As easy as X, Y, Z
Exploring generational differences and attitudes to technology, media and telecommunications
Our research examines the way different generations behave at each stage of the technology, media and telecommunications (TMT) customer journey. Understanding more about their preferences and pain points can be a key factor in driving improvements in customer engagement and experience.

About the survey
EY commissioned independent research involving 2,500 UK participants, equally split between genders, generations and with a geographical spread that reflected regional populations. The survey was conducted during April 2017.

In our survey, we defined the generations as:

- **Gen Z**  
  Age 18-21
- **Gen Y**  
  Age 22-40  
  (also known as Millennials)
- **Generation X**  
  Age 41-52
- **Baby boomers**  
  Age 53-71
Introduction

A nation of connected consumers

Each generation is known for their distinct characteristics – but our survey shows that the differences are more nuanced.

Age is no barrier to connectivity, with respondents from all four generations choosing the smartphone as the device that they use most every day. So much for age-based stereotypes: Gen X are the most likely to juggle multiple devices and baby boomers are the biggest everyday users of tablets.

But younger generations do lead when it comes to streaming and on-demand content. This doesn’t, however, spell the end for premium TV, with 37% of Gen Z currently using it, not much below baby boomers.

Looking ahead, Gen Y and Z aspire more towards smart watches than smart TVs – suggesting that the attraction of the new remains stronger for younger generations.

By tracking different generations through every stage of the customer journey we find that each has distinct requirements, sweet spots and pain points.

By understanding these better and adapting services to suit, providers can not only create happy customers, but more valuable ones too.

Top of the TMT agenda

39% of leading telecommunication CTO and CIOs rank improving customer experience and satisfaction as their #1 priority – more than any other issue.
The customer journey
Findings from the frontline

Discovery
Purchasing and payment
Customer service and support
Loyalty and longevity
Advocacy
Consumers like to feel empowered. Across all generations, those looking to purchase new devices chose websites featuring multiple brands and price comparison sites as their first port of call. Single brand retailers and websites were more popular with Gen Z than any other generation, suggesting brand allure is higher for that age group.

Promotions and recommendations are the most likely way to get consumers of all generations interacting with brands that they do not currently use, and older groups lead the way in this respect. Younger generations are more likely to be open to advertising than their older peers, with Gen Z markedly more receptive when it comes through social media.

Affinity for new devices is pronounced among certain groups: better smartphone cameras and larger TV screens are the drivers for Gen Z, while older generations are more likely to wait until replacement becomes essential.

25% of Gen Z respondents begin their journey in-store when thinking about buying a device, more than any other demographic. And only 14% would buy a new phone without ever speaking to an in-store assistant, the lowest of any age group.
Purchasing and payment

Despite the death knells being regularly sounded, the high street still plays an important role in purchasing, even for the youngest generation of consumers. Our survey shows consumers are split evenly between going online and going in-store to buy a new phone and accompanying tariff. And not much less than half (43%) would only buy a phone after viewing it in person. That’s not an age thing: the youngest and oldest generation, Gen Z and baby boomers are the biggest fans of in-store.

Our survey reveals interesting trends in payment methods. Although direct debit continues to dominate, online channels (bank transfer, website, app) are now favored by almost a quarter of consumers, with younger generations leading the way. Looking ahead, Gen Z favor more advanced payment mechanisms, with 26% wishing that service providers offered mobile payments and 17% highlighting fingerprint scanning as another payment option.
Consumers need support right from the very start. When purchasing handsets, advice and/or demonstrations score highest across all generations as a driver for in-store assistance.

Yet in other areas, consumers are more than capable of looking after themselves. From gaming subscriptions to broadband internet, between 36% and 47% of survey respondents would only interact with their current providers if they have a problem. Gen Y stand out as the most self-empowered and are more likely than all other groups to visit websites to get the information they need.

In terms of customer service channels, email and phone are the most frequently used by all generations, but are more favored by older consumers. Gen Z are twice as likely to reach out via social media (22% compared to 11% overall). Web chat is also gaining traction and is now ahead of FAQs on websites as a route to support. Both are used more by younger generations than older ones.

But in the world of customer engagement, tensions are never too far below the surface. Baby boomers were the grumpiest, with 82% annoyed by long service center call hold times and 73% by non-UK call centers. But they’re not alone when it comes to gripes, over half of all generations rated unexpected price hikes and long hold times as a bugbear.

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Customer service plays a significant role in loyalty and retention, with 35% of respondents saying they had switched due to poor customer service in the last three years, while another 7% plan to do so in the next 12 months.

Interestingly, those impatient and annoyed older generations we described in the previous section are much less likely to have switched than their flightier younger peers. In contrast, Gen Y are the standout in terms of switching: they are more likely to have changed phone provider twice or more in the last five years and are also the generation most likely to hit the off button on their TV provider.

But the likelihood of switching also varies according to the type of service – 58% have switched mobile provider in the last three years, with younger groups again leading the way. But when it comes to TV subscriptions, customers are “stickier”: 61% say they are loyal and only 20% change provider every year or two years. Yet there are still challenges here: customers are likely to replace an existing provider with an OTT service when they do switch, with Gen Y the most likely to do so.

Gen Y have the itchiest feet – 47% have changed service provider in the last three years and 39% have replaced an existing TV provider with an over the top service.
Advocacy

The ability of consumers to influence their peer group is something service providers should not overlook. Again, customer service is an important trigger – 36% of consumers have recommended a service provider based on their experience, with Gen Y the most vocal.

Social media is a key catalyst for advocacy, with 29% of all consumers posting online about their service providers, with an even split between positive and negative commentary. Gen Y stand out as the most likely to criticize service providers on social media and are twice as likely to do so (compared to Gen Z or X).

A quarter of the UK consumers we surveyed ranked friend and family recommendations as the most important factor when it comes to engaging with brands they are new to. Receptivity to such recommendations rises with age.
Taking the next step to improve the customer experience

The next step is to apply these insights at the customer level and turn them into action, with the goal of creating a differentiated experience that keeps your target customers engaged and happy, whatever their age or requirements.

TMT companies’ diverse customer bases, multiple services and complex infrastructure mean this can often be a daunting task. Yet as customer expectations rise and competition intensifies, it’s one that cannot be delayed.

Our digital customer experience teams and professionals support the rapid change companies want to make. We help our clients design, implement, measure and continuously improve the experiences they deliver to their customers so they remain loyal, delighted and become fans and advocates.

Achieving this means going beyond simply making changes or utilizing technology. It means reinventing customer relationships and rebuilding the enterprise around them. This almost always means going from “doing digital” (for example, adding apps and websites on existing channels) to “being digital”: allowing the transformative power of digital bring to the fore entirely new ways of engaging customers.

It’s an area of transformation that isn’t about taking a bet on the future, but an investment that can deliver immediate, measurable results as well as long-term benefits.

Digitally Integrated Customer Experience (DICE)

We believe the best way to achieve and sustain customer experience excellence is by integrating all customer touchpoints around a digital core. Only by doing so can an organization achieve a Digitally Integrated Customer Experience (DICE).

DICE is the result of all aspects of an organization aligning around continuous implementation of compelling experiences for its customers.

We support our clients in achieving DICE by tying together purpose, experiences, capabilities and people to provide an iterative and ongoing approach to transformation.
How can EY help?

We take our clients through a structured engagement journey – continuous experience implementation. First, we combine multiple research techniques (Big data and surveying as well as contextual inquiry and customer observations) to understand consumer behaviors and motivations. Then, rather than undertaking separate digital projects in pockets across an organization, we help clients drive innovation across their entire business – creating a culture that continuously iterates and improves the customer experience.

In doing so we call on a wide breadth of experience and CX talent built up from designing and providing customer engagement programs for clients in the telecommunications, media & entertainment sectors.

The value of our work in this area has been recognized by the MCA awards. We have had the most shortlisted entries in the Customer Engagement category in the last 2 years (when compared with our competitors) and also won in 2017.

To find out more about how our award-winning tools and strategies can help you transform customer experience, please contact our TMT professionals.

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