

Companies Are Striking Out with Customers: Why CX Is Pivotal to Customer Retention and Where Companies Are Falling Short

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The 5th Annual Broadridge CX and Communications survey uncovers correlation between consumer demand for an elevated communications experience and companies' abilities to retain customers.

NEW YORK, Feb. 15, 2023 /PRNewswire/ -- Consumers are making drastic cutbacks on their spending habits, with nearly two-thirds (65%) cutting spending with companies that don't meet their CX standards amid ongoing economic uncertainty, according to the latest CX and Communications Consumer Insights survey from global Fintech leader, **Broadridge Financial Solutions, Inc.** (NYSE:BR). The 5th annual survey analyzes ways for companies to prioritize every aspect of CX and communications to provide more value, convenience and personalization, which in turn impacts customer loyalty and the bottom line.

The proof is in the research: 69% of consumers want companies to improve their customer experience – a significant increase since 2019 (35%). What's more, 61% of consumers claim to judge a company's innovativeness based on the communications it sends.

"As we face continued economic volatility, it has never been more important for companies to consider the critical role that communications play in how consumers perceive their overall experience with businesses," said Matt Swain, head of communications insights and experience at Broadridge. "With consumers increasingly signaling that companies need to improve their CX, investments in communications technology and innovation are critical for our clients to improve customer loyalty, personalize experiences at scale, and advance digital engagement."

Innovating for the Future of Communications

As technological innovations continue across industries, consumers are becoming increasingly savvy at determining which companies are falling behind the experience curve. Communications play a central role in CX, with this research showing that despite making their demands known, it's clear that companies are not meeting consumers' expectations.

Ignoring fundamentals of a good CX can impact consumer loyalty. More than two-thirds (69%) of consumers would look elsewhere for similar products or services after two or three negative experiences with a company. Research found that companies that offered the best experience are doing the following:

- Making it easy to navigate account details online (43%)
- Communicating clearly (43%)
- Allowing customers to select how they want to receive communications (25%)

Personalization is non-negotiable. Over half of consumers (54%) have stopped doing business with a company due to a poor job personalizing the experience. This is especially true for Gen Z (63%) compared to Boomers (45%).

To improve the digital experience, 74% of consumers prefer to receive a more personalized summary that provides an update on performance related to their goals, key activities, recommendations, and relevant links. This is up 13% since 2021 – establishing a clear trend toward increased demand for a reimagined experience. Furthermore, if companies made the digital experiences more engaging, 82% of consumers would go paperless – up 11 percentage points from 2022.

While appetite for digital grows, consumers expect more out of these experiences. Sixty-five percent of consumers want the companies they do business with to improve the digital experience – up five percentage points from 2022. The demand for customization continues to rise, with four in five consumers (81%) stating they want providers to customize their experience based on what the company knows about them.

Leveraging Digital Improvements to Build Trust

With an increased focus on all things digital, some customers are conflicted with their preference for digital convenience and concern for personal data. For instance, 42% of consumers have stopped doing business with a company because of a hack that exposed customer data. Over two in three consumers (68%) have lost trust in a company after a poor experience or communication.

Digital and trust go hand in hand. When it comes to the most important feedback consumers would give companies, nearly one in three (31%) say to be more open with how they are protecting consumer data and privacy. Sixty-two percent of consumers agree that advances in digital-identity security measures, like Face ID and

PIN codes sent via email or text, would make them more likely to engage digitally with companies.

"Five years into this survey, we see trends that are proving to be absolute, including the need to create more engaging digital experiences," said Doug DeSchutter, president, bank broker-dealer and customer communications at Broadridge. "We've invested in next-gen technology and reimagined the communications experience to meet consumer expectations. By creating a modern, secure, digital-first communications platform — one that satisfies data insights, regulatory compliance and omni-channel preferences — companies can deliver a cutting-edge customer experience."

For more information, view Broadridge's full report here:

<https://www.broadridge.com/cx-comms-insight-2023>.

Methodology

Broadridge commissioned Big Village to conduct this CARAVAN survey. The survey was administered between October 28 – November 7, 2022 to 4,014 U.S. and Canadian residents aged 18 and older. The U.S. data was weighted to age, sex, geographic region, race and education. The Canadian data was weighted to age, sex, and geographic region. The figures are statistically significant at the 95 percent confidence level with a margin.

About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with more than \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than U.S. \$9 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 14,000 associates in 21 countries.

For more information about us and what we can do for you, please visit www.broadridge.com.

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