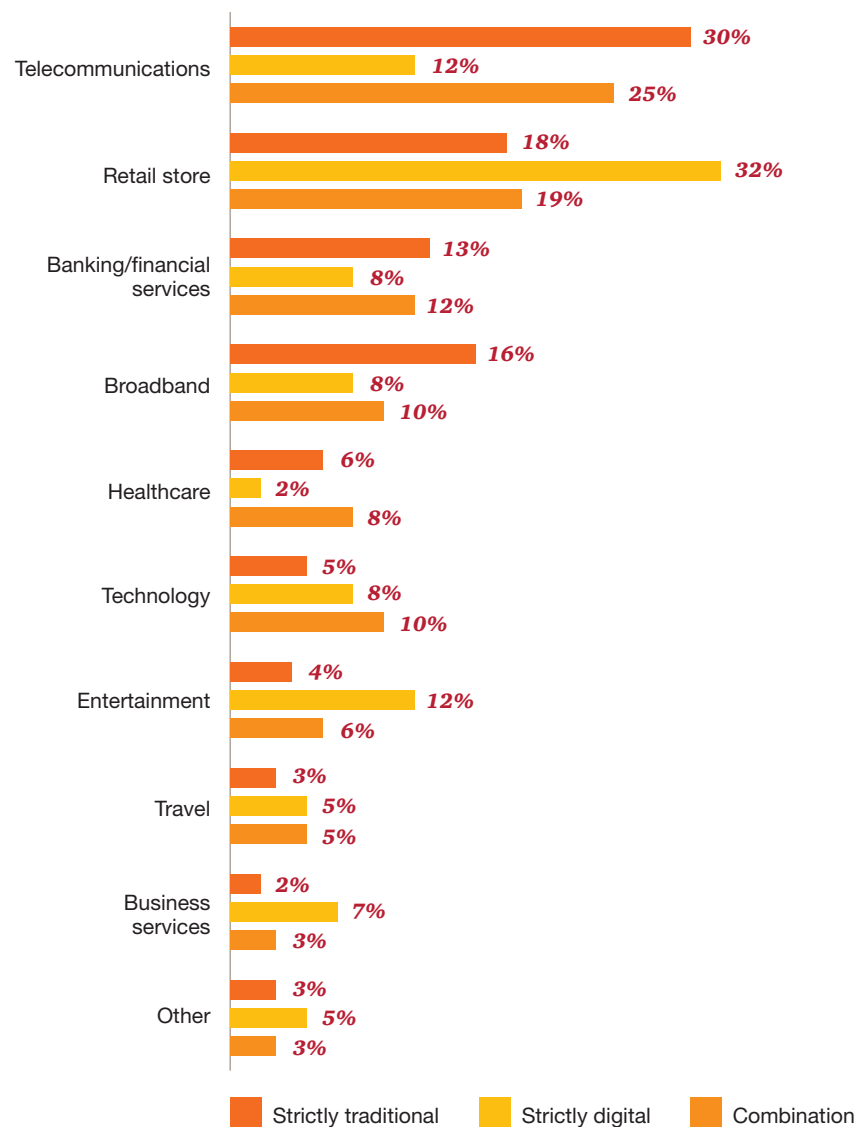
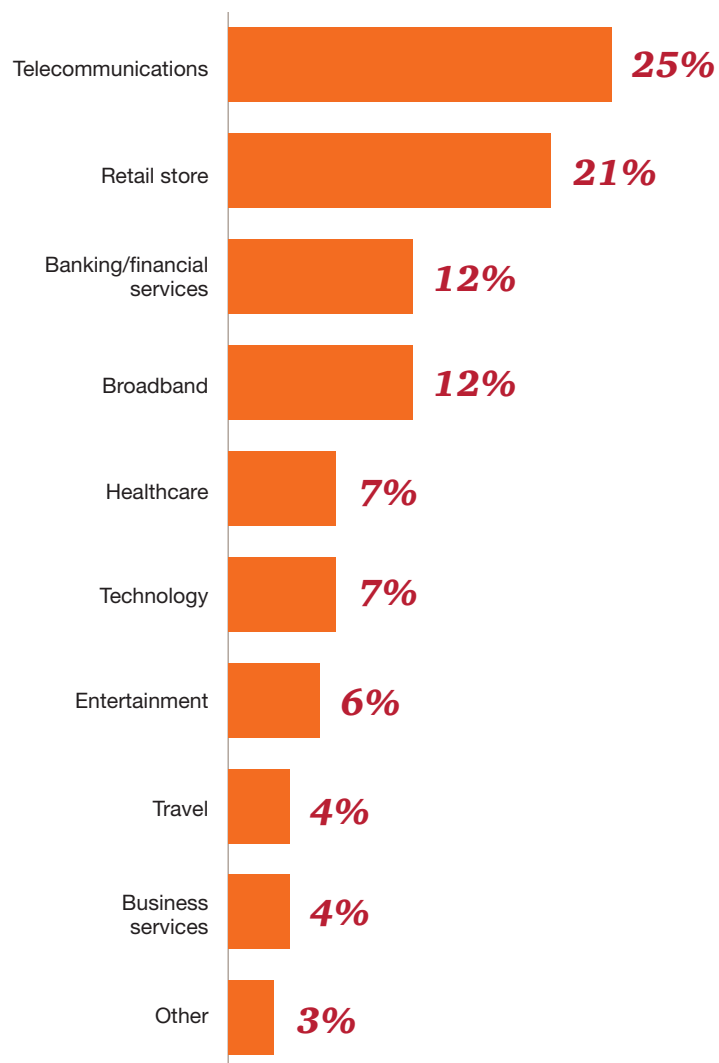
Base: Total respondents; strictly traditional (376), strictly digital (158), combination (476)
Q6b. Which customer service channel(s) have you used in the past 6-9 months?

Preferred customer service channel



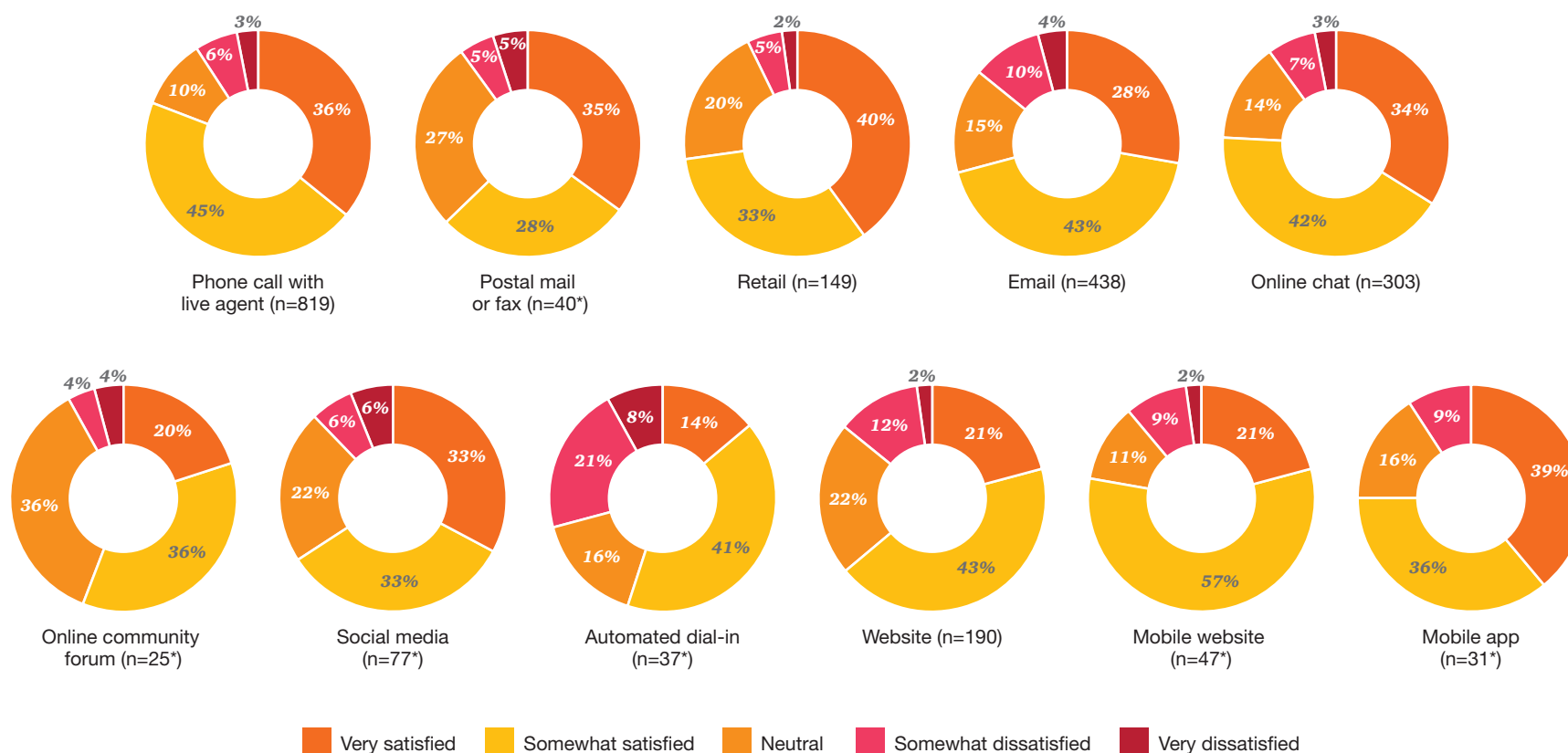
Base: Total respondents; strictly traditional (376), strictly digital (158), combination (476)
 Q6a. Which are your preferred methods to contact customer service?

Industries contacted most often



Base: Total respondents; strictly traditional (376), strictly digital (158), combination (476)
 Q7a. In which of the following industries did you have your most recent customer service experience?

Live agents win out

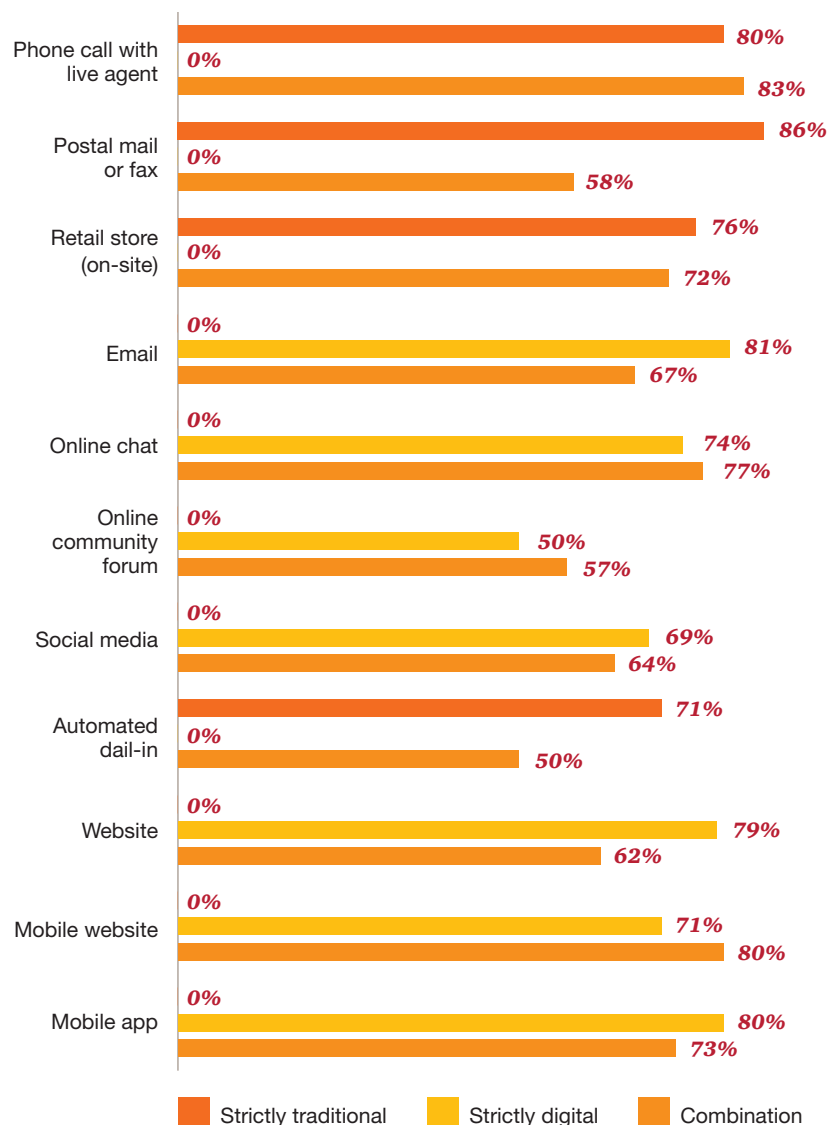


Base: Used channel in past 6-9 months

Q6c. How would you describe your satisfaction with each channel? (Answer only those channels with which you have had direct personal experience)

*Caution Small Base Size

Customer service satisfaction



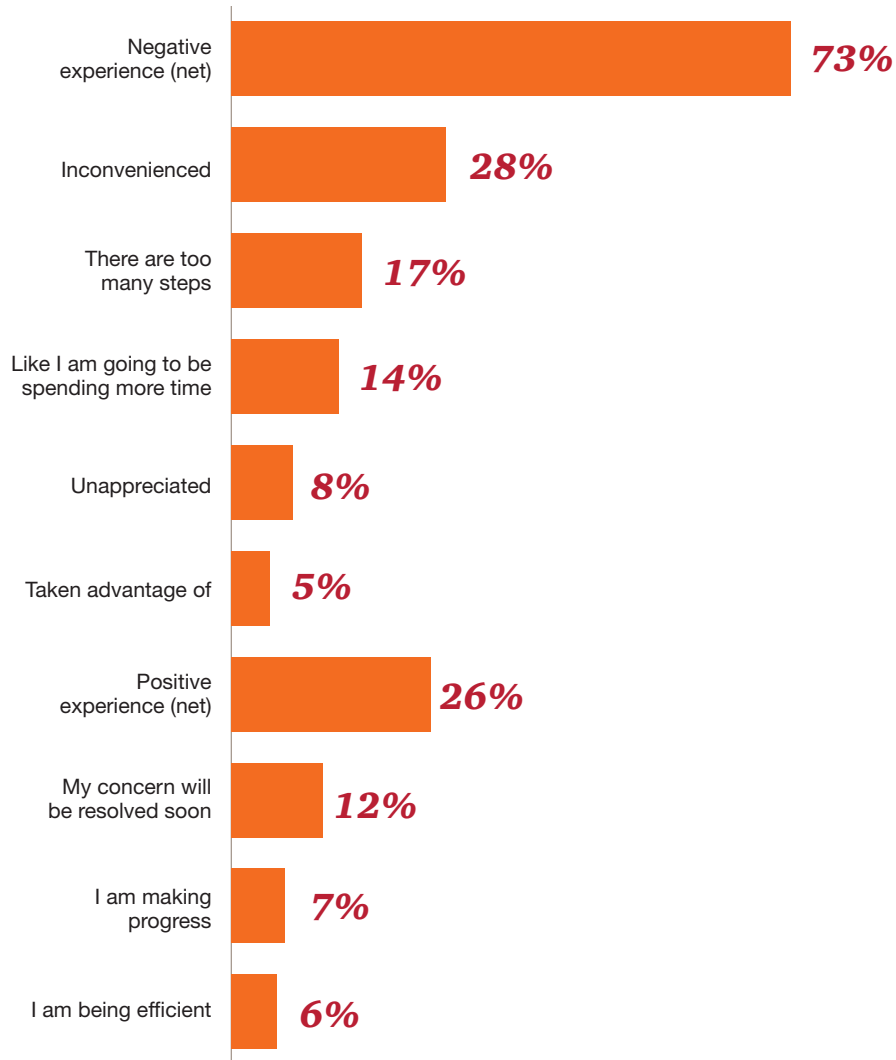
Base: Used channel past 6-9 months (base sizes vary based on usage)
 Q6c. How would you describe your satisfaction with each channel? (Answer only those channels with which you have had direct personal experience)

Best customer service experience

| | Total | Traditional channel | Digital channel |
|---|--------------|---------------------|-----------------|
| Base: Total respondents | 1,010 | 423 | 195 |
| Problem resolution (net) | 57% | 62% | 62% |
| Resolved the problem/issue quickly | 17% | 18% | 20% |
| Resolved the problem/issue | 15% | 19% | 16% |
| Received refund/price adjustment/money back | 11% | 9% | 14% |
| Knowledgeable/able to answer questions | 10% | 8% | 11% |
| Helpful | 7% | 8% | 6% |
| Matched offer/more services/incentives/deals | 4% | 5% | 3% |
| Attitude (net) | 16% | 19% | 8% |
| Nice/kind/friendly | 7% | 9% | 4% |
| Convenience (net) | 13% | 13% | 18% |
| Fast/no/little wait time | 7% | 6% | 15% |
| Easy to reach/easy to process | 3% | 3% | 4% |

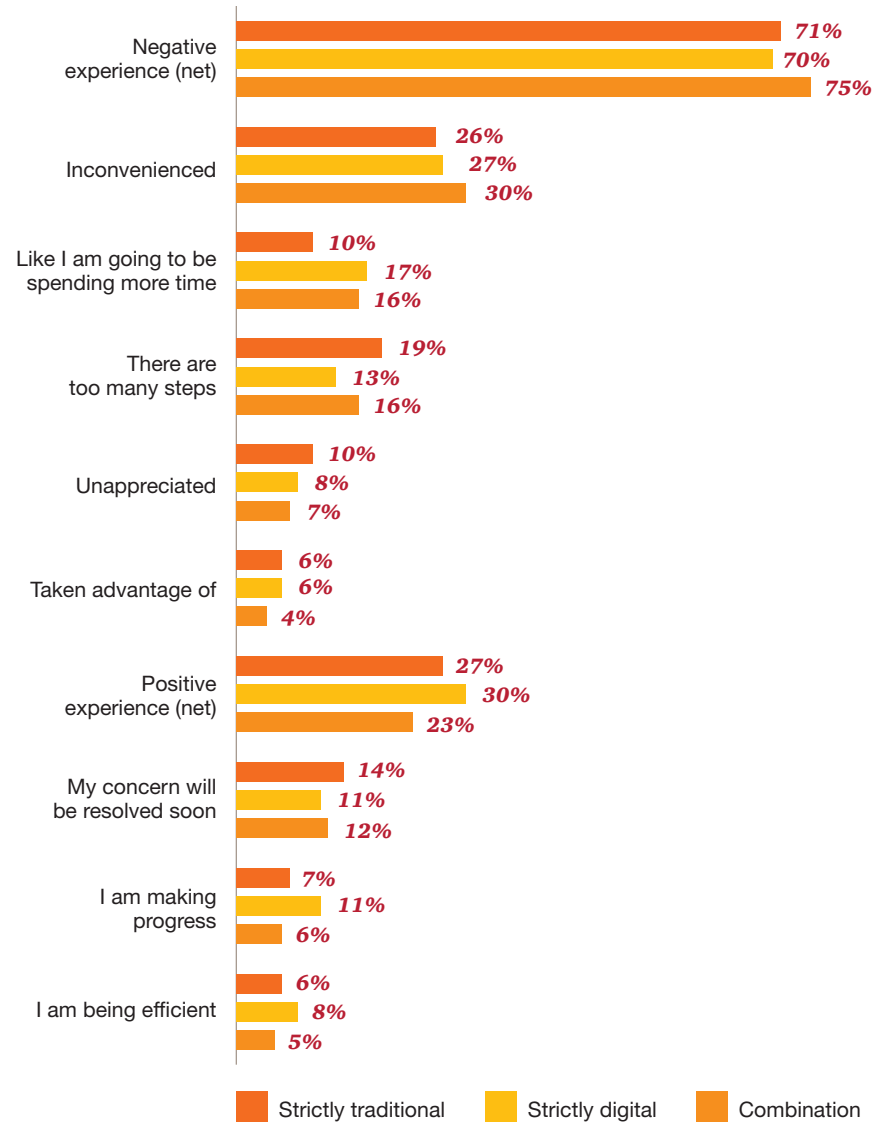
Base: Total respondents
 Q8a. Describe your best customer service experience. Please indicate if the experience took place using traditional or digital channels.

Why do customers switch channels?



Base: Total respondents (1,010)
Q11a. Which ONE of the following best describes your feeling about the need to switch channels during a single customer care experience?

Reasons to switch channels during a single customer care experience



Base: Total respondents; strictly traditional (376); strictly digital (158); combination (476)
Q11a. Which ONE of the following best describes your feeling about the need to switch channels during a single customer care experience?

Worst customer service experience

| | Total | Traditional channel | Digital channel |
|--|--------------|---------------------|-----------------|
| Base: Total respondents | 1,010 | 272 | 83* |
| Problem resolution (net) | 54% | 70% | 82% |
| Did not resolve the problem | 14% | 18% | 21% |
| Not helpful/did not provide any help | 18% | 22% | 24% |
| Not knowledgeable/trained/unable to answer questions | 6% | 8% | 8% |
| Attitude (net) | 35% | 40% | 31% |
| Rude/disrespectful | 14% | 14% | 12% |
| Lack of concern/sympathy | 5% | 7% | 8% |
| Convenience (net) | 35% | 61% | 58% |
| Slow service/took too long | 15% | 31% | 30% |
| Required many contacts with company | 8% | 21% | 23% |
| Difficult process/unreasonable requirements/complex | 5% | 11% | 13% |
| Communication (net) | 11% | 16% | 29% |
| No response/not return calls/e-mails | 5% | 7% | 28% |

Base: Total respondents

Q13. Describe your worst customer service experience. Please indicate if the experience took place using traditional or digital channels.

*Caution Small Base Size

What actions do customers take after a good or bad customer care experience?



Bad experience

71%

Told others

0%

Made a repeated purchase

27%

Wrote a review

25%

Posted online

28%

Elevated to a higher management level

4%

Blogged about it

2%

Contacted the media

8%

Contacted a regulatory agency

56%

Never purchased again



Good experience

64%

Told others

47%

Made a repeated purchase

24%

Wrote a review

17%

Posted online

9%

Elevated to a higher management level

4%

Blogged about it

2%

Contacted the media

1%

Contacted a regulatory agency

0%

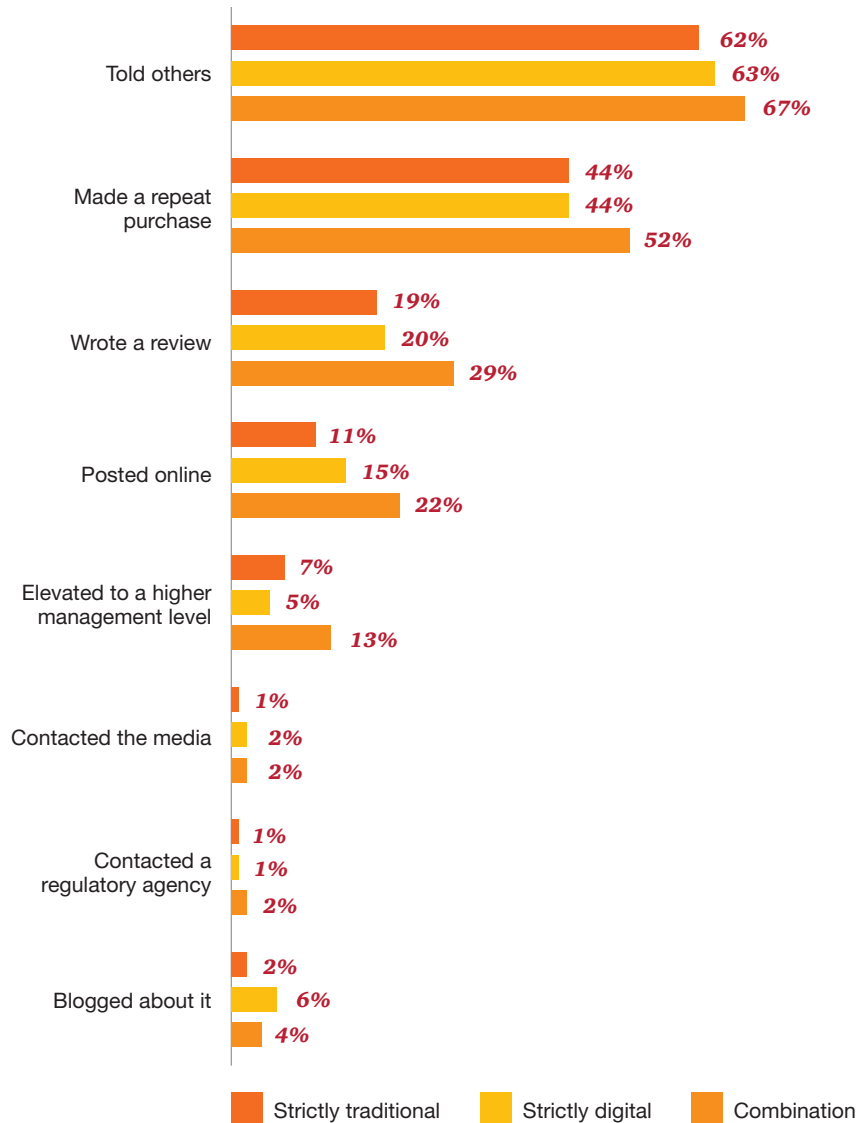
Never purchased again

Base: Total respondents (1,010)

Q12a. Which best describes your actions after a good customer service experience?

Q12b. And which best describes your actions after a bad customer service experience?

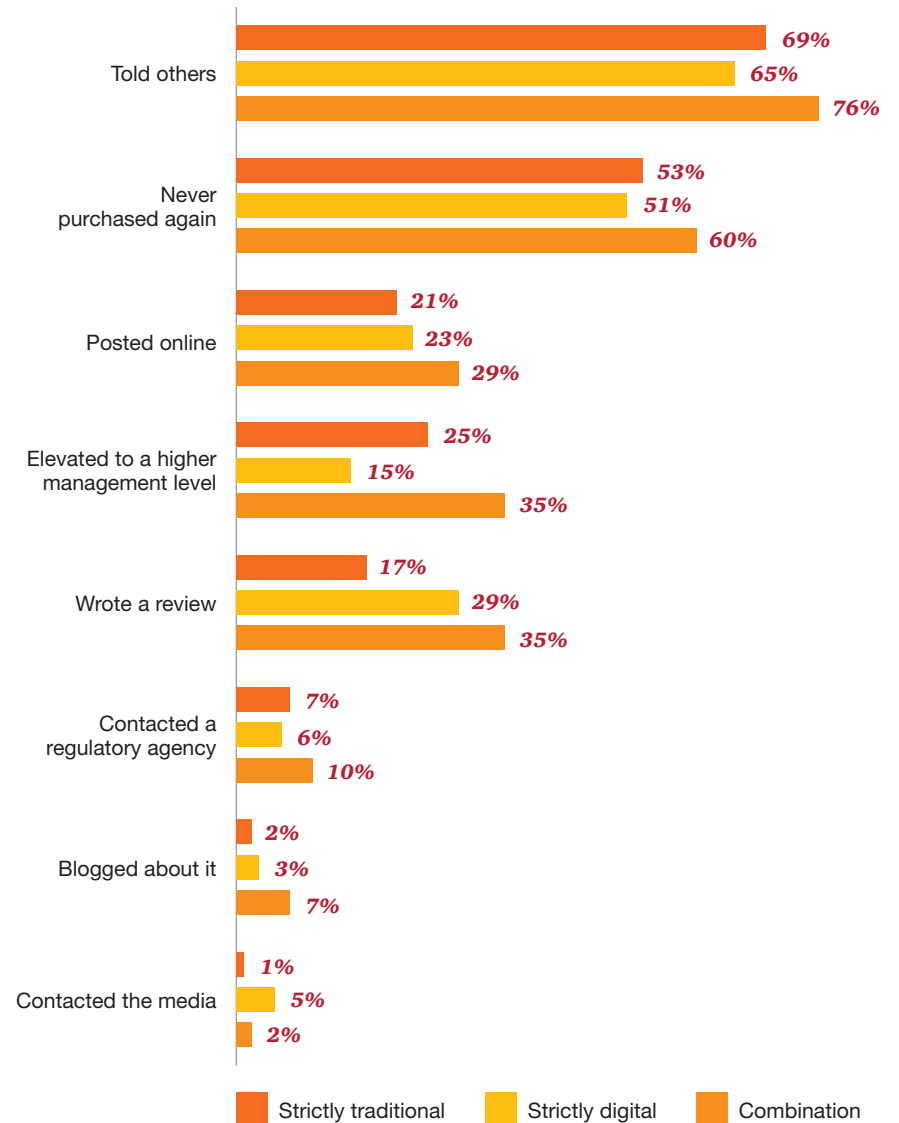
What actions do customers take after a good customer care experience?



Base: Total respondents; strictly traditional (376); strictly digital (158); combination (476)
Q12a. Which best describes your actions after a good customer service experience?

*Caution Small Base Size

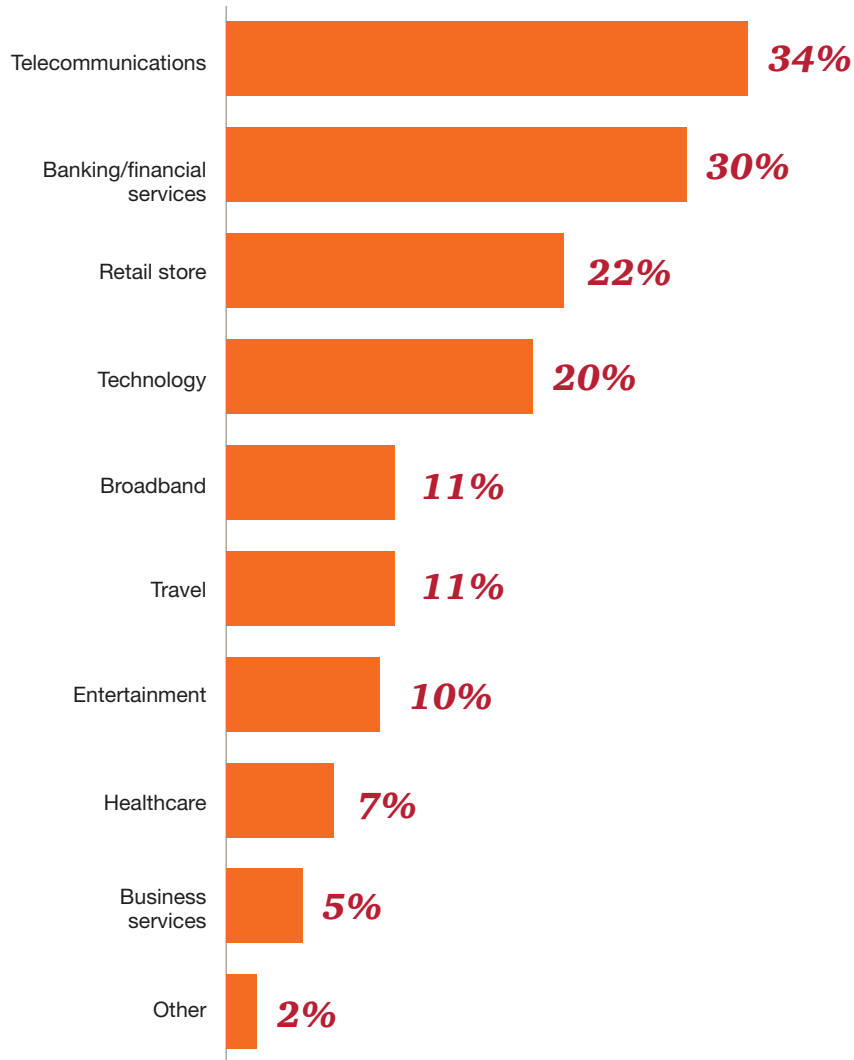
What actions do customers take after a bad customer care experience?



Base: Total respondents; strictly traditional (376); strictly digital (158); combination (476)
Q12b. And which best describes your actions after a bad customer service experience?

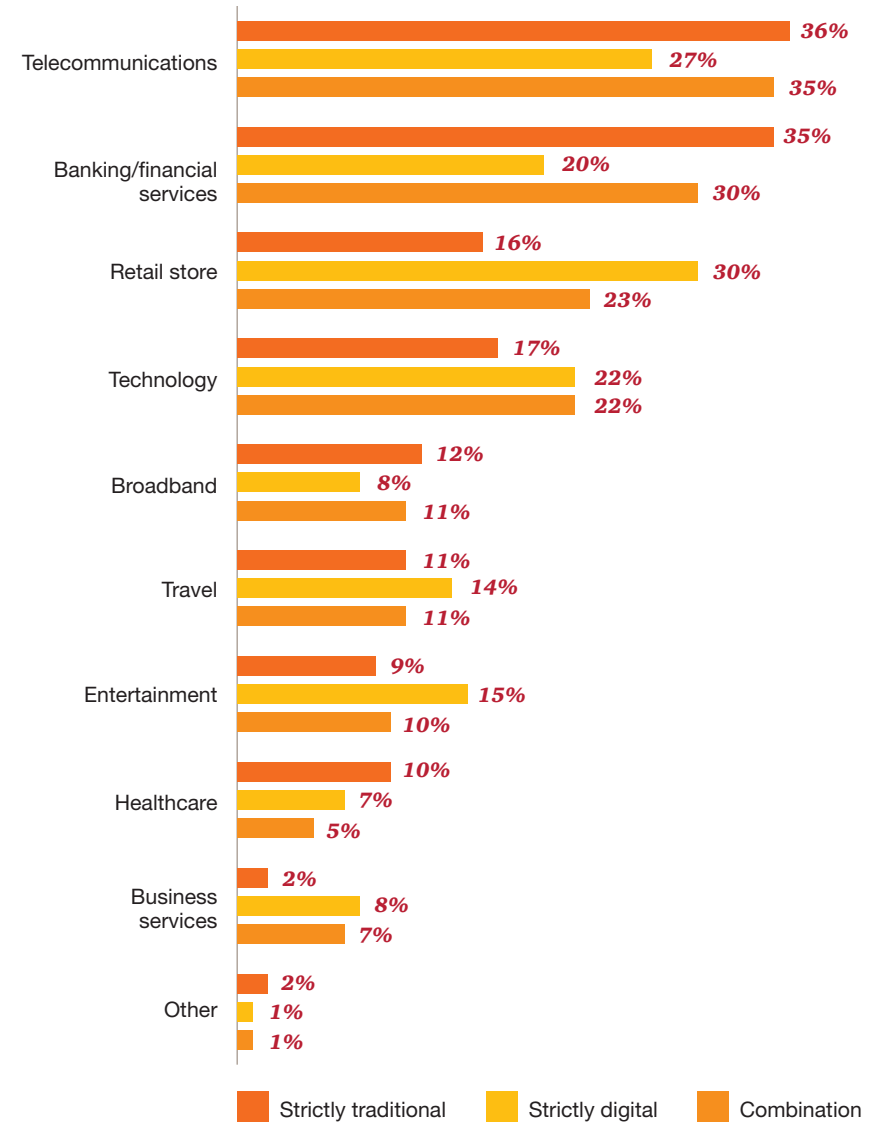
*Caution Small Base Size

Who provides the best digital customer care experience?



Base: Total respondents (1,010)

Q7b. Based on your knowledge, which industry(ies) provides the best digital customer service?



Base: Total respondents; strictly traditional (376); strictly digital (156); combination (476)

Q7b. Based on your knowledge, which industry(ies) provides the best digital customer service?

Please solve my problem — now!

| | Total* |
|--|--------|
| Base: Total respondents | 1,010 |
| Problem resolution (net) | 51% |
| Problem/issue is resolved | 14% |
| Problem/issue is resolved quickly | 12% |
| Knowledgeable/able to answer questions | 11% |
| Helpful | 7% |
| Effective/delivers results | 5% |
| Convenience (net) | 30% |
| Quick response/no waiting | 18% |
| Quick/fast/efficient service | 8% |
| Attitude (net) | 18% |
| Respectful/courteous/polite | 6% |
| Communication (net) | 14% |
| Online experience (net) | 11% |
| Overall experience (net) | 7% |

Base: Total respondents

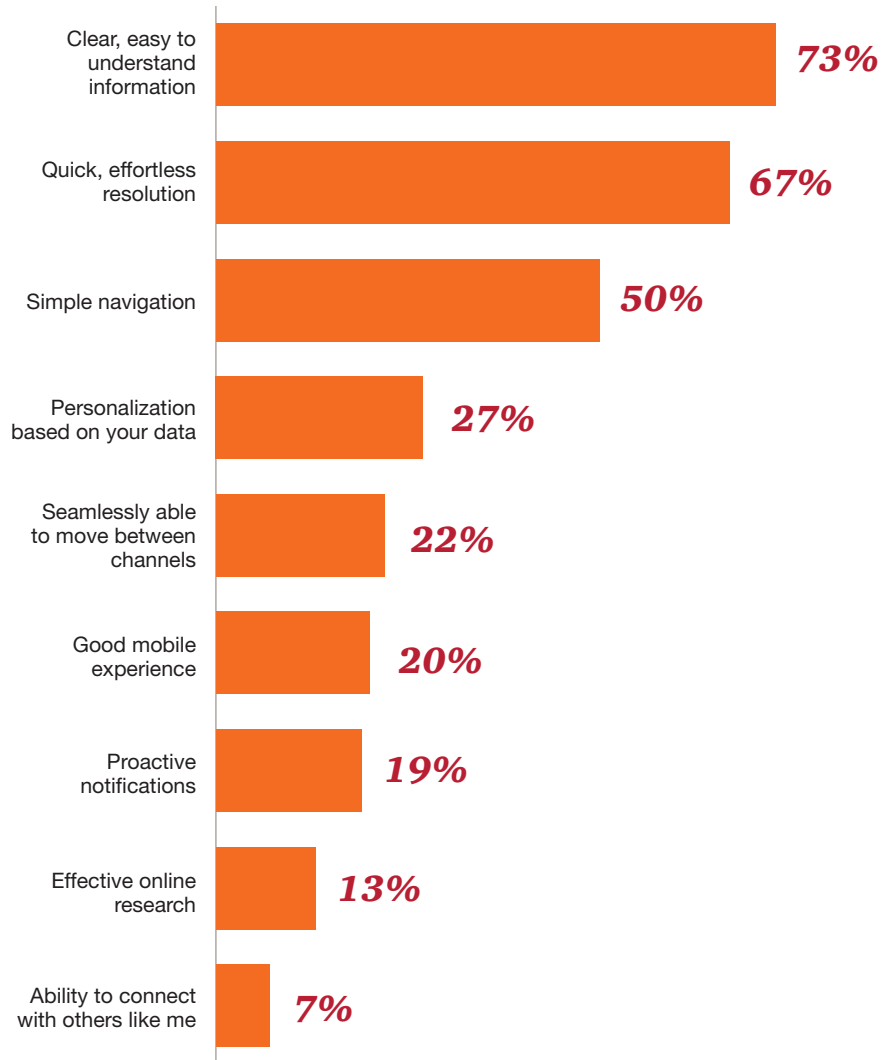
Q8b. How would you define a “good” digital customer service experience?

*Note: Respondents may have answered multiple ways — so nets will not sum to 100



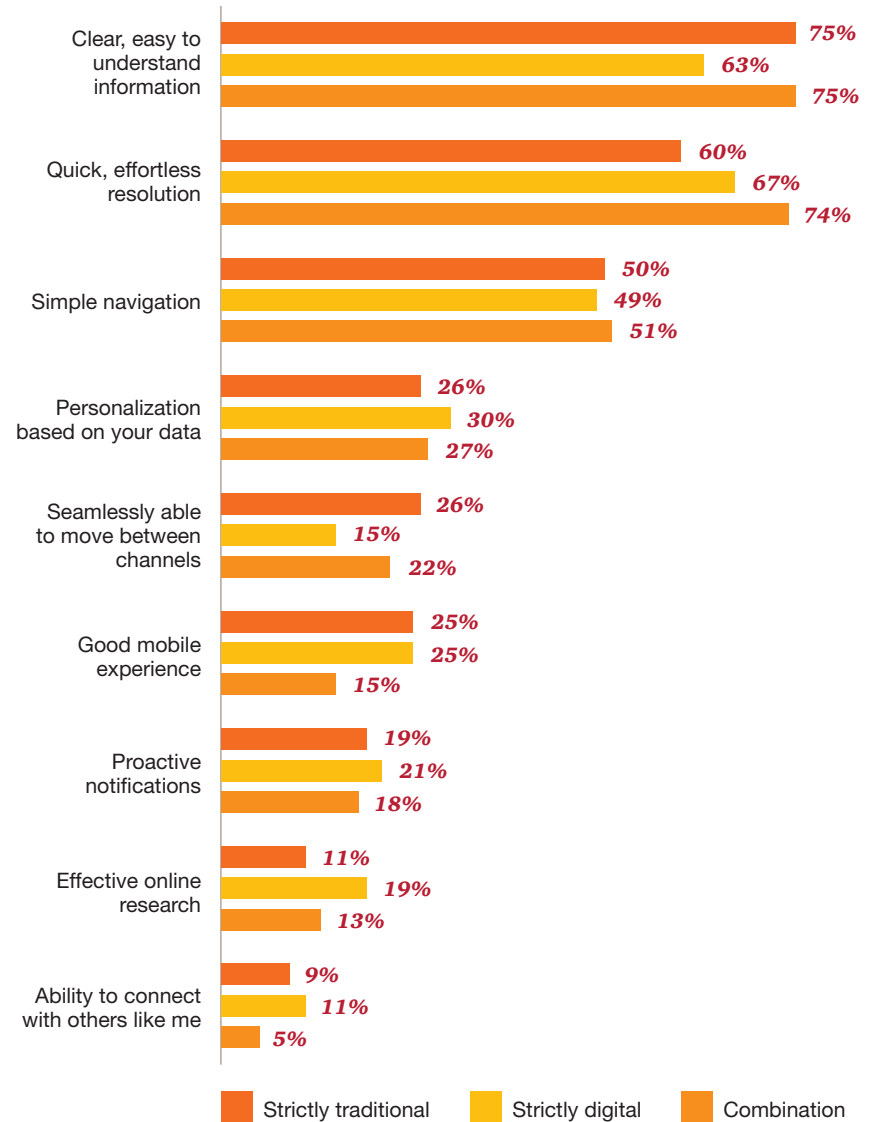
Whether strictly digital or strictly traditional, the best customer service practices will always be measured by a quick resolution of the problem/issue.

What do consumers want in a digital customer care experience?



Base: Total respondents (1,010)

Q9. Rank the following relative to how important each attribute is to a good digital customer service experience.



Base: Total respondents; strictly traditional (376); strictly digital (158); combination (476)

Q9. Rank the following relative to how important each attribute is to a good digital customer service experience.

How can companies increase customer satisfaction with digital care channels?

Respondents would be more satisfied with the digital customer service channels they use if they felt the customer service agents were able to resolve their problems, showed more concern about their specific problem, or were more knowledgeable about their issues.

Improving response time would also heighten people's satisfaction.

| | Total |
|--|------------|
| Base: Very/somewhat dissatisfied with digital customer service channels | 66* |
| Problem resolution (net) | 41% |
| Fix/resolve the problem | 21% |
| More understanding/care about the problem | 9% |
| More knowledgeable/able to answer questions | 8% |
| Convenience (net) | 29% |
| Better response time | 17% |
| Faster | 5% |
| Communication (net) | 21% |
| Live communication | 9% |
| Actually respond/get back to me | 6% |

Q6d. (Among those who were very/somewhat dissatisfied with digital customer service channels) What specifically do you need to have happen to increase your satisfaction with digital customer service channels?

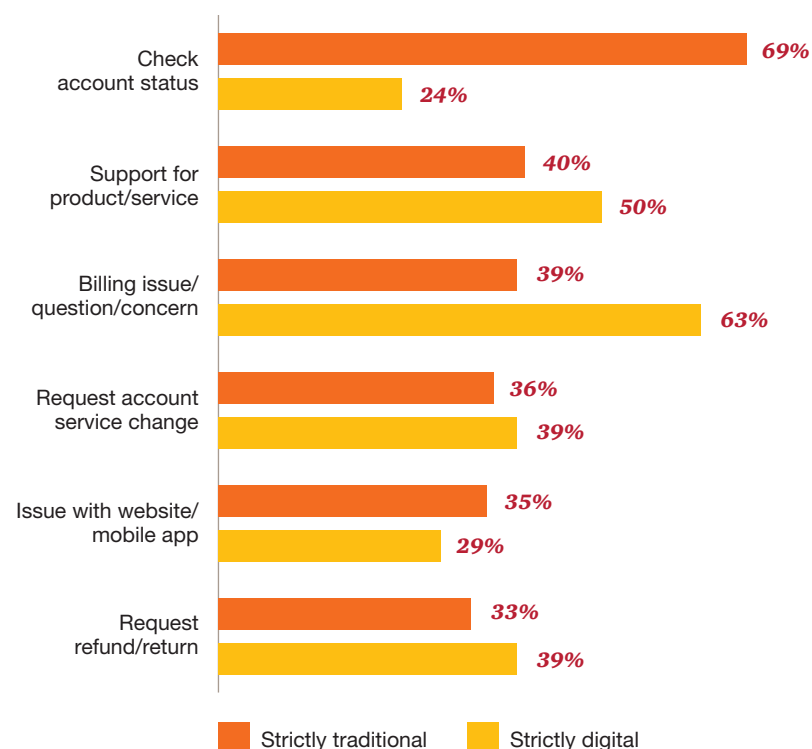
*Caution Small Base Size

Which works best?

Digital channels are best suited for checking on account status or dealing with website or mobile-app-related issues.

Traditional customer service channels are perceived to be more ideal for handling billing issues, support for products and services and requesting a refund/return.

Consumers seem equally willing to use both channels for requesting an account service change.



Base: Among those who feel specific issues lend better to digital or traditional/digital customer service channels (680)

Q10b/c. What are the sort of issues that lend themselves best to traditional/digital customer care channels?

When do digital channels work best?

| | Strictly traditional | Strictly digital | Combination |
|-----------------------------------|----------------------|------------------|-------------|
| Check account status | 66% | 58% | 73% |
| Issue with website/mobile app | 30% | 45% | 37% |
| Support for product/service | 35% | 42% | 44% |
| Billing issues/questions/concerns | 33% | 36% | 44% |
| Request account service change | 31% | 36% | 39% |
| Request refund/return | 26% | 29% | 38% |

Base: Feels specific issues lend better to digital or traditional/digital customer service channels; strictly traditional (247), strictly digital (86*); combination (347)
 Q10b/c. What are the sort of issues that lend themselves best to traditional/digital customer care channels?

*Caution Small Base Sizes

When do traditional channels work best?

| | Strictly traditional | Strictly digital | Combination |
|-----------------------------------|----------------------|------------------|-------------|
| Check account status | 25% | 27% | 22% |
| Issue with website/mobile app | 27% | 16% | 33% |
| Support for product/service | 49% | 41% | 52% |
| Billing issues/questions/concerns | 63% | 59% | 64% |
| Request account service change | 42% | 38% | 38% |
| Request refund/return | 38% | 29% | 42% |

Base: Feels specific issues lend better to digital or traditional/digital customer service channels; strictly traditional (247), strictly digital (86*); combination (347)
 Q10b/c. What are the sort of issues that lend themselves best to traditional/digital customer care channels?

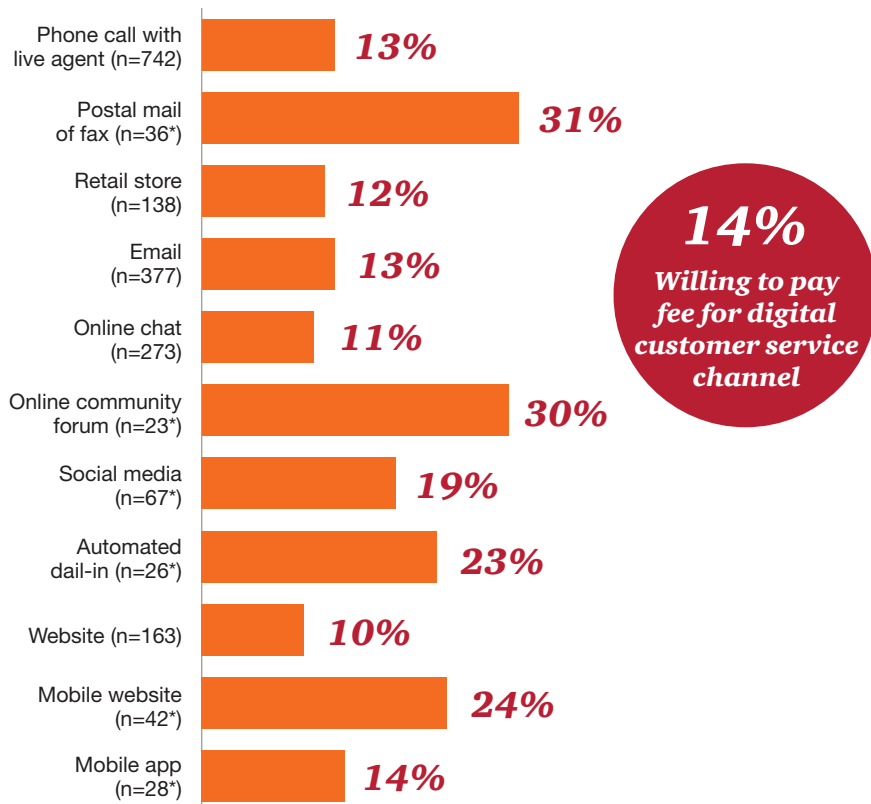
*Caution Small Base Sizes

Most consumers unwilling to pay for customer service

The vast majority of respondents are unwilling to pay to use any customer service channels. They are least willing to pay for websites.

They are also unwilling to pay for their preferred channels — live agents on the phone, email, and online chat.

They are most amenable to paying for an online community forum, postal mail/fax, and mobile websites, although the number of people is still modest.



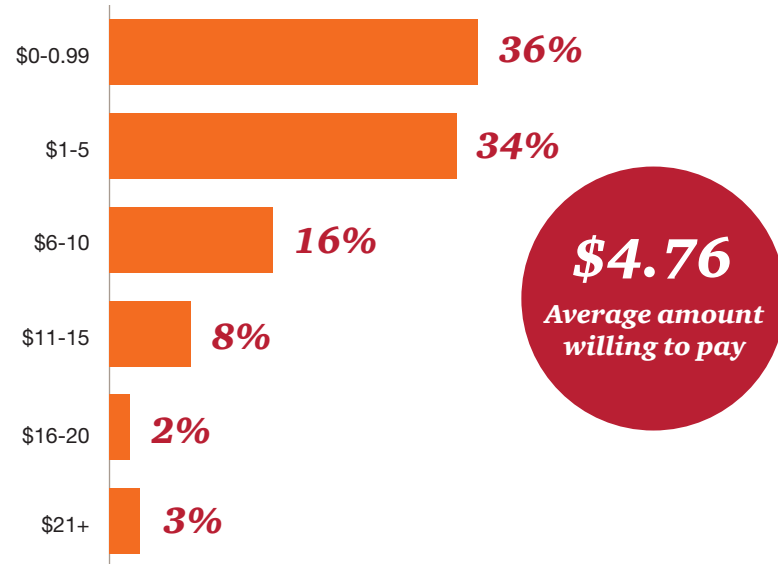
Base: Among very /somewhat satisfied or neutral with at least one customer service contact channel (945); very/somewhat satisfied or neutral with each customer service contact channel Q6e. If you could choose your preferred method — the one(s) with which you have been “very satisfied” “somewhat satisfied” or “neutral” — would you be willing to pay a fee to use that preferred method?

*Caution Small Base Size

How much will they pay?

The modest number of respondents (131) who claim they would pay to use a customer service channel are willing to spend on average \$4.76 for each encounter.

Only a handful of people claim they would spend more than \$10.00.



Base: Would be willing to pay a fee (131)

Q6f. Which of the following best reflects the range that you'd be willing to pay to use the preferred method of customer care?

For more information on this research, the PwC Consumer Intelligence Series, or how changing consumer preferences are shaping the entertainment, media, and communications industries, please contact one of our specialists:

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