## The Phone On Hold Dilemma:

How to Build Brand Loyalty During Customer Wait Times



A Whitepaper By







#### **Summary**

A ringing phone has long been a sign of success for any business. Today, however, we live in an omnichannel world with customer engagement scattered across multiple touchpoints. In this report we argue that voice contact (what was known as the inbound call) is a critical component of customer engagement. The major drawback in this channel is wait time, or as we call it, "hold time." For many organizations, addressing phone hold time is not part of an overall brand and customer service strategy. Voice contact with your customer base is an opportunity to build brand loyalty, even when that customer is waiting to speak to an available representative.

## The Phone On Hold Dilemma: How to Build Brand Loyalty During Customer Wait Times

## The significance of inbound calls.

#### The inbound customer service call is still number one.

Microsoft surveyed 5,000 customers for its 2018 <u>State of Global Customer</u> <u>Service Report</u>. 95% said customer service influences brand choice and loyalty. Here are some other interesting discoveries:

In the US, 62% say they have stopped doing business with a brand because of poor customer service.

Overwhelmingly, those surveyed feel that a knowledgeable customer service representative is the most important aspect of a good customer experience. Only 9% say they prefer to find information **without** contacting customer support.

Which communications channel do customers prefer? Globally, 39% said **phone**. The next preferred method was email at just 20%.

In consumer markets, most buyers are calling first, even when shopping on a mobile platform. A <u>study by Google</u> confirms that 61% of mobile users call a business when they're in the purchase phase of the buying cycle.

Some very successful businesses actually prefer inbound calls.

Billion-dollar shoe e-tailer Zappo's sees the telephone as their number one customer contact method. "Other companies hide their phone number. We put ours front and center on the website," says former call agent Ryo Hanalei Zsun. Zappo's CEO Tony Hsieh says, "We're actually experimenting with ways to get more people to call because it's such a valuable marketing and brand builder for us." [Forbes, Tony Hsieh Reveals The Secret To Zappos' Customer Service Success In One Word, June 12, 2017]

Did you catch that? Calls are a valuable marketing and brand builder.

Sarah Gulbrandsen of the marketing firm RingPartner recognizes that online marketing efforts have taken a priority, while other interactions may be ignored. "This failure to realize that inbound calls remain crucial within a sales strategy is both an unfortunate oversight and a costly one, with research now indicating that plenty of prospective buyers still like to reach out and touch someone," Sarah Says. [Sales Hacker, Inbound Sales Call Statistics, Jan. 1, 2018]

You may not be operating a Zappo's "School of Wow" for your call center employees, but you can find room for improvement in your call handling practices. Julie Cook, CEO of phone on hold marketing firm Easy On Hold says focus on the **on-hold dilemma**. It will make a huge difference. "Of course," says Julie, "it begins with simply admitting that callers are indeed waiting on hold."

The (2015) Arizona State University Annual <u>W.P. Carey School of Business</u>
<u>Customer Rage Survey</u> reported that "almost three quarters of customers identify the telephone as their primary channel for solving their most serious problems." The survey also reported that **the number one thing people don't**want to hear when they call customer service is, "Your call is important to us, please continue to hold." [NBC News 12/14/2016]

#### Calling. Holding.

The calls keep coming in, and the calls keep getting placed on hold. A <u>survey</u> by American Texting firm "Talk To" concluded that **86% of consumers say** they're placed on hold every time they call a business. More staggering is the survey's conclusion that each of us spends 13 hours on hold every single year.

And what are businesses doing with that customer wait time? Some are using it to build brand loyalty and share information callers find helpful.

Bronson Advance Cardiac Care, a medical facility in Kalamazoo, Michigan, is one of hundreds of health care facilities using Easy On Hold custom messaging on hold. Chief Administrator Kurt Kuppler says the Easy On Hold system is "very effective in increasing patient understanding of how to use our office, as well as helping us manage demand of our resources."

Wine Country Gift Baskets, a successful gift catalog company, tracked abandoned calls and was alarmed at the potential for lost business. A series of relevant, informational greetings was deployed to help. "It has certainly been a success story for us," says Wine Country's Richard Germann. "We have had very few abandoned calls. [In] the past we had many abandoned calls."

These organizations have found a formula for **making hold time work in their** favor.

So, what's the secret sauce?

Consider the different elements of sound that can be incorporated into a phone on hold audio experience.

# Businesses need inbound calls, but also need people to wait.

86% of consumers report being put on hold every time they call a business, and that 48% believe the customer service representatives who answer phone calls are not helpful.

# What creates a positive phone on hold experience?

In 1962, when Alfred Levy discovered a problem with the phone lines at his factory, he located a loose wire that was touching a girder on the building. The steel in the building picked up the music being transmitted by a nearby radio station. Callers heard the radio station on hold. By 1966, Levy patented his on hold electrical circuit and the "hold button" was born. [US Patent US3246082A]

### Music?

## Curtin University, 2010

Adrian North, professor of psychology at Curtin university in Western Australia, set up a study to determine some of the qualities of music that would keep people on hold. When callers responded to a printed advertisement they were immediately placed on hold. Some callers heard an announcement that said, "all lines are busy, please hold." This was the least popular among the options.

The use of music on hold is a common practice but falls short as a marketing tool.

About a third of the callers were subjected to an instrumental version of the Beatles' "Hey Jude" performed on the pan pipes. Even though people admitted that the pan pipe music was not very likeable, they were the ones who stayed on hold the longest. [British Journal of Psychology, Music And On-Hold Waiting Time, Dec. 24, 2010] North suggests that the caller perceived that the song blurred the line between beginning and end, so the caller was unable to calculate the length of time he was holding, resulting in a perception of shorter hold time.

One third of participants heard the Beatles' original recording of the song, and as it finished, then started over once again, callers could count the number of times they heard the same song. This led to a perception of a longer hold time. Conclusions from this study are:

- 1. Repetition causes the perception of a longer wait time.
- 2. Commonly-used phrases such as, "please hold" can actually increase caller abandonment rates.
- 3. Even though the pan-pipe listeners stayed on hold longer, they reported a strong dislike of the on hold content.

# Music and Messages?

#### Israel Institute of Technology Study

In a study by Israel Institute of Technology graduate student Nira Munichor, 123 students called a number and waited on hold. Students did not know that after 2 minutes on hold their call would be answered. One-third of the participants heard music. Of that group, almost 70 percent hung up before their call was answered. Another third heard music that was occasionally interrupted with a message apologizing for the wait. Of that group, 67 percent hung up in less than 2 minutes.

## What is Royalty Free Music?

We conclude once again that the standard, "thank you for holding," or "we apologize for the wait" has little effect on hold times. [American Psychological Association, May, 2007]

#### Hold music.

Much of the "hold music" that is in use on phone systems is unfamiliar background music composed by unknown artists. Here's why. According to laws in most countries, when a piece of music is played over a phone system, a performance occurs. A music performance requires a license. Hold music, also known as elevator music, vanilla music or royalty free music, is created to enable businesses to play affordably-licensed music on their phones. It truly is "background" music and is not engaging by design.

Let's see what customers have to say about "hold music":

@moneypennyyyy: Why is hold music the worst?

@amyahsan: @NatWest\_Help Can you please sort out your hold music. It's excruciating, and the loop is too short.

@ScottMcGready: People that compose hold music have no soul. Fact.

@BionicDance: Is 'On Hold' music designed to irritate people into hanging up, or is the idea that it might soothe angry customers while they're waiting so they won't yell at the support staff?

Hopefully, as suggested by @BionicDance, angry customers will be more relaxed because of the music.

Hold time **duration** is a significant factor in determining a phone on hold formula.

#### Logo Radio.

Easy On Hold offers some unique alternatives to the expected "hold music". One program is called **Logo Radio**. Intended for hold times of 3 minutes or more, Logo Radio plays popular music (songs people know). In between the songs a short (5 to 10 seconds) branding message plays. The overall effect is that of a brand's own radio station. In a call service or support center, for example, longer hold times are expected, opening the door to more creative alternatives.

For wireless carrier **T-Mobile**, unifying the caller experience over 5 call centers and up to 12-thousand agents was a daunting task. Until approaching Easy On Hold, callers were hearing a variety of hold music (or

Logo Radio establishes a successful model for longer hold times. nothing at all) when on hold. In addition, hold times can be 30 minutes or longer. The Logo Radio feed is now playing along with short updates on new products and services every 2 to 3 songs. Customers have also changed their tune:

@stevie\_mat: This T-Mobile hold music is J.Los' If You Had My Love. I swear it's like they know my heart! (Sept. 15, 2018)

@CooleySavant: I'm on hold with T-MOBILE right now and they're playing "The Boy is Mine" as their hold music. Green Day was playing before. I don't know what the (expletive) is going on here but it's completely quelled my anger. (June 14, 2018)

@the\_rocko\_: I was just on hold with T-Mobile and they used Bring Me The Horizon as hold music. What a time to be alive. (May 8, 2018)

@crushedgems: I'm on hold with T-Mobile right now and instead of the regular hold song, they're playing Linkin Park (heart icon) (July 21, 2017)

What's going on? Callers are so delighted with an unexpected waiting experience, they're talking about it on social media.

With **Logo Radio**, T-Mobile has built a customer experience that hits the mark. Emilie Kroner, head of organization engagement for consumer markets at sales data firm <u>dunnhumby</u>, describes the goal of customer experience strategy as "[making] customers so happy that they will want to share their positive interactions with your brand." [American Marketing Association: The 7 Pillars of Customer Centricity]

### Marketing Messages On Hold.

Managers often make the mistake of allowing the phone hold audio to be completely controlled by the tech or I.T. department. Many phone solutions have native music files that play on hold, but we already know what people are saying about that kind of music (see Twitter results, above). The content callers hear while waiting on hold should be the responsibility of the **marketing department**.

Stewart Gandolf, CEO at marketing firm Healthcare Success recommends custom messages on hold for his health care clients. "Placing a caller on hold is a risk. When you create an **engaging** experience for your patients you minimize the risk of premature hang-ups and instead create an invaluable marketing opportunity," Gandolf says.

"[Make] customers so happy that they will want to share their positive interactions with your brand."

## 4 Tools for Engaging Callers On Hold.

#### Engage!

The term "customer engagement" is a term often used to describe communications connections between a consumer and a company or brand. Engagement is achieved by breaking down the customer journey into touchpoints and maximizing messaging at each touchpoint. Clearly, the inbound call is a critical touchpoint that will either cause friction along the journey or improve the customer relationship.

The call comes in. The waiting begins. Will this moment be a typical negative experience or a successful, loyalty-building, relationship-building interaction?

As a beginning, we suggest the use of what we call **4 Tools for Engaging Callers On Hold**: The human voice, relevant messaging, a conversation, a call to action.

#### The Human Voice.

The importance of the human voice is on the rise. As we read less we are **listening more**. Technologies such as Alexa and speech-to-text are bringing the spoken word to the forefront of our every activity. It is happening as podcasts become more popular.

"If you are in the business of interacting with customers, you should be thinking deeply about how your communications and marketing strategies will need to evolve in the **age of sound**," says Paul Michelman, editor in chief of MIT Sloan Management Review. [Sloan Management Review, 01/20/2017]

#### Relevant Messaging.

"The most successful brands are relevant brands." [Forbes.com, How To Keep Your Brand Relevant In A Rapidly Changing World, 10/23/2017] Forbes author Brian Lischer points out that Nike and Apple remain relevant because they are willing to do things differently. After tuning into skateboarders, Nike launched NikeSB and built a legion of brand evangelists. Convince callers that you understand them and they will stay with you. Talk about their problems. Be consistent across platforms.

#### A Conversation.

Of course, the caller cannot converse while waiting on hold, but by resembling ordinary person-to-person conversation in our brief expressions on hold, we create a feeling of trust. Rather than tell-and-sell, canned pitches or pontification, use common words in an inviting tone. The new <u>streaming message on hold systems</u> can insert "good morning" and "good afternoon" phrases, just as if you were there in person. The aim is to achieve virtual intimacy. [Easy On Hold: The End Of Boring Messages On Hold, 2018]

#### A Call To Action.

The on-hold opportunity can be informational, even inspirational, but a successful customer interaction demands action. What is the logical next step? Offer alternatives to waiting, such as web sites or wikis. Ask the caller to participate in a program for super-users. Give instructions on a user tip or hack that can be viewed as "inside information". Presenting one small easy step isn't too much to ask.

# Brand. Loyalty. Opportunity.

#### Putting it all together.

We've seen the studies: the telephone is still king of communication in business. Meanwhile, callers are likely to spend up to 10 to 20 full days of their lives waiting on hold. To solve the **on-hold dilemma**, companies are plugging in music for callers to hear, a solution that prompts complaints. Others play voice messages that thank callers for waiting and remind them that they are on hold, but only temporarily. Standard "on hold" greetings are responsible for higher call abandonment rates.

A creative approach to music on hold, **Easy On Hold's Logo Radio**, has been a success story for T-Mobile. It seems that providing an unexpected call waiting experience is valuable.

In the hands of skilled marketers, the phone on hold dilemma can be conquered by deploying the human voice, relevant messaging, conversational communication and a call to action that moves the customer toward the next touchpoint on the journey with your brand.



#### About The Author

Timothy Brown is the founder of Easy On Hold® and Brandi Music. He is responsible for building the first streaming platform specifically for music and messages on hold.