

Navigating the CX Challenge: Despite Companies' Increased Tech Investments, Consumer Impatience Grows

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Almost half of consumers are willing to spend more for an improved customer experience, according to Broadridge's 6th Annual CX and Communications Survey

NEW YORK, Feb. 20, 2024 /PRNewswire/ -- Amid today's uncertain economic environment and companies' increasing dependence on technology to provide customer service, consumer patience has dwindled with the rate of consumers who feel that companies need to improve their customer experience doubling (70%) since 2019, according to the latest CX & Communications Consumer Insights survey from global Fintech leader, **Broadridge Financial Solutions**, Inc. (NYSE:BR). The research underscores the pressing need for companies to further enhance the customer experience and emphasizes the crucial role of personalization and empathy in addressing customer concerns, particularly in the age of AI.

"The survey's message is clear: companies need to ensure their technology and communications strategies go hand in hand," stated Dave Zamorski, general manager of digital solutions for Broadridge Customer Communications. "It is mission critical for companies to transform their digital communications with best-in-class security and omni-channel platform modernization to meet market demands."

There is still time for businesses to turn things around. Despite economic challenges, 47% of consumers are willing to spend more for an improved customer experience. Notably, Gen Z (53%) and Millennials (57%) are more inclined to invest in superior CX compared to Baby Boomers (34%).

AI's CX Promise Is Still Premature

"While we've seen significant excitement around the potential for generative AI to enhance business processes, the research underscores the importance of trust, personalization, and human interaction in shaping consumer perception when it comes to this technology," said Matt Swain, head of communications insights and experience at Broadridge. "While there's no doubt that AI can improve customer experience, it's critical to identify the right use cases and regularly gather voice of customer feedback to ensure it is working for and not against you."

While emerging technologies, like generative AI (GenAI), hold promise for enhancing CX, the data highlights the importance of thoughtful implementation of these technologies. As the experimentation phase continues, more than three quarters (76%) of Gen Z have used GenAI in the last year and almost half (46%) say that it has improved their overall experience.

However, when support is needed, sentiment shifts. Sixty-five percent of consumers feel that AI lacks a sense of empathy and 82% prefer to communicate with a human if an issue arises, emphasizing the need for a balanced approach that is coupled with human interaction and works across different preferences.

Data Security & Privacy are Top of Mind

Privacy and security are especially critical in the age of AI. The survey indicates a growing awareness and concern among consumers around the importance of data privacy, with two thirds of respondents reporting being concerned about their data being compromised due to AI. This is especially true for Baby Boomers (74%) compared to Gen Z (58%).

While more than half (54%) of consumers are open to sharing their personal information for a more customized experience, they also want to make sure that information is secure and advocate for businesses to adopt advanced technologies to enhance the overall security of their digital interactions. A majority of consumers (77%) believe there should be more legislation in place to protect personal data.

For Gen Z and Millennials, Proper Personalization is Key

The impact of poor personalization continues to be a looming threat for companies that don't invest in their CX and communications experience. The data shows the need for firms to better understand the potential revenue lost from poor experiences, as nearly half (45%) of consumers have stopped doing business with a company because it did a poor job of customizing their experience. This is especially true for both Gen Z and millennials (55%).

Communicating with customers through the proper channels is just as critical, with 90% of respondents stressing the importance of honoring preferred communication channels and only 31% of respondents believing companies overall are doing it right.

The Future of Next Generation Experiences

For companies to remain competitive, they must learn to strike a balance between technology and personal, human-led communication. The future of successful communication and elevated customer experience depends on companies achieving the right balance of both to meet the needs of tomorrow's consumer.

For more information, view Broadridge's full report [here](#).

Methodology

Broadridge commissioned Big Village to conduct this CARAVAN survey. This survey, as part of Broadridge's annual series, was conducted in a fashion consistent with previous years. The survey was taken by 4,010 U.S. and Canadian residents aged 18 and older. The U.S. data was weighted by age, sex, geographic region, race, and education. The Canadian data was weighted by age, sex, and geographic region to ensure accurate representation of each population.

About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with over \$6 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 \$10 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.

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