

2025

THE STATE OF CUSTOMER SERVICE AND CX

The latest research on what customers want, need, and expect.

A satisfied customer is not a loyal customer. Find out what it takes to get your customers to say: I'll Be Back!



Researched and summarized by Shep Hyken, customer service/CX expert

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THE STATE OF CUSTOMER SERVICE & CX

We surveyed more than 1,000 American consumers to understand what they like, dislike, want, need, and expect when it comes to their experiences and the customer service they receive from the companies and brands they do business with.

This year, I have a story to tell—one that provides deeper insights into these findings. Throughout this report, I'll highlight generational differences, year-over-year trends, and more. Understanding who your customers are and how factors like age, gender, and income influence their expectations can be important in delivering the best possible customer experience. I'll be sharing key differences that will help you make more informed decisions about your CX initiatives.

The next part of this introduction is especially important, so please read it carefully—and share it with your team. They need to know this:

It doesn't matter what type of business you run or what industry you're in. Whether you're B2C or B2B, your customers (clients, guests, patients, members, residents—whoever pays you for your products or services) are not comparing you to your direct competitors. Instead, they compare you to the best experience they've had with any company they've done business with.

The point is, whether you sell socks or manufacture them, your customers are measuring you against brands like Amazon, Apple, or any company they love doing business with. If you disappoint them, they will think, "Why can't they be as good as _____?"

It is my hope that you will find at least one—hopefully many more—findings that make you think and act on how you can provide a better experience for your customers and make you more competitive. Use these findings to enhance your customer experience, strengthen customer loyalty, attract new business through an improved reputation, and ultimately drive greater revenue and profitability.

Enjoy the story!

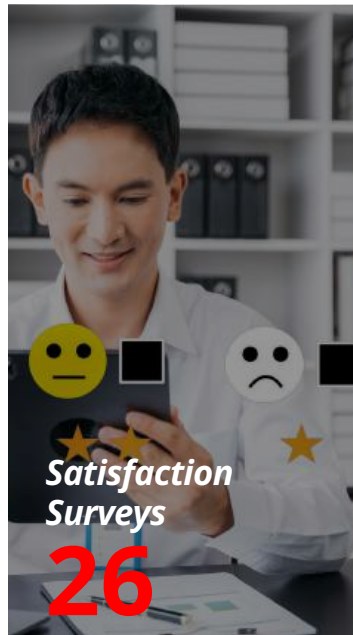
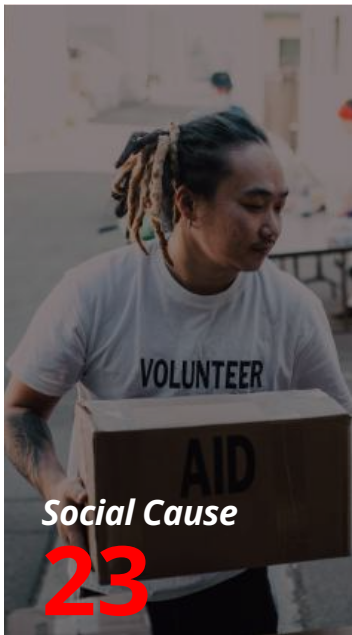
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About Shep Hyken and Shepard Presentations

Shep Hyken is a customer service and experience expert, award-winning keynote speaker, researcher, *New York Times* and *Wall Street Journal* bestselling author, and the Chief Amazement Officer of Shepard Presentations.

As the Chief Amazement Officer at Shepard Presentations, Shep works with clients who want to create amazing experiences for their customers and employees. Learn more at www.Hyken.com.

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BORING, BUT IMPORTANT!

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NATIONAL STUDY GOALS

- Explore the current state, strategies, and perceptions of customer service and customer experience to anticipate expectations for the next 2-3 years.
- Understand and evaluate consumer needs, demands, and behavioral preferences that drive customer service and customer experience.
- Use findings to help make better decisions that positively influence customer service and experience.
- Benchmarking: 241 of the 295 measures are repeated verbatim from the 2024 study, revealing year-over-year trends and changes.
- **NOTE:** For the purpose of this study, customer service and customer experience refer to the interactions customers have with people, companies, or organizations they do business with. These interactions can happen before a purchase, during the sales process, or after the sale when seeking support, assistance, and more.

KEY TRENDS

Many of our benchmarking questions date back several years, allowing us to analyze the most significant changes in customer responses. It shouldn't come as a surprise that customers' comfort level with technology has increased dramatically. Here are some of the major shifts in recent years:

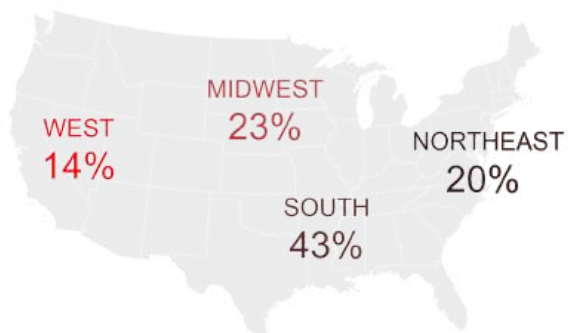
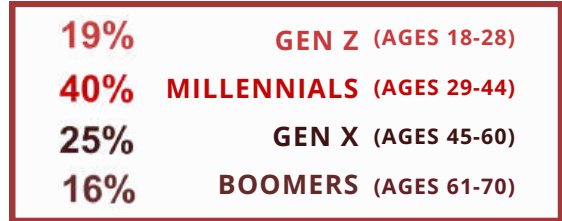
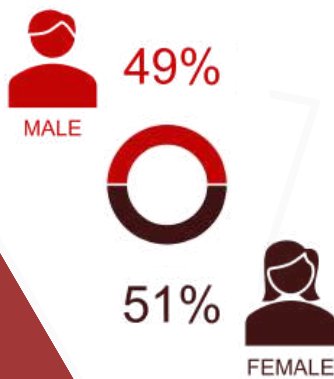
- 50% of customers have successfully resolved a customer service issue using AI or ChatGPT without needing human assistance—up from 32% in 2024 (a 51% increase).
- 42% of customers believe AI and ChatGPT-type technologies can handle complex customer service inquiries as effectively as humans—up from 28% in 2024 (a 50% increase).
- 82% of customers say companies should leverage technology more to deliver excellent service—up from 55% in 2021 (a 49% increase).
- 91% of customers surveyed believe a convenient experience is important. Since 2021, when we first asked this question, convenience has consistently ranked high among what customers want and are willing to pay more for.
- 52% of customers said it is important or very important for a brand to have a social cause that matters to them—up from 40% in 2024 (a 30% increase).

REPORT METHODOLOGY

This report is based on two online surveys of 2,119 U.S. adults (18-70), conducted January 8-13, 2025, and weighted to U.S. population demographics.

AI Transparency Statement:

Once the data/findings were turned over to me, I put them into an AI engine to generate reports comparing year-to-year differences, generational differences, and other interesting trends. I studied the reports and at that point, my brain took over and interpreted the results. Other than getting help with edits (thanks to Grammarly and our team at Shepard Presentations), all commentary was written by me.





INTERESTING & INTRIGUING

— Personalized

84%

prefer companies that offer a personalized experience.

— Trust

83%

said great customer service increases their trust in a company when they buy something from them.

— Make Amends

81%

said they would consider returning to a company if they actively sought to make amends for a bad customer experience.

— Convenient

66%

say a convenient customer service experience (hassle-free, without friction) is more important than a friendly customer service experience.

— Mobile App

65%

find using a company's mobile app has enhanced their customer experience.

— Pay More

59%

of customers are willing to pay more if they knew they would receive great customer service.

— Long Wait Time

66%

of customers admit they stopped doing business with a company that put them on hold for too long.

— AI and Chatbots

52%

say AI and chatbots have significantly improved the speed and efficiency of customer service.

— Better or Worse

50%

said customer service was worse this year than last year.

Intrigued?

Read on to discover important and interesting findings that confirm why investing effort and resources into creating an amazing customer service experience is more important than ever!

1 in 4 Satisfied Customers May Not Come Back!

WE ASKED:

If you were to rate a customer experience on a scale of 1 to 5, where 1 is bad, 2 is fair, 3 is average or satisfactory, 4 is good, and 5 is excellent – how likely is it that you would return to a company or brand if you rated them a 3 (average/satisfactory)?

If we define a “satisfied customer” as someone who rates you satisfactory...

27% of US customers say they are either “not likely” (19%) or will “never” (8%) come back, even if they are satisfied! And consider that “Not likely” means there could be a chance, but why take that chance?



Follow-up questions confirmed just how important it is to be “better than average (satisfactory):

56%



of customers have been completely satisfied yet didn't return.

55%



have been very satisfied yet didn't return.

63%



have been somewhat satisfied yet didn't return.

AMAZING FACT

81% of customers may switch brands or companies because they know another company can provide a better experience.

1 in 4 Satisfied Customers May Not Come Back – Continued



The Generational Story: The data show that younger generations have higher expectations. This suggests that Gen Z is less forgiving of 'average' experiences and expects more from the companies they do business with.

29% of Gen Z customers say they won't return after a satisfactory experience.

19% of Boomers say they won't return. That's just over a 50% difference between younger and older generations.

Avoid the Satisfaction Trap

Satisfaction is not good enough. While the experience might not be bad, it's not great either. A customer who rates the experience "satisfactory" is not likely to complain.

So why wouldn't a satisfied customer return? The short answer: 'They are just satisfied.' Satisfactory is average. The experience may not be great, but it's not bad either. Given the opportunity to do business with a company that is better than just okay or average, customers may choose to go elsewhere.

The Satisfaction Illusion

Satisfactory means the experience wasn't bad, so you're unlikely to hear a complaint from the customer. Then, one day, the customer 'disappears,' and you wonder why. The illusion is thinking the customer was happy—just because they didn't complain.

AMAZING FACT

Our research found that one in four (23%) don't return to a business that just satisfies them. Satisfactory is average. We need to be better than that.

More than Half of American Consumers Will Pay More

This theme continues to capture attention—59% of U.S. customers will pay more if the experience justifies it. I won't sugarcoat it and tell you that a great experience will always overcome higher prices, but for many, as you'll see below, it will. However, price sensitivity remains an issue, especially amid economic concerns over rising costs. You must know your customers and understand what keeps them coming back.

WE ASKED:

How important each of the following is when choosing to do business?
In order of importance:

01	02	03	04
95% of customers say product quality is important (or very important)	94% say price is important (or very important)	89% say convenience is important (or very important)	89% say customer service is important (or very important)

While quality and price lead, you can't dismiss how important convenience and service mean to many customers.

59% of customers say customer service is more important than price. It's an important trend that increases year over year. In 2023, the number was 48% and last year, the number was 51%.

58% would pay more if they knew they would receive a more convenient experience.

50% would spend more if they knew they would never have to wait on hold.

Price Sensitivity in a Shaky Economy

We approached price sensitivity compared to CX in several different ways to get a better picture of how valid the concept of customer experience is in making price less relevant. One of our questions emphasized the issues with the economy. We asked, "With high inflation and the rocky economy, are you willing to sacrifice customer service for a lower price?" About half (54%) are willing to sacrifice experience for price.

Even though the findings reveal that 59% of customers value good service over price in principle, economic pressures can force some customers (54%) to make a practical compromise they would prefer not to make. Looking at the numbers from the opposite direction, that's 46% who won't sacrifice service even in a tough economy.

Companies must recognize that current economic conditions may make customers more price-sensitive than they prefer.

AMAZING FACT

It's counterintuitive, but Boomers (91%) are more price-sensitive than Gen Z (82%).

What Customers Want

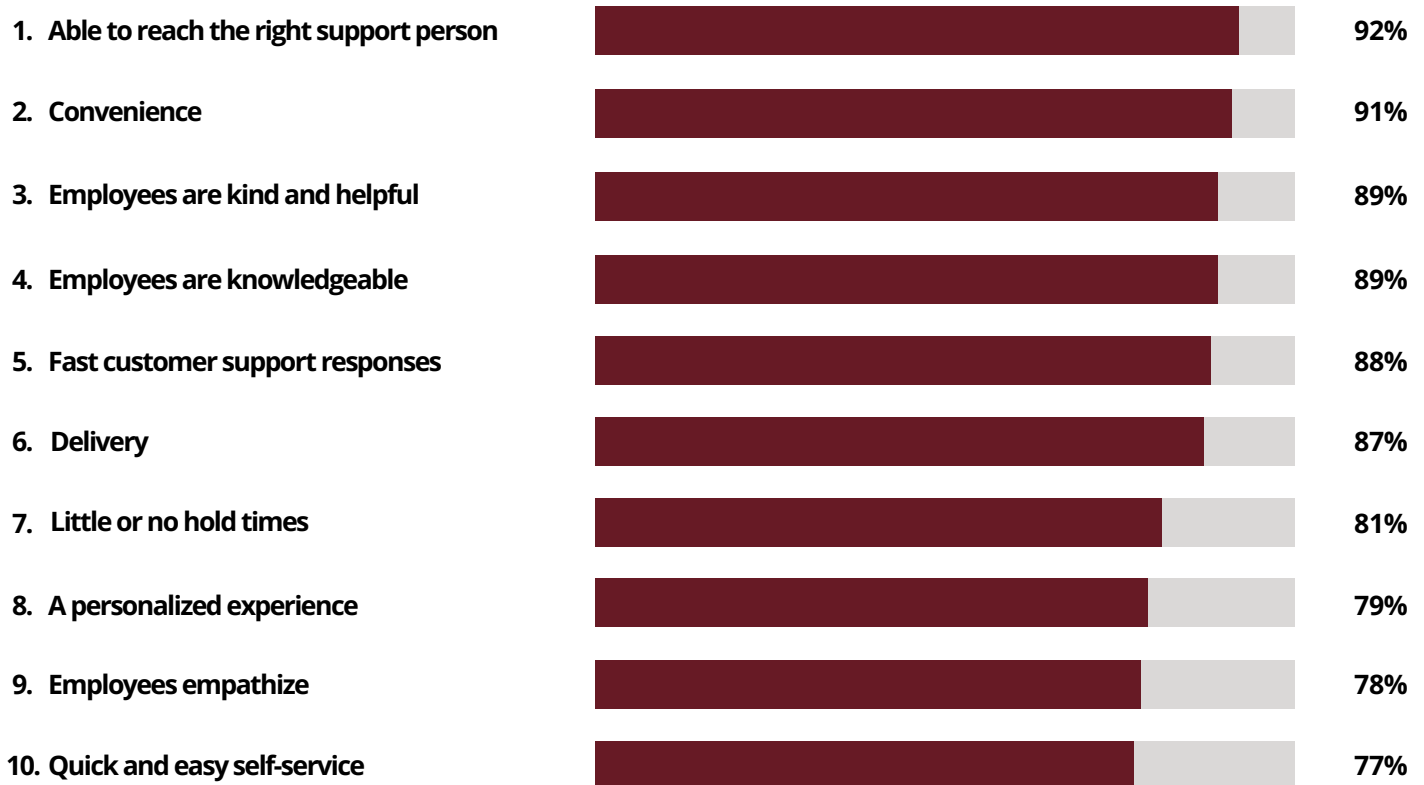
WE ASKED:

How important are each of the following customer service experiences to you in today's world?

The choices were: Very Important, Important, Neutral, Not Important, Not at All Important

The top choices were "clustered" within a few percentage points:

When combining "Very Important" and "Important":



Just because a personalized experience, empathy, and quick/easy self-service were at the bottom of the list, that doesn't mean they aren't important. Nine out of ten customers (91%) believe convenience is important. Eight out of ten (79%) think a personalized experience is important. The ranking isn't as important as the customers' rating of importance!

Age Matters:

Boomers

place a higher importance on "kind and knowledgeable employees."

Gen Z

shows a stronger preference for digital self-service options.

Little or no hold times are more important to older generations than younger ones.

AMAZING FACT

Convenience has become the most important factor across all generations. Almost everyone (91%) of U.S. customers appreciates an easy, frictionless, and hassle-free experience.

Convenience

The trend continues year over year. Convenience is important, so much so that customers will pay more – even in a shaky economy. Since the pandemic, convenience has become more important to customers. So much so that it's not as much of a competitive differentiator as it is an expectation. Companies and brands that are less convenient than direct competitors could eventually find themselves playing catch-up if they don't meet the customers higher expectations in this area.

91% of customers said a convenient experience is important to them.

73% of customers are willing to pay more if the experience is more convenient.

66% of customers said convenience (hassle-free, without friction) is more important than friendly customer service.

71% of customers said a convenient experience alone would make them come back.

91% of customers said they were likely to recommend a brand or company to friends/family if they received a convenient customer service experience.

Age Matters:

Digital self-service is shaping customers' perceptions of convenience. AI is making customer support faster and easier—hence, more convenient. Younger generations are more comfortable with technology, and that comfort is expected to grow even more in the near future. However, Boomers are also becoming more comfortable using technology. The next section of this report explores how customers are adapting to an AI-fueled customer experience, where age is playing an increasingly significant role.

AMAZING FACT

Convenience has become the most important factor across all generations. Almost everyone (91%) of U.S. customers appreciates an easy, frictionless, and hassle-free experience.

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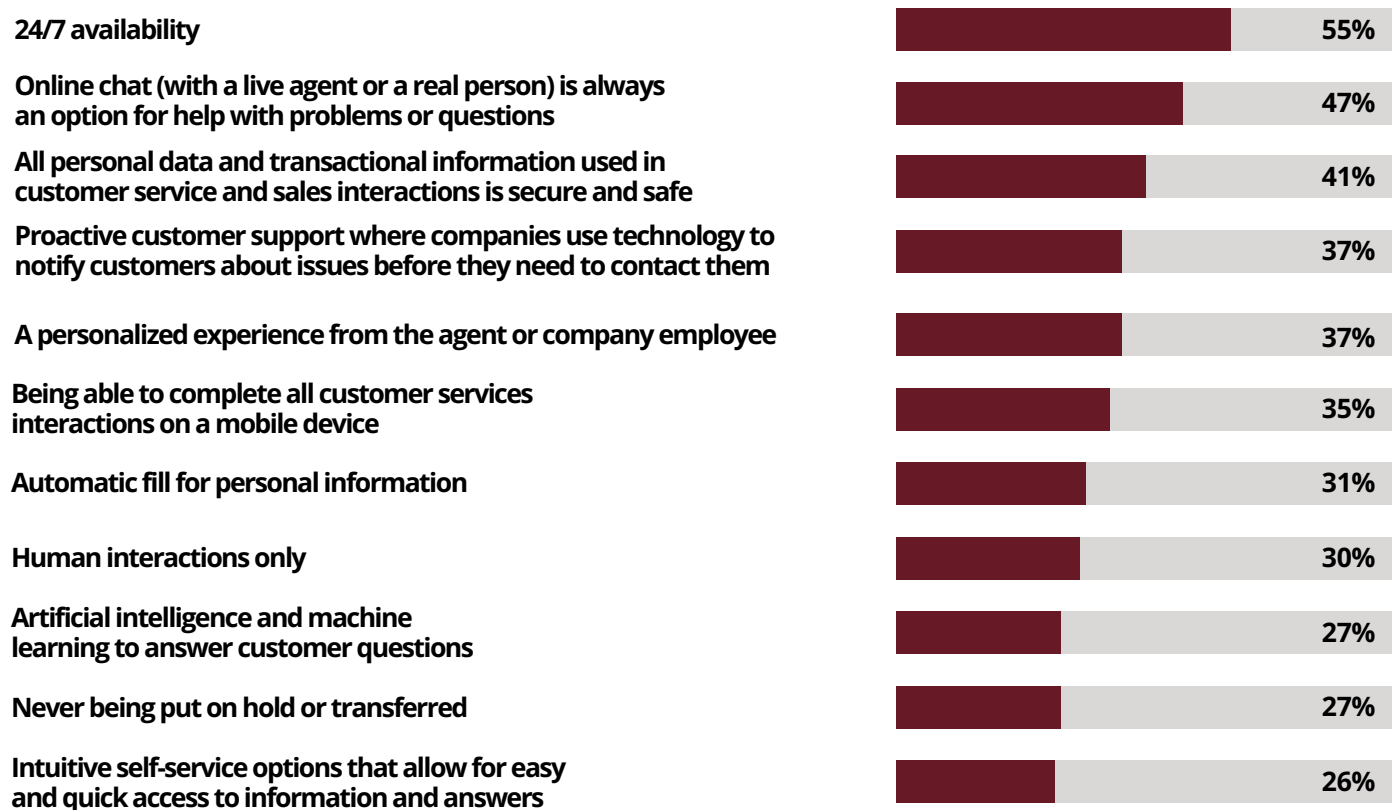


The Future of Customer Service and CX (According to Customers)

Customers may not be able to accurately predict the future of CX, but they know what they want – or at least hope for. While most customers still prefer the phone as the first attempt to get their questions answered and their problems resolved, they are more open to digital self-service experiences, which can include everything from AI to an FAQ (Frequently Asked Questions) page on a website.

WE ASKED:

Which of the following customer experiences do you expect to be essential in the near future (3-5 years)?



For four consecutive years, 24/7 availability shows up at the top of the list. With the advances in AI, providing limited customer support during “off hours.”

Only 30% think “human interactions only” is coming. Smart companies recognize the need to balance digital and human support. It’s highly unlikely that live customer support will vanish, at least not in the near future. That may be why almost half of customers surveyed (47%) expect that online chat (with live agents) is always an option.

Keep in mind that the above findings are what customers think they want versus what they are currently experiencing. Someone who has had a personalized experience may not consider it a prediction for the future. But, when enough customers tell you something they want, it warrants your attention and consideration.

AMAZING FACT

53% of U.S. Customers think companies need to rely on technology more to deliver an excellent customer service experience.

We're Living In an AI-Fueled World: How Self-Service & CX Is Changing

This theme continues to capture attention. More than half of U.S. customers (59%) are willing to pay more if the experience justifies it. I won't sugarcoat this and say a great experience will always overcome higher prices, but for many customers, as you'll see below, it will. However, price sensitivity is an issue, especially with economic concerns due to higher-than-usual rising prices. You must know your customers and understand what drives them to come back.



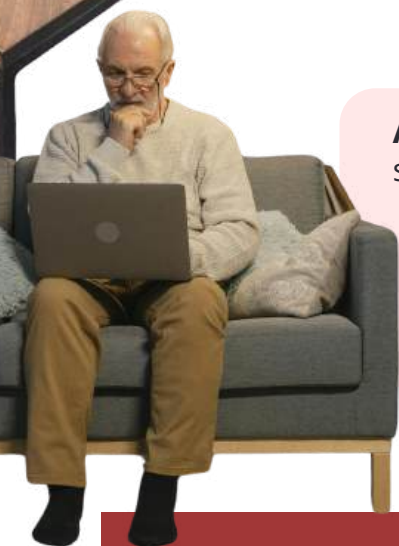
Something to get excited about:

- **50%** of customers have successfully resolved a customer service issue using AI without the need of human assistance.
- **60%** believe AI technologies have the potential to improve the overall customer experience.
- **52%** believe chatbots have significantly improved the speed and efficiency of customer service.
- **47%** of customers are more comfortable using AI for customer support than they were last year.



Some customers are still frustrated and scared of technology:

- **57%** of customers say companies providing self-service options using AI, ChatGPT, and similar technologies frustrate them.
- **49%** of customers say AI and technologies like ChatGPT scare them.
- **70%** are concerned about privacy and security of their data when interacting with AI.
- **51%** have received wrong or incorrect information from an AI self-service bot.



Age Matters: Younger generations (Gen Z and Millennials) show a significantly higher comfort level with AI versus Boomers.

- **48%** of GenZs said AI technologies frustrated them versus **71%** of Boomers – a 23-point gap.
- **41%** of Gen Zs said AI scares them versus **63%** of Boomers – a 22-point gap.
- **61%** of Gen Zs say they have successfully used AI support versus just **32%** of Boomers – a 29-point gap.

AMAZING FACT

63% of customers expect AI technologies to become the primary mode of customer service in the future – a significant increase from just 21% in 2021.

Customers Still Prefer Using the Phone

Even with the increased comfort in using AI-fueled technologies for self-service, customers are still more interested in the phone. For this question, we offered two choices.

WE ASKED:

When you have a problem or issue with a company or brand, which solution do you prefer to help solve it: phone or digital self-service?

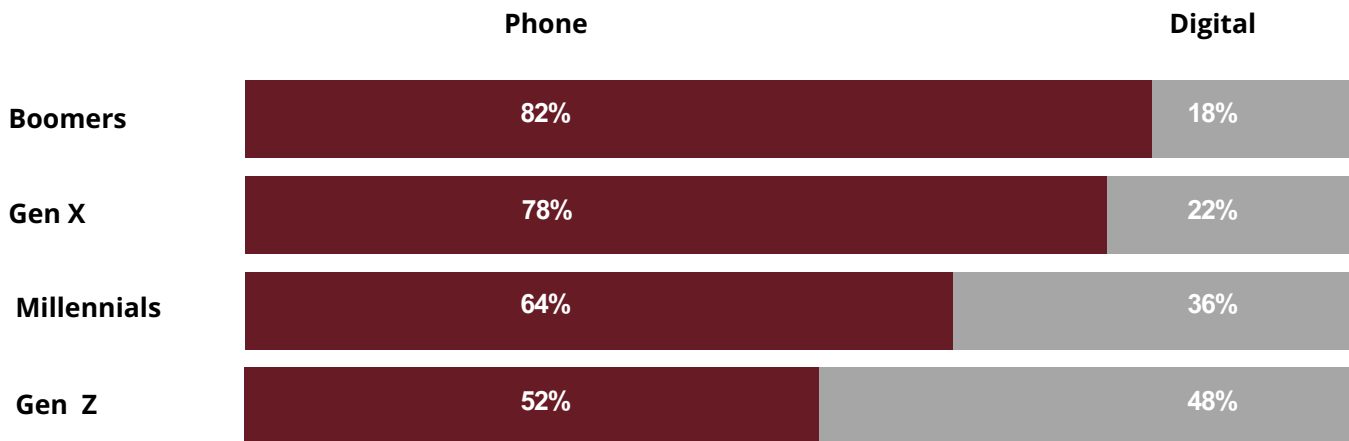
68%

of customers prefer to talk to a live customer service agent.

32%

prefer digital self-service options such as Frequently Asked Questions (FAQ) pages on a website, video tutorials, interactive voice response systems, chatbots, etc.

Age Matters: The story is consistent. Younger generations embrace self-service and technology more than older generations. It's more important to meet your customers where they want to be served. That means you must know the customers your company or brand serves. And even with younger generations more open to technology, the phone still wins as the number one communication channel.



Important: Even as AI-fueled customer service solutions become more accepted and comfortable to use, this doesn't mean they're the preferred channel of communication for customer support.

AMAZING FACT

While 68% prefer the phone for support, 63% take it a step further, rejecting self-service entirely, stating they dislike self-service options and only want to speak with a live person.

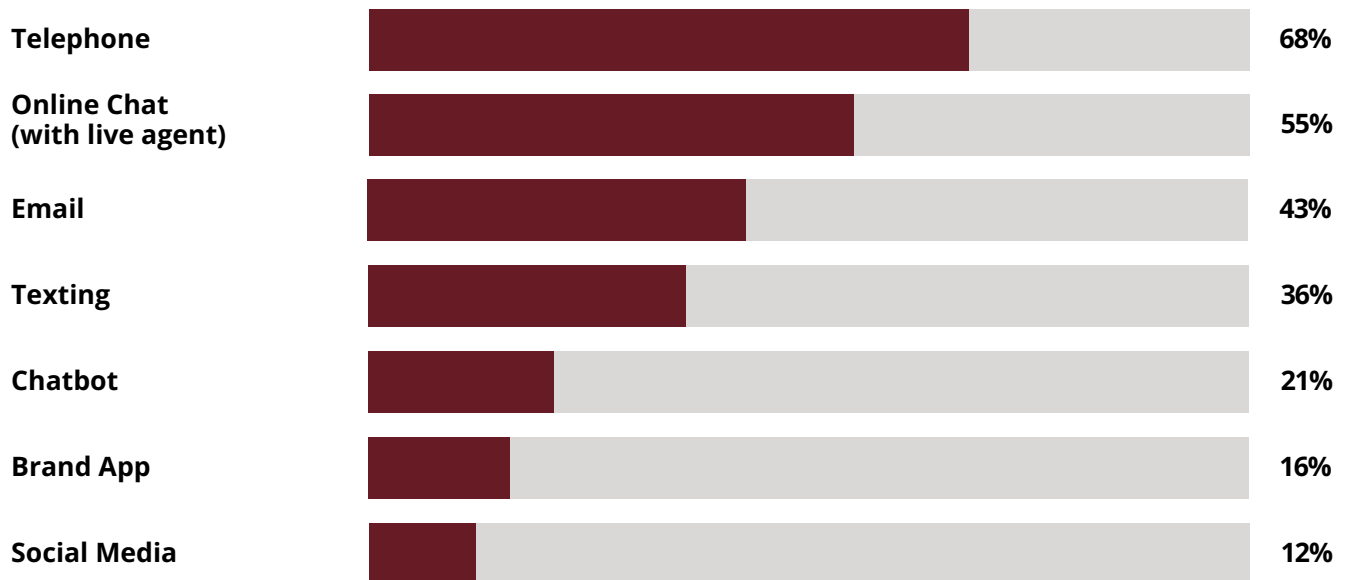
Customers Still Prefer Using the Phone – Continued



Even with More Choices, Customers Still Choose the Phone

WE ASKED:

In general, what is your preferred method of communication when contacting a company for customer service? (Rank your top three out of the following eight choices.)



AMAZING FACT

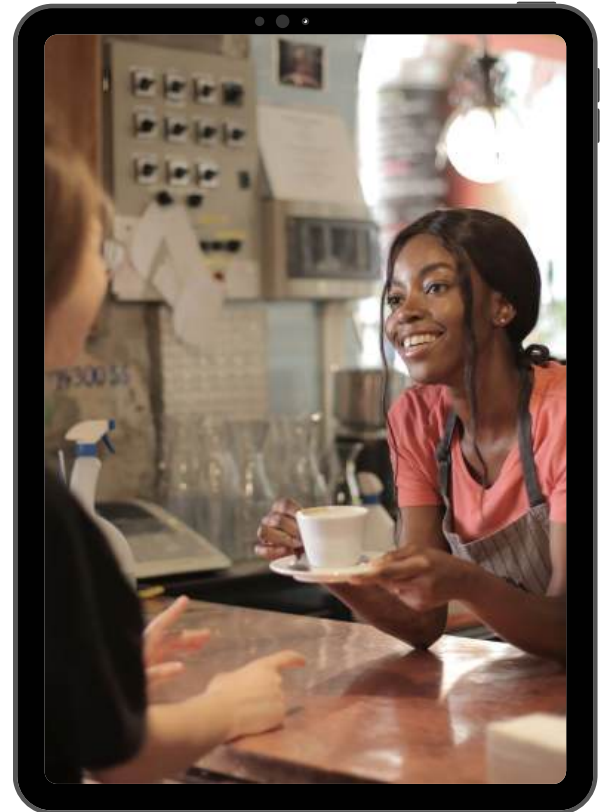
While the phone may be king, and 63% reject self-service options completely, not offering self-service can be a deal-breaker. 34% of customers stopped doing business with a company or brand because self-service options were not provided.

Why Customers Come Back

WE ASKED: What are the customer service experiences most likely to cause you to come back? We provided eight options and asked customers to choose their top three.

This is the same question we've asked since 2021. With five years' worth of data, you think something would have changed. The top four answers have been consistent every year. And the response are clustered so closely together, you can't ignore any one of them without risk of damaging the experience. Customers want (in order of preference):

- 1 Helpful Employees
- 2 Knowledgeable Employees
- 3 Friendly Employees
- 4 A Convenient Experience
- 5 Hassle-Free Shipping and Delivery
- 6 Easy Returns
- 7 Personalized Experiences
- 8 Empathy



Just because personalized experiences and empathy ranked at the bottom doesn't mean they're not important. In fact, 84% of customers prefer companies that offer a personalized customer experience, with Gen Z valuing personalization more than other generations. As AI continues to improve, the concept of personalization becomes easier to deliver and scale. When you combine personalization with the top responses, you create a unique mix of experiences that's hard to beat, offering protection from competition and making price less relevant.

Important: Of the eight choices, convenience has consistently increased year over year, proving to be more important than ever.

AMAZING FACT

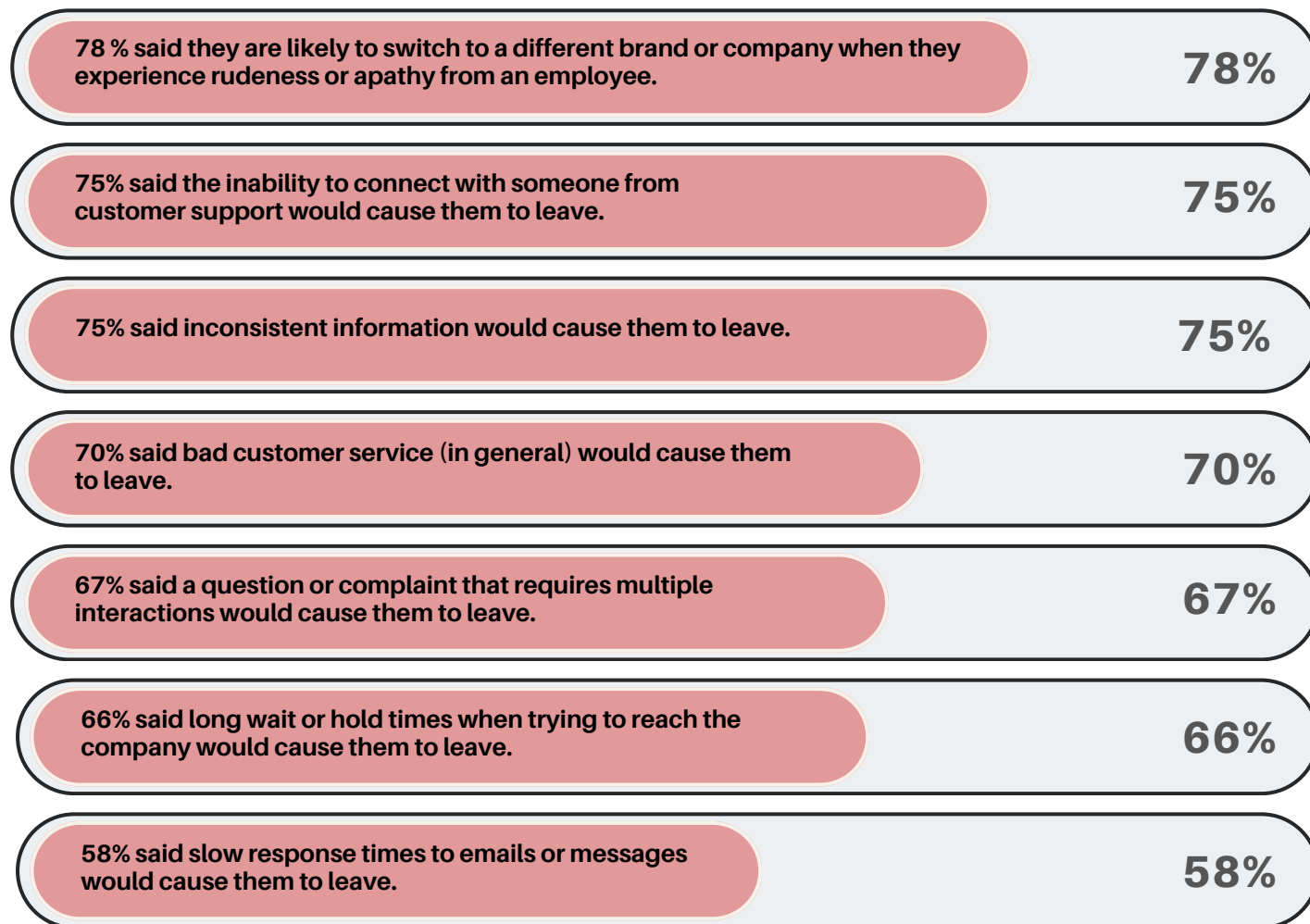
85% of customers think customer service is more important than ever, and 86% think companies should put more emphasis on customer service now, more than they have in the past.

Why Customers Don't Come Back

Just over half of the customers (52%) we surveyed said they had a bad experience in the past 12 months, and 40% reported having more bad customer service experiences in the past year compared to previous years. With all the investments and attention companies and brands are putting into customer service and experience, one would expect that number to be lower.

The Top Reasons Customers Don't Come Back

The number one reason customers don't come back is rudeness and/or apathy. Three out of four customers (78%) said they are likely or very likely to switch to a different brand or company when they experience rudeness or apathy from an employee. This finding is consistent year after year, and studies dating back to the 1980s show similar results.



When you consider the high percentage of customers who are likely or very likely to leave, you can't ignore the reasons why. Most of these reasons are within the organization's control. In fact, 72% of customers believe that delivering good customer service is easy.

The truth is, while many of these findings fall under the category of common sense, it's not as common as it should be. Any company can deliver a great experience at any given time, but inconsistency erodes confidence. The companies that consistently meet customer expectations are the ones that win.

AMAZING FACT

50% of U.S. customers think customer service is worse this year than last year.

Customers Don't Like to Wait!

"Your call is very important to us..." When you call a company and hear those words, you hope they are true and the call will be answered quickly with little or no hold time. That happens... sometimes. Other times, we often wonder, "Is the call really important to them?"

Making customers wait—whether on hold, for an email, message, social media response, or even in a waiting room—can signal that their time, and their business, are not important to the company or brand. We asked several questions about holding and waiting. Here are some highlights—or lowlights:

91%

of customers said that little or no hold times when calling for customer help or support is important to them.

88%

said that fast customer support responses from emails, messages, texts, and social media were important to them.

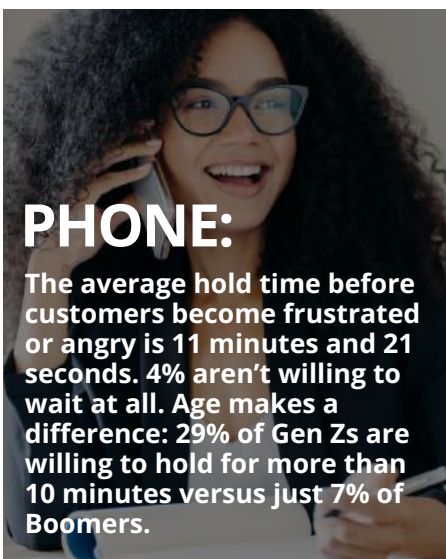
29%

of customers are very likely to switch companies or leave a brand after a long wait or hold time when trying to reach the company. **37%** said they were somewhat likely.

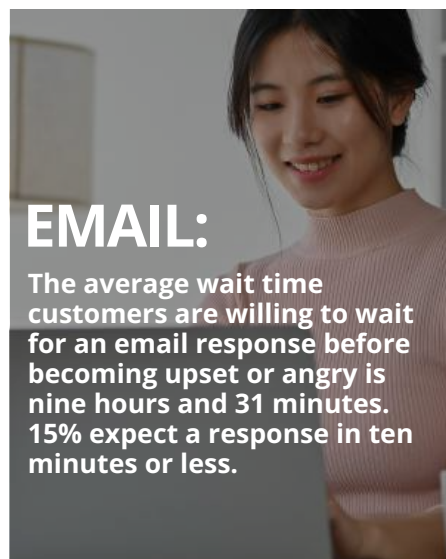
71%

said that if placed on hold for customer support, they would prefer a callback when it's their turn rather than waiting on the line.

We looked deeper into three areas: holding on the phone, waiting for an email response, and waiting for a social media response. On average:



PHONE:
The average hold time before customers become frustrated or angry is 11 minutes and 21 seconds. 4% aren't willing to wait at all. Age makes a difference: 29% of Gen Zs are willing to hold for more than 10 minutes versus just 7% of Boomers.



EMAIL:
The average wait time customers are willing to wait for an email response before becoming upset or angry is nine hours and 31 minutes. 15% expect a response in ten minutes or less.



SOCIAL MEDIA:
The average time customers are willing to wait for a response on social media before becoming upset or angry is four hours and 58 minutes. 14% expect a response in under 30 minutes, 17% expect a response in under 10 minutes.

More on Social Media as a Customer Support Channel

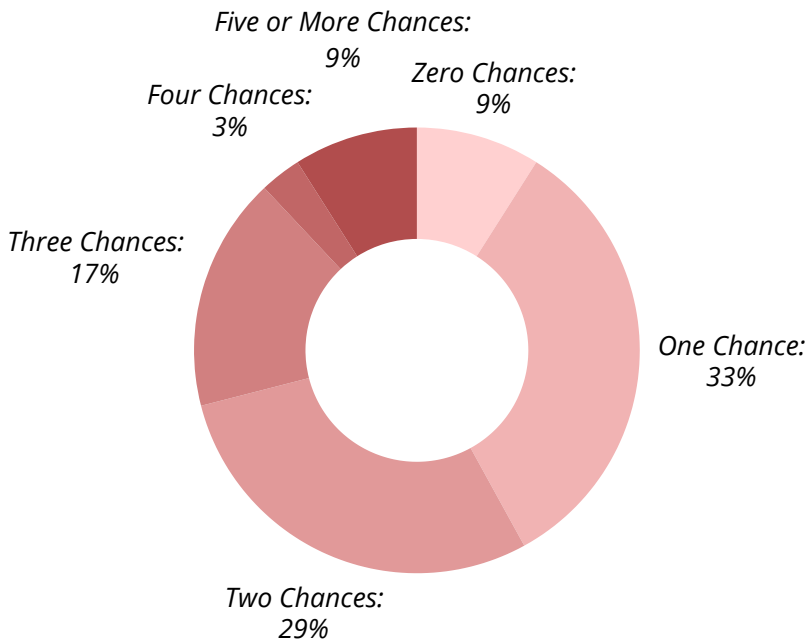
Social media is the least popular channel for customer support. For many, it's not their first attempt at contacting the company, and often, it's a last resort to get a response to a problem or complaint. Some (as I joke) are seeking "revenge" by publicly venting their frustration. As expected, age plays a role. While only 12% of Gen Z customers have never used social media for customer service, nearly half of Boomers (46%) have never tried it.

AMAZING FACT

50% of customers would spend more money if they knew they would never have to wait on hold for customer support.

How Many Chances Will Customers Give You?

WE ASKED: How many chances would you give a company after a bad experience before switching?

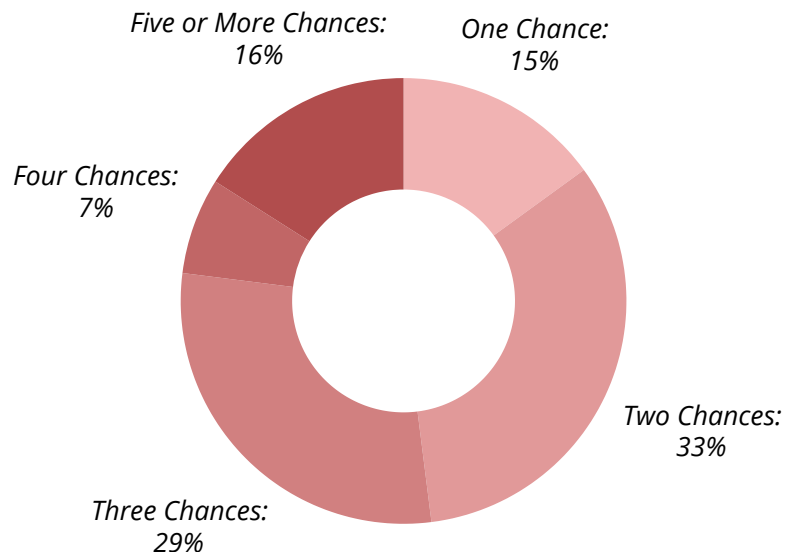


2.23 Chances!

On average, customers are willing to give you two chances after a bad experience before they walk. Almost one in ten customers won't give you another chance.

Does Loyalty Make a Difference?

WE ASKED: How many chances would you give a company you were loyal to after a bad experience before switching?



3.07 Chances!

Loyalty can buy you about one more chance.

AMAZING FACT

81% of customers would consider returning to a company if they actively sought to make amends for a bad customer experience.

This Drives Customers Crazy!

Below are just some of the frustrations customers have with companies they do business with. These experiences are so frustrating they could cause a customer to leave. Some are easily remedied. This is a short list. There are many others throughout this report. Study them all and ask yourself, "Are we guilty of providing this type of experience?" If you are, fix it!

I Just Want To Talk To a Human: 63% of customers are likely or very likely to leave a company because they couldn't connect with a live customer support agent. Some companies have experimented with 100% digital support. Most of them have realized there still needs to be a backup with live support.

AI Can't Do It All: 73% of customers think that companies that use AI make it more difficult to reach a live customer support agent. This is a great follow-up to the previous finding. More companies are offering a good digital self-support option with live agents to back it up. Even if you want customers to use the self-service option, don't make it difficult for them to talk to a live agent when they prefer to do so.

Too Many Messages: 49% of customers say they have received so many messages (emails, texts, notifications, etc.) from a company or brand that they stopped doing business with them. Marketing messages are part of the overall customer experience. Don't overdo it!

Never Hearing Back: 64% of customers say they have reached out to a company multiple times to complain or get a problem resolved and never heard back from them. And if they leave you after you don't return their call, email, etc., (more than once), can you blame them for choosing to do business elsewhere?

AMAZING FACT

Want to risk losing 7 out of 10 customers? 69% say they felt anger toward a company or brand after a poor customer service experience.

More of What Drives Customers Crazy!

Self-Service Was Too Hard: 53% of customers say they have left or switched companies because the self-service/digital customer service options were too difficult to use. The concept behind self-service is to make it easy for customers to use it without help (from you). Be sure your self-service options are easy and intuitive.

Too Many Surveys: 36% of customers say they receive so many surveys from different companies that they choose not to complete any of them. Even if your company sends only one survey every year or two, it may not get answered because other companies are over-sending their surveys.

Don't Wait Too Long Before Getting Back to Me: 62% of customers are likely or very likely to leave a company because their response time was poor (slow). If someone leaves a message (on any communication channel), get back to them quickly. Why risk losing a customer because you didn't get back to them quickly enough?

How Many Times Do I Have to Repeat Myself: 69% of customers are likely or very likely to leave because a company kept transferring them, and they had to repeat the same story again and again. First, consider a goal of never having to transfer, but if you do, only transfer once. Second, the first person to hear the story needs to document it properly in the customer's record so they can pick up where the conversation ended with the last employee, rather than having to start over.

AMAZING FACT

The number one reason customers will stop doing business with a company or brand is that they are treated with rudeness or apathy. 48% of customers are *very likely* to leave or switch, and another 35% are *somewhat likely* to leave or switch.

Contact Center Findings: Your Call Is Very Important to Us

“Your call is very important to us.” We’ve all heard these words before—and we hope they’re true. Some contact center experiences are amazing, while others... not so much.

Here are some key findings directly related to the contact center world. With a nod to Clint Eastwood, I’ll affectionately refer to this section as The Good, the Bad, and the Ugly.



The Good (It’s Nice to Know We’re Wanted)

- **82%** of customers said that when they need support, they prefer speaking to a real person over self-service.
- **63%** of customers say that when it comes to support, they dislike self-service and only want a live person.

The Bad (Important Information You Need to Know)

- **51%** of customers feel that when they call support for a problem or question, the company values their time.
- **63%** of customers have stopped doing business with a company or brand due to the inability to reach customer support.
- **76%** of customers have yelled “Agent” or “Representative” into an automated system before hanging up in frustration.

The Ugly (Rude Customer Behavior – But It Happens)

- **63%** of customers say they have hung up on a customer service/support agent.
- **36%** of customers say they have yelled at a customer service agent.
- **25%** of customers admit to cursing at a customer service agent.

We Had to Ask

- **39%** of customers say they would rather clean a toilet than call customer support.
- **53%** of customers say they would rather have dinner with in-laws than call customer support.
- **26%** of customers say they would rather speak in front of an audience of 1,000 people than call customer support (even though fear of public speaking is one of the greatest fears, often ahead of death).

AMAZING FACT

One in three customers (34%) would rather go to the dentist than call customer support.

Social Cause: Customers Want You to Be Good to Them and the World

More than ever, especially among younger customers, the idea of “giving back” to the community, supporting a cause, or making the world a better place is a priority. Companies like Trader Joe’s, Starbucks, and Ben & Jerry’s have built reputations for their philanthropy. Environmentally conscious brands like Patagonia are widely appreciated by customers. Google invests in economic empowerment, technology innovation, and STEM education. Lush, a cosmetics brand, is known for its commitment to cruelty-free products.

The point is clear: when companies give back, customers notice.

WE ASKED: How important is it that a brand or company has a social cause that matters to you?

62% of customers said they prefer to do business with a company or brand that has a social cause that is important to them.

52% said they would stop doing business with a company or brand that has a social cause they didn’t agree with.

65% expect companies to be socially responsible and contribute to community causes.

36% said they would choose not to do business with a company or brand that doesn’t have a social cause or give back to the community.

52% said a company’s involvement with a social cause increases their trust toward them.

57% believe that companies that support social causes are more likely to treat customers better.



Age Matters: Younger consumers place significantly more importance on corporate responsibility than older generations. Companies and brands should carefully consider their social impact strategies, particularly when targeting different aged customers. Consider this:

53% of Gen Z rates social causes as important (or very important)

vs

29% of Boomers.

60% of Gen Z would pay more for companies with aligned social causes

vs

27% of Boomers.

AMAZING FACT

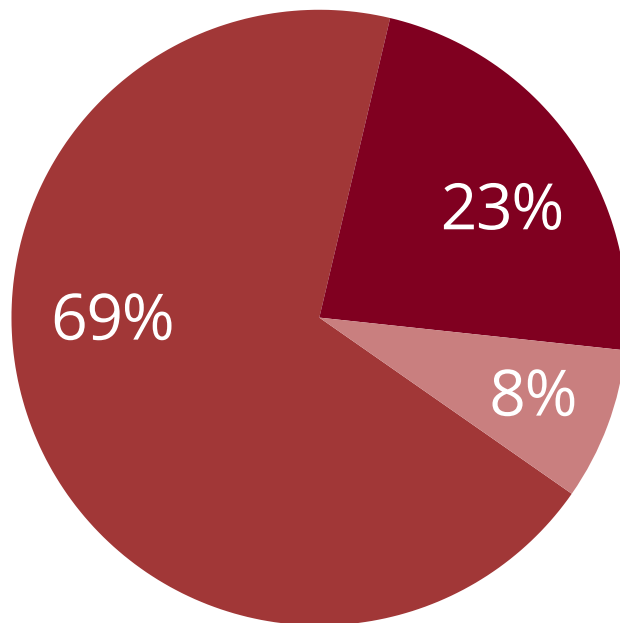
52% of customers say they are willing to pay more if a company has a social cause important to them.

Customer Loyalty Programs

WE ASKED:

How important are customer rewards programs when it comes to giving a company or brand your repeat business?

In 2025, customer rewards programs are important to 69% of American customers when it comes to giving a company repeat business.



Neutral

In 2025, customer rewards programs are not important to just 8% of customers.

Customers like loyalty programs. With seven out of ten customers (69%) saying loyalty programs are either important or very important to them – and only 8% saying they are not important – it's worth looking at other findings that will help shape a program you're considering.

- **50%** are willing to pay more for a company or brand with a good loyalty or rewards program.
- **58%** would choose or switch to a brand with a loyalty program if another brand did not.
- **69%** say that belonging to a loyalty program encourages them to shop more frequently at the company or brand.
- **63%** of customers have recommended a company or brand to others because of their loyalty program.
- **46%** of customers admit to making an unplanned purchase just to earn more points or rewards.
- **44%** of customers admit to choosing one brand or company over another, even if it was more expensive because they wanted to earn more points in their loyalty program.

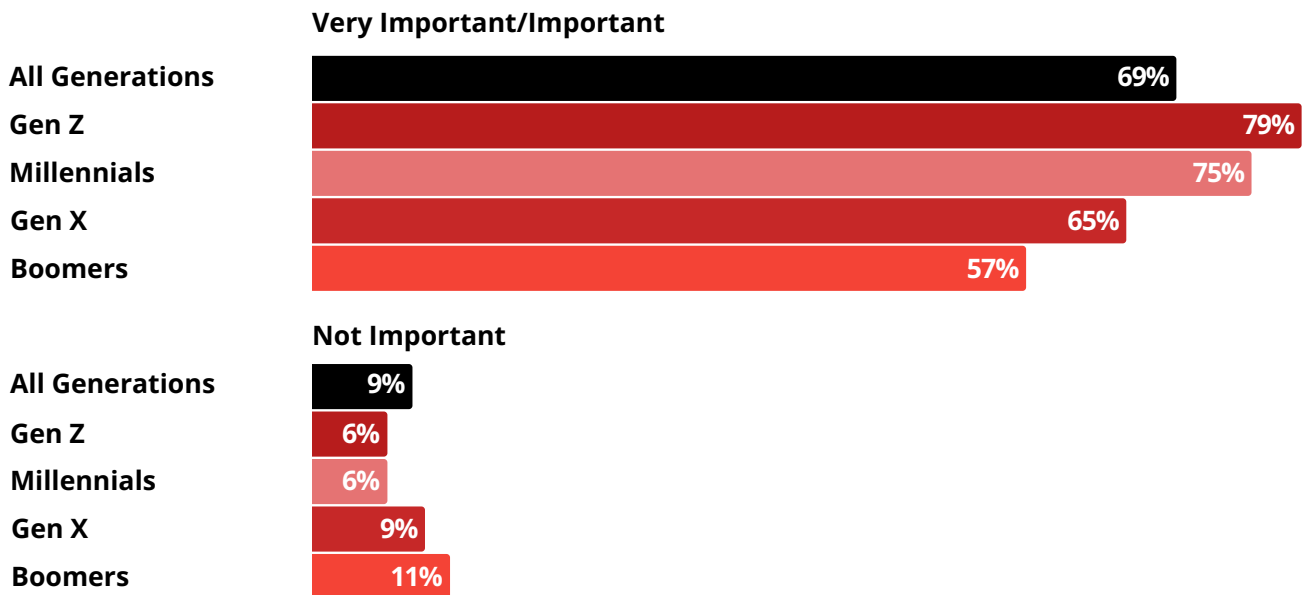
AMAZING FACT

81% of customers think they should be treated better for being a loyal customer.

More On Loyalty Programs

Age Matters:

The findings show that younger generations (Gen Z and Millennials) are significantly more engaged with and influenced by loyalty programs compared to Boomers. First, let's look at the breakdown of the main question: **How important are customer rewards programs? The previous page had the findings. These numbers give you the generational breakdowns.**



Some of the Biggest Generational Differences

Gen Zs are more willing to change their shopping behavior, spend more money, and make unplanned purchases to earn rewards than Boomers:

- **61%** of Gen Zs will make unplanned purchases to earn points/rewards versus **32%** of Boomers.
- **58%** of Gen Zs will pay more for an item to get more points/rewards versus **31%** of Boomers.
- **64%** of Gen Zs will pay more to companies with a good points/rewards program versus **41%** of Boomers.

Most Loyalty Programs Are Marketing Programs

Loyalty programs are typically marketing programs. Perhaps a better description is that they are repeat business programs. Most loyalty programs focus on discounts and perks—incentives designed to bring customers back. And they work! But I advocate for using a different word than loyalty. Call it a membership program, a rewards program, or something else, but recognize that the real goal is repeat business—sometimes leading to true loyalty.

True loyalty is an emotion that fosters a deeper connection. It doesn't come from buying five sandwiches and getting the sixth one free. No matter what type of "loyalty" program you have created for your customers, the key to making it more than just points and perks is delivering an experience customers love so much that they say, "I'll be back."

AMAZING FACT

Over half of customers (54%) sometimes find themselves more loyal to the loyalty program than the company.

Satisfaction Surveys

How do we know if our customers are happy (or not)? Feedback. Some companies send satisfaction surveys—but do they work? Sometimes. It depends on factors like the type of business, customer demographics, survey length, frequency, and more.

This year, we asked more questions about surveys than in past years. Our goal is to give you insights to consider the next time you design a customer satisfaction survey.



Customers Could Stop Doing Business With You Because of Your Survey

- **24%** of customers say they have stopped doing business with a company because their satisfaction survey was too long.
- **26%** of customers say they have stopped doing business with a company because they kept sending too many customer satisfaction surveys.
- **38%** of customers have stopped doing business with a company because they did not respond to critical feedback they provided in the survey.

Why Customers Don't Complete Surveys

- **64%** say when satisfaction surveys are too long, they don't complete them.
- **58%** of customers tend to ignore satisfaction surveys unless they have had an exceptionally good or bad experience.
- **41%** of customers said they avoid completing surveys after a negative experience to avoid further interactions with the company.
- **40%** of customers did not complete the survey because they didn't want the employee to feel bad.
- **62%** of customers assume the company won't make any changes based on their response to a survey.

AMAZING FACT

82% of customers said they would more likely complete a survey when it's clearly stated how long it will take. While length of the survey matters, stating the expected time it takes to complete the survey increases the likelihood it will be completed.

Satisfaction Surveys – Continued



Why Some Customers Are More Willing to Complete Surveys

- **82%** of customers said they would more likely complete a survey when it's clearly stated how long it will take.
- **75%** of customers are more willing to complete a survey after having a good experience versus a negative one.
- **54%** are more willing to complete a survey after having a bad experience versus a positive one.

Begging and Bribing

- **42%** of customers have given a higher than deserved rating because of an incentive, like a discount or gift for completing the survey.
- **37%** of customers only complete satisfaction surveys if there's an incentive, like a discount or a chance to win a prize.
- **59%** of customers have been asked in advance of receiving a survey to leave a positive review or high rating.

Follow-Up After the Survey

- **78%** of customers feel more satisfied when a company acknowledges the completed survey with a follow-up message.
- **71%** of customers believe their feedback in customer satisfaction surveys is valued and taken seriously by a company or brand.

USING AI: AI can help monitor behavior. It can track how customers move around your website and point out where “friction” occurs. It can “listen” to support calls and track digital support with recommendations on how to improve the experience. The point is that AI can monitor customer behavior to track if customers are happy, angry, frustrated, etc.

TRACKING BEHAVIOR: You can also track behavior by analyzing churn. It's obvious if customers leave when they're unhappy, but what if they gave your organization a high rating and never came back? You should want to know why. Did they move? Did they find a lower price somewhere else? Did they switch to a competitor with a more convenient location? These questions and others will give you insights to understand your customers' behavior.

AMAZING FACT

Timing is everything. 68% of customers say the timing of a satisfaction survey (immediately after the purchase or service experience they received versus later) influences the likelihood of completing it.

Ratings and Reviews

The Difference Between Ratings and Reviews

While it may seem obvious to some, there is still confusion about the difference between ratings and reviews. A rating is typically a numerical score or a star-based system, such as Amazon's one-to-five-star scale, where five stars indicate the best experience. A review, on the other hand, is a written or video-recorded comment that provides more context about the customer's experience—what they liked, what they didn't, and whether they would recommend the product or service. While ratings offer a quick snapshot of customer sentiment, reviews add depth and detail, helping potential buyers make more informed decisions.

Do Ratings and Reviews Make a Difference?

Let's answer this with two of the most important findings related to this topic.

- **83%** of customers say they sometimes look at ratings and reviews before making a purchase.
- **77%** say ratings and reviews help them decide if they want to make a purchase.

Customer Reviews

56% >>> Why do customers leave reviews? They want to help other customers. More than half of customers surveyed say they frequently share their ratings and reviews online to help others make informed decisions.

WE ASKED: How many customer reviews (written, photo, or video feedback by a customer who has experience with a company, brand, product, or service) have you provided in the past year for each type of experience?

After a good experience		4.28
After an average experience		2.91
After a bad experience		2.56

Customer Ratings

WE ASKED: How many customer ratings (often a scale or a 1-5 star rating by a customer who has experience with a company, brand, product, or service, etc.) have you provided in the past year for each type of experience?

After a good experience		3.6
After an average experience		2.2
After a bad experience		2.2



AMAZING FACT

80% of customers believe that some ratings and reviews are fake.

More On Ratings and Reviews

Perfection Is Not Reality

While many companies or brands are concerned about a bad rating, they shouldn't be. Perfection is not reality, and most customers know it. Which is why the following findings are important:

69%



Seven out of ten customers are skeptical about the authenticity of reviews if they are all positive.

31%

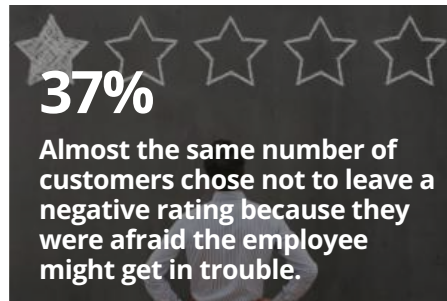


Three out of ten customers won't purchase from a company that doesn't have any negative reviews.

Customers know that companies and people aren't perfect. They expect to see a complaint or comment from an unhappy customer. What's important is how they are handled. Look at the Amazing Fact at the bottom of this page as proof that responding to negative reviews is important.

Some Customers Are Skeptical About the Validity of Ratings and Reviews

Can the system be gamed? The short answer is yes. Some customers have received bribes to post positive reviews. Some customers don't leave reviews for various reasons. The findings below reveal a couple of reasons why:



So, Who Do Customers Trust?

WE ASKED:

Who do you trust most for product recommendations? (We asked customers to rank their top three preferences. Below is the list, in order of importance.)

1. Family
2. Friends
3. Celebrities
4. Social Media Influencers
5. Online Forums
6. Reviews or Ratings on a Retailer's Website (like Amazon, Walmart, etc.)
7. Reviews or Ratings on a Company/Brand Website

Reviews play an important role in helping customers make purchasing decisions, but the typical customer relies more on family and friends to make recommendations and help them decide what to buy.

AMAZING FACT

75% of customers said they are more likely to do business with a company after seeing how effectively they respond to negative reviews.

Top 25 Brands (According to Customers)

WE ASKED:

What are the top three companies or brands that come to mind when you think of an excellent customer service experience?

And the winners are:

-
1. Amazon
 2. Walmart
 3. Target
 4. Apple
 5. Chick-fil-A
 6. Costco
 7. Google
 8. Verizon



-
9. AT&T
 10. Home Depot
 11. T-Mobile
 12. Best Buy
 13. Starbucks
 14. Sam's Club
 15. Lowe's
 16. McDonald's
 17. Nike



-
18. CVS
 19. Trader Joe's
 20. Kroger
 21. Publix
 22. UPS
 23. FedEx
 24. Walgreens
 25. Southwest Airlines



More On Top 25 Brands

Age Matters:

The list of ten isn't surprising. Every year, Amazon, Apple, Walmart, and Chick-fil-A are favorites. But do all generations agree?

- Amazon may hold the number one spot overall, but Millennials are the only generation to put the brand at the very top. Gen Z ranks Amazon number five. Gen X and Boomers rank it as number two.
- Apple is the top spot for Gen Z, Amazon is the top spot for Millennials, and Gen X and Boomers both love Walmart and ranked it as number one on their lists.

Technology companies show the most dramatic age split:

- Gen Zs voted Apple as their top ranking versus Boomers who ranked the brand at number 18.
- Gen Z ranked Google as their number three pick versus Boomers who ranked them at number 24.
- Gen Z ranked Microsoft at number nine. The brand doesn't make Boomer's top 25.

Traditional retailers show an opposite pattern:

- Boomers rank Walmart number one, versus Gen Zs, who rank the retailer number eight.
- Boomers put Home Depot at number five versus Gen Zs, who don't rank the retailer in their top 25.



AMAZING FACT

Some of Gen Z's favorite companies don't appear in any other generations' Top 25 picks: Discord (#19), PlayStation (#20), Adidas (#24), and Nintendo (#25). Conversely, some of the companies Boomers favorite are not in Gen Z's Top 25 picks: CVS (#9), Walgreens (#10), Ace Hardware (#12), and Chase (#22).

Top Three Words (Plus 17 More)

WE ASKED:

What three words best describe an excellent customer service experience to you in today's world?

1. **Friendly**
2. **Helpful**
3. **Fast**
4. **Knowledgeable**
5. **Quick**
6. **Efficient**



7. **Kind**
8. **Polite**
9. **Professional**
10. **Understanding**
11. **Empathetic**
12. **Courteous**
13. **Responsive**

14. **Patient**
15. **Attentive**
16. **Respectful**
17. **Prompt**
18. **Reliable**
19. **Nice**
20. **Caring**



More On Top Three Words

Many of these words are synonyms—like friendly, kind, and nice—so we grouped similar words together. This process consolidated them into six key categories, offering deeper insight into what customers value most in their service experiences. Additionally, grouping the words reordered their ranking based on customer priorities.

1. Speed/Efficiency (82.4%)

- Fast
- Quick
- Efficient
- Prompt

2. Friendliness/Kindness (77.8%)

- Friendly
- Kind
- Nice

3. Professionalism/Knowledge (76.5%)

- Knowledgeable
- Professional
- Reliable

4. Helpfulness/Attentiveness (73.4%)

- Helpful
- Attentive
- Responsive

5. Empathy/Understanding (64.3%)

- Understanding
- Empathetic
- Caring
- Patient

6. Courtesy/Politeness (61.8%)

- Polite
- Courteous
- Respectful

Important Observation:

Throughout this report, there is an emphasis on the importance of convenience. While the word "convenience" itself doesn't appear among the top 20 words customers use to describe excellent service, the top category is Speed/Efficiency, which represents an aspect of convenience. When customers describe service as "fast," "quick," "efficient," or "prompt," they're essentially valuing a convenient experience.

Age Matters:

There is an inverse relationship in the different areas. For example:

- **Speed/Efficiency** decreases with age. Gen Z (87.6%) cares more about speed than Boomers (71.8%).
- **Empathy/Understanding** increases with age. Boomers (73.2%) appreciate empathy more than Gen Z (58.6%), a significant difference.
- **Courtesy/Politeness** increases with age. Boomers (77.6%) demand they are treated with courtesy and respect more than Gen Z (52.4%). That's a 50% difference, the largest generational gap of all the categories.

AMAZING FACT

While generational differences exist, all customers (young and old) consistently value professionalism/knowledge and helpfulness/attentiveness. These are universal expectations across all customers, regardless of age.

Let's Give Them Something to Talk About

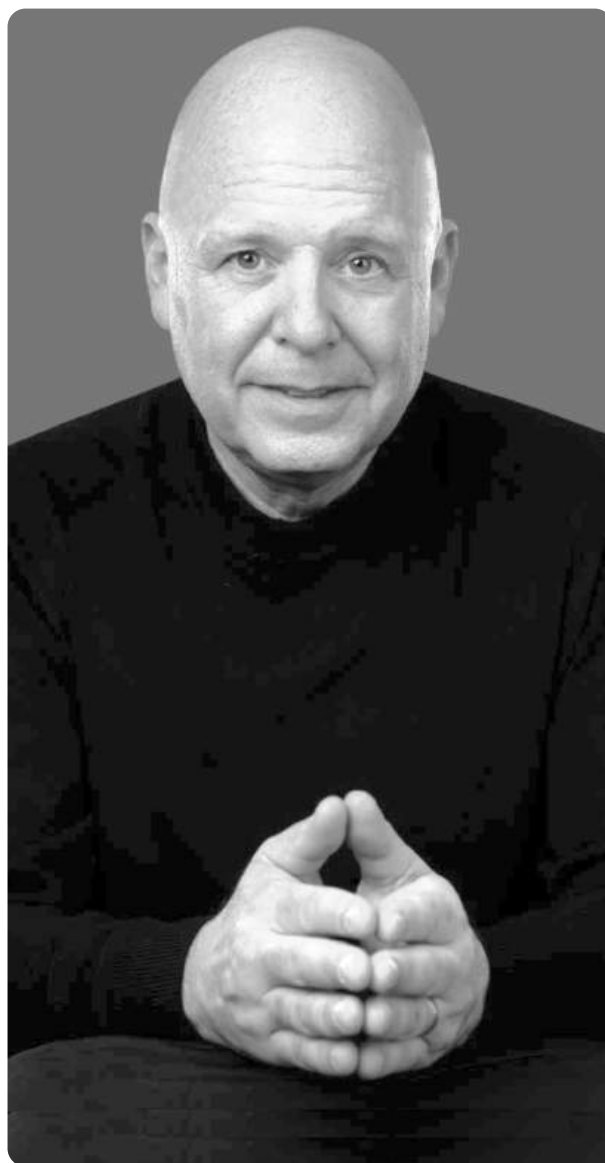
The title of this section is the same as the title of Bonnie Raitt's hit song. It is my goal in all of my work – keynote speaking, training workshops, consultation, books, and more – that I help my clients give their customers something (good) to talk about.

In spite of 72% of customers thinking that it's easy to deliver good customer service, we know that sometimes it takes work, planning, and time. Hiring the right people, putting the right processes in place, and using the right technology are the backbone of creating the customer experience you want to deliver to your customers. The findings in this report should help validate your efforts to do so.

My goal in doing this research is to provide insights into the way customers think. I want to emphasize (again) that it doesn't matter what type of business or industry you are in. You can be B2C, B2B, a non-profit, or a government organization; many of the findings apply to the way your customers think.

If you are outside of the U.S., many of the findings may be slightly different in your country, but the concepts behind them are the same. Keep that in mind.

So, be diligent about delivering a level of customer service your customers want and expect. Give them something to talk about. Create the experience that makes your customers say, "I'll be back!"



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