Report prepared for Blue Rubicon on behalf of O2 Enterprise

Redefining selling, serving and working

June 2015

YouGov
What the world thinks

O2

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Introduction

Background and Objectives

O2's Enterprise division provides digital products and services to large UK businesses and public sector organisations, enabling them to make work and life easier and more productive.

O2 Enterprise commissioned the report to tangibly show how technology drives smarter working, smarter serving and smarter selling and the positive impact this has on senior management, employees and customers.

Sample profile

YouGov was commissioned on behalf of O2 Enterprise to conduct this research. To meet the objectives of the study it conducted three surveys with different samples to understand the importance of business technology from the perspective of senior management, employees, and consumers/citizens. The research was conducted using a quantitative online methodology. The surveys were approximately 10-15 minutes in length.

The three surveys were fielded using the YouGov UK online panel - a panel of 600,000+ individuals who have agreed to take part in market research with YouGov.

The total sample size was 3,638 – 1,020 senior managers, 542 employees, and 2,076 consumers. The sample breakdown is below:

- **Survey 1: Senior management**: Middle managers and above, working in organisations with a minimum of 250 UK employees. Within this sample, a number of industries were targeted in both the private and public sectors (see table below). YouGov interviewed 1,020 respondents.
- **Survey 2: Employees**: Junior to senior employees from organisations with a minimum of 250 UK employees. Within this sample, a number of industries were targeted in both the private and public sectors (see table below). YouGov interviewed 542 respondents.
- **Survey 3: Consumers**: A nationally representative UK sample with data splits by region, gender, age, and social grade. YouGov interviewed 2,076 respondents.

Fieldwork was undertaken between 19th and 25th March 2015. The table below provides a summary of the sample profiles YouGov interviewed:

SAMPLE PROFILES	EMPLOYER SURVEY	EMPLOYEE SURVEY
COMPANY SIZE		
250-499 employees	13%	12%
500-999 employees	12%	13%
1,000+ employees	76%	76%
SECTOR		
Private	46%	49%
Public	46%	44%
Third	7%	7%
PRIVATE SECTOR		
Manufacturing, Construction & Utilities	21%	20%
Financial services	20%	14%
Retail & Leisure	17%	19%
Professional services	20%	16%
Transportation	5%	7%
PUBLIC SECTOR		
Healthcare	17%	23%
Local government	22%	23%
Criminal justice and emergency services	8%	9%
Central government	22%	9%
Education	18%	22%

Report Definitions

In this report we refer to the following definitions which were outlined to the respondent:

- Firmographics. These are typically standard background information about a respondent's organisation. Standard questions will include company size, sector, turnover, roles and responsibilities within the organisation etc.
- Standard feature phone (e.g. low-end mobile phones which are limited in capabilities)
- Convertible hybrid computer (e.g. a computer that can act as both a laptop and a tablet)
- Mobile broadband device (e.g. USB Dongle)
- MiFi – a mobile wireless hotspot or router that gives you internet access on the move. Multiple devices can connect to one MiFi device (mobile operators provide this service).
- Secure access to the corporate network remotely (i.e. through a virtual private network)
- Online collaboration tools (i.e. presentation and white boarding portals, idea sharing forums, instant messaging, and audio and video conferencing)
- Enterprise mobility system/Bring your own device (i.e. enables employees' personal devices to be used for work without compromising the corporate network)
- Business apps that enable employees to remotely update customer information/place a customer order/make a sale in real-time
- Business apps which enable employees to show real time data on any device remotely from the office
- Cloud data storage so employees can download large amounts of data onto their device, if needed
- Software/apps/services that use data to gain insight about customer behaviour
- Customer Relationship Management (CRM) System: a system for managing a company's interactions with current and future customers. It often involves using technology to organise, automate and synchronise sales, marketing, customer service, and technical support
- An Enterprise System (ES): a large-scale application software packages that support business processes, information flows, reporting, and data analytics in organisations. Can be from a third party provider or a bespoke, custom developed system created to support a specific organisation's needs
- A Virtual Private Network (VPN): A network that uses a public telecommunication infrastructure, such as the Internet, to provide remote offices or individual users with secure access to their organisation's network.
- First response (i.e. police, fire, ambulance services)

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- Office and location based (i.e. midwives, health care, social care)
- Office based only staff (i.e. office-based staff that do not deal with the public face-to-face)
- Office based services staff (i.e. office-based customer services staff that do deal with the public e.g. face-to-face, call centre etc.)
- Manual/skilled staff (i.e. Unskilled and semi-skilled workers, skilled craft workers, domestic workers etc.)
- Retail sales staff (i.e. face-to-face contact when customers buy a product/use a service)
- Retail customer services staff (i.e. face-to-face contact when customers require customer services)
- Office sales staff (i.e. office-based sales staff that do not deal with customers face-to-face)
- Office customer services staff (i.e. office-based customer services staff that do not deal with customers face-to-face)
- Other office-based staff (i.e. all office staff that do not work in sales or customer services)
- Manual/skilled staff (i.e. agricultural, unskilled and semi-skilled workers, skilled craft workers, domestic workers etc.)
- Personalisation of customer services. Organisations tailor the way they interact, serve and sell to customers by taking into account their individual interests, needs and preferences. For example, companies which send tailored offers based on a customer's previous purchases, their buying behaviours or their personal interests.

Executive summary

This report presents the findings of a research project commissioned by O2 Enterprise. The aim of the research was to investigate the role that technology plays in transforming the way private businesses and public sector organisations work, and how they sell to and serve customers.

Key highlights of this report include:

- Integrating digital into the heart of business strategies
    - 48% of senior managers state that digital is integrated into their business strategy, while just 17% state that their digital and business strategies are separate.
    - This is much higher amongst private sector (55%) than public sector (42%) organisations.
    - Those in the financial services sector (66%) were also much more likely to have an integrated business and digital strategy.
- Business efficiency
    - Companies challenging the norm of the working day by maximising the benefits of technology are enjoying greater business efficiency with devices alone saving businesses 9.4 million hours and £2.2 billion per week.
    - Separately, business software, apps and services save businesses 6 million hours and £2 billion per week.
    - Senior management think business technology has led to their organisation having more flexible working hours (45%), experiencing greater business efficiency (44%), and saving more time (36%).
    - Employees think business technology has enabled them to be more efficient (40%), more productive (33%), and save more time during their working week (31%).
    - Over two thirds (68%) of senior management in large businesses agree that breaking the 9-5 work pattern has helped their company achieve greater business success.
    - Overall, this is highest amongst B2B (71%) rather than B2C (66%) and specifically, professional services (75%) in the private sector and local government (73%) in the public sector.
    - According to senior managers, using more business technology for colleague interaction would lead to improved colleague collaboration (40%), greater business efficiency (37%), and improved sharing of resources amongst employees within their organisation (34%).

- o Meanwhile, almost half (46%) of employees in large businesses agree that breaking the 9-5 work pattern means they are more likely to be successful in their job.
- Efficiencies in public vs. private sector
  - o Technology devices are saving Britain's largest private sector businesses 6.6 million hours and £1.6 billion a week, compared to 2 million hours and £458 million in the public sector.
  - o Similarly, business software, apps and services save the private sector 4.5 million hours and £1.7 billion a week, compared to 1.3 million hours and £411 million in the public sector.
  - o Those in the professional services sector make the most out of technology. 88% of senior managers believe that technology has helped increase their businesses' productivity, one of the highest of any sector in the research.
- Selling to and serving customers and citizens
  - o Companies that use personalised communications to sell to and serve customers are benefitting in a number of ways. Since the introduction of personalised customer communications 42% of senior managers have seen an increase in their company's sales and 49% have seen an increase in brand warmth. Almost half (49%) think customer advocacy has increased, as well as customer engagement (63%), and customer satisfaction (56%).
  - o Furthermore, almost half (44%) of senior managers think that using more technology in the future would lead to increased business and job efficiency within their company, and more than 70% think increasing the use of technology specifically for customer interaction would have a positive effect on their organisation.
  - o From an employee perspective, over half of employees (56%) agree that the use of business technology has a positive impact on their ability to serve customers, whilst almost a third (32%) agree that the use of business technology has had a positive impact on their ability to sell to customers.
  - o In the private sector, retail sales staff are the most likely 'non-office based staff' to be using devices for work, with a quarter using laptops (26%) and smartphones (25%). Furthermore, over one in five (21%) are using tablets for work, which is significantly higher than any other sector under analysis. This suggests technology devices, particularly tablets are a key component in face-to-face sales for large productive organisations (see chart on page 22).

- o Consumer demand for digital integration is high, with over half (55%) in agreement that companies need to invest more in using modern technology - such as apps, online services, and through social media - to communicate more efficiently with customers. Despite the appetite for digital integration, retailers seem to be missing a trick with only 16% of consumers having ever been assisted by staff that use in-store devices and technology.
  - o Consumers are using technology to interact with brands and to help them make decisions. This is more prevalent in the retail environment - a large proportion use their devices for this purpose.
- Personalised communications
  - o Companies who personalise their customer communications are seeing the benefits, such as increases in sales (42%), customer satisfaction (56%), engagement (63%), brand warmth (49%) and customer advocacy (49%).
  - o Almost seven in ten (69%) believe that companies need to invest more in personalising customer communications and over half (55%) agree that companies need to invest in using more modern technology to improve customer communications.
  - o 44% of senior managers believe that their organisation has the capabilities to personalise information to its customers.
  - o However, just 26% of senior managers believe that their personalised communications with customers is of a high standard.
  - o There is a difference of opinion between companies and consumers on how effectively companies are carrying out personalised communications. Despite four in ten retailers thinking their company's customer communication is of a high standard, four fifths of consumers/citizens feel frustrated by the effects of companies not being able to personalise their customer services, such as constantly having to update personal details (83%) or having to speak to many different people to receive the service they need (83%).

Section 1: Context

The purpose of this section of the report is to contextualise the research findings, looking at the firmographics and the current usage of devices and business software, apps and services within the sample.

The average turnover of the total sample was £795 million. This was £939 million for private sector businesses. Amongst those interviewed, industries with the largest annual turnover include the Financial Services industry (£1.2 billion). In the sample, organisations serving other businesses have a higher turnover (£889 million) than organisations serving consumers/citizens (£700 million).

Sample by average annual turnover (millions)
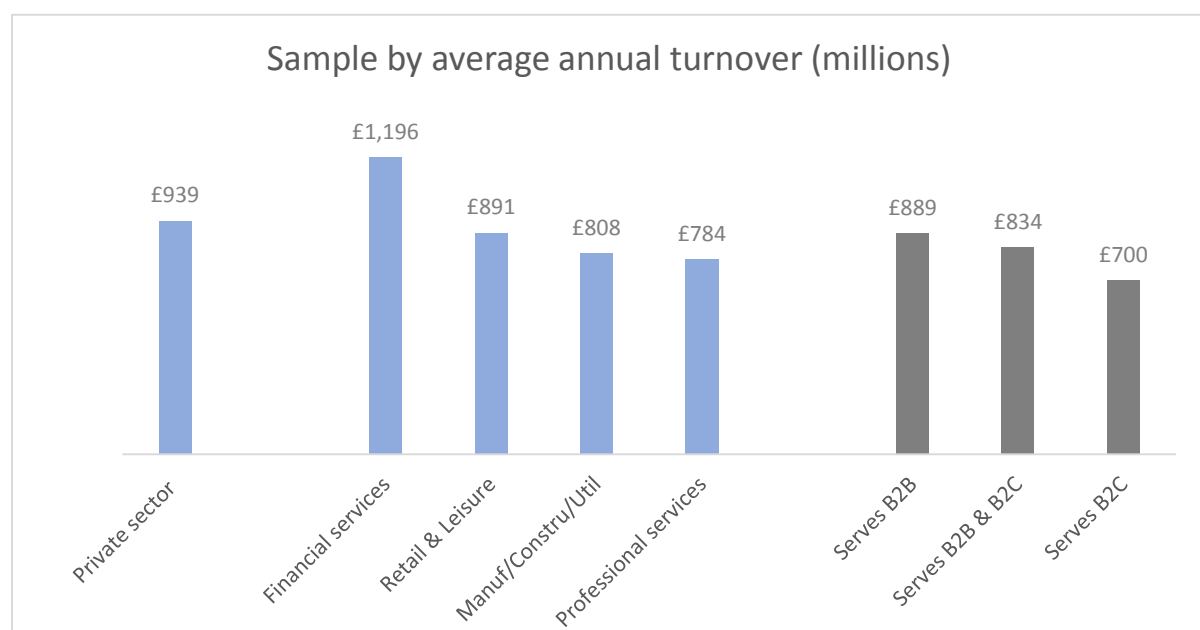
A4. What was the turnover of your company in the last financial year? Please give your best estimate if you are unsure.
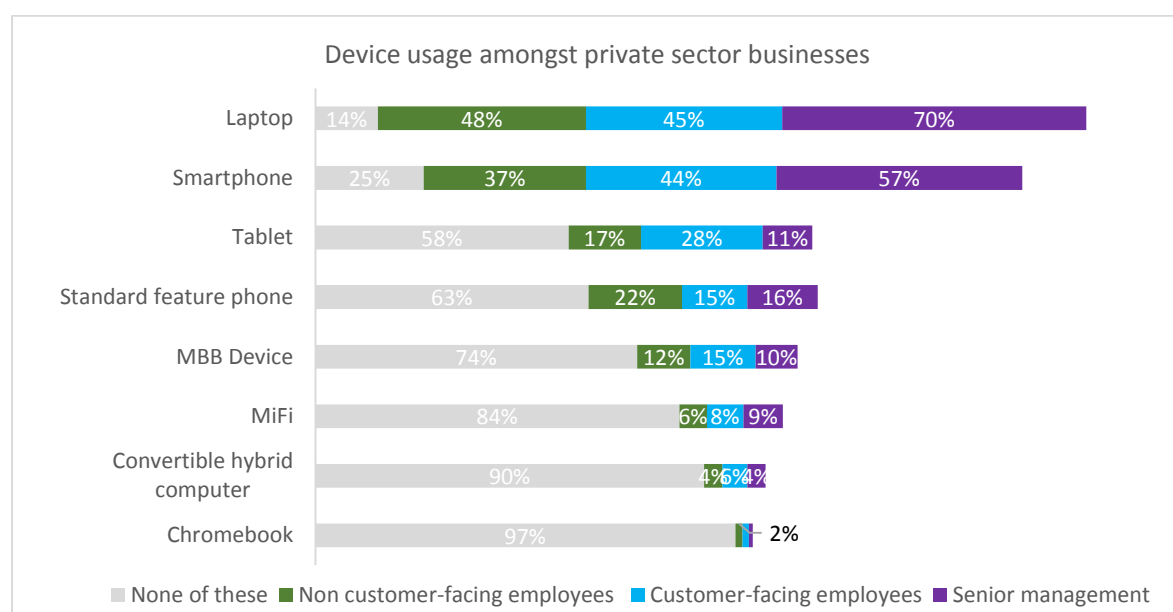Base: Senior management (1,020)

Device usage amongst organisations

Overall, private sector businesses are more likely to be using devices for work, compared to public sector organisations.

The majority of organisations in this research have a range of devices available to them for work. Almost 9 in 10 (86%) senior managers work in organisations that use laptops and three quarters that use smartphones. Usage of convertible hybrid computers and chromebooks is low at 1 in 10 or less. Over a quarter (26%) work in organisations offering remote internet access using a mobile broadband device such as a modem stick or data card, and a further 16% are working in organisations that use Mi-Fi.

The data suggests that in the private sector, customer facing and non-customer facing employees don't always have access to, or use the same devices in their roles at work. For example, customer-facing employees are more likely to have access to tablets (28%) and smartphones (44%) whereas non-customer facing employees are more likely to have access to laptops (48%) and standard feature phones (22%).

Device usage amongst private sector businesses

Device	None of these	Non customer-facing employees	Customer-facing employees	Senior management
Laptop	14%	48%	45%	70%
Smartphone	25%	37%	44%	57%
Tablet	58%	17%	28%	11%
Standard feature phone	63%	22%	15%	16%
MBB Device	74%	12%	15%	10%
MiFi	84%	6%	8%	9%
Convertible hybrid computer	90%	4%	6%	4%
Chromebook	97%			2%

BA1_1. Which of the following technology devices does your organisation provide? (Please tick all that apply)
Base: Private sector senior management (473)

Public sector organisations are less likely to be using devices for work, compared to private sector businesses. For example, public sector smartphone usage is down 17% when compared with smartphone usage in private sector businesses, suggesting that the private sector has a more developed technology infrastructure compared to the public sector.

Despite this, almost 8 in 10 (78%) are using laptops and almost three fifths (58%) use smartphones for work, which is still high. Almost half (47%) of public sector organisations use standard feature phones for work – a quarter of which are used by senior management (24%), customer-facing employees (25%), and non-customer facing employees (24%). Similarly to the private sector, just over a quarter (26%) of public sector organisations are using mobile broadband devices, and 9% are using MiFi. This suggests that although device usage is relatively high in the public sector, out-dated devices with low functionality such as standard feature phones make up a significant proportion of device usage in this sector.

Senior management in public sector organisations are significantly less likely to have a work laptop (55%) or smartphone (35%), compared to private sector senior management (70% and 57%, respectively).

Device usage amongst public sector organisations

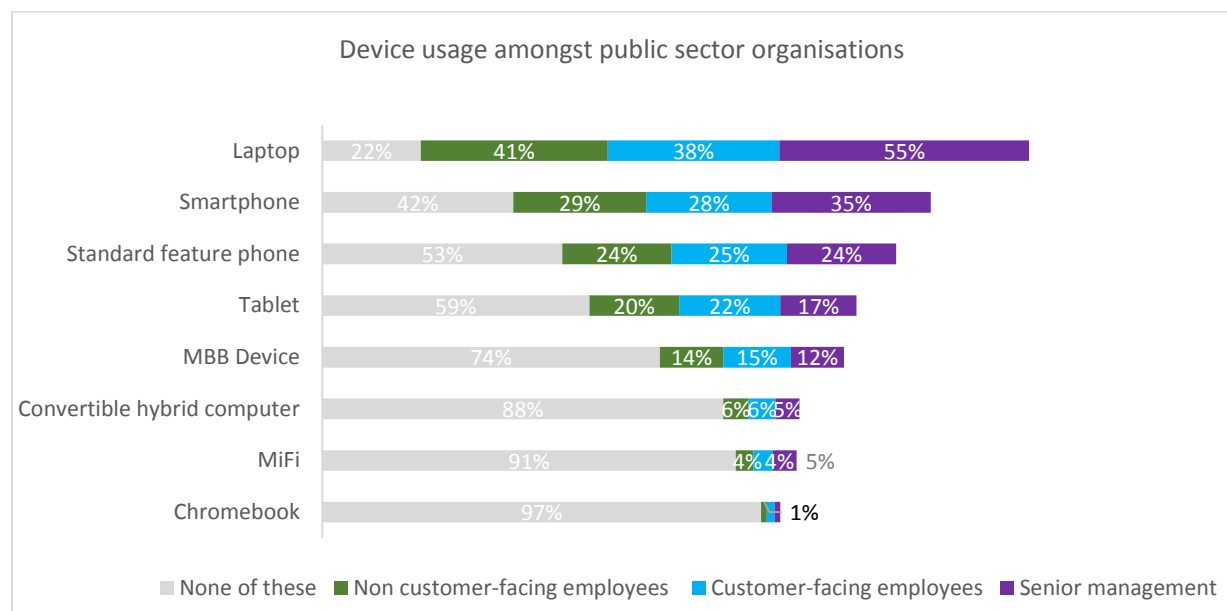| Device	None of these	Non customer-facing employees	Customer-facing employees	Senior management
Laptop	22%	41%	38%	55%
Smartphone	42%	29%	28%	35%
Standard feature phone	53%	24%	25%	24%
Tablet	59%	20%	22%	17%
MBB Device	74%	14%	15%	12%
Convertible hybrid computer	88%	6%	6%	5%
MiFi	91%	4%	4%	5%
Chromebook	97%			1%

BA1_1. Which of the following technology devices does your organisation provide? (Please tick all that apply)
Base: Public sector senior management (471)

Business software, apps, and services usage amongst organisations

Private sector businesses are also more likely to be using business software, apps and services for work, compared to public sector organisations. Almost 9 in 10 (89%) private sector companies are able to access their corporate network remotely via a virtual private network (VPN) and two thirds are using online collaboration tools such as presentation and white boarding portals, idea sharing forums, instant messaging, and audio and video conferencing. Access to an Enterprise Mobility System (bring your own device) is least common amongst private sector businesses (28%), followed by usage of Cloud data storage (31%).

Public sector organisations are less likely to be using business software, apps and services for work, compared to private sector businesses. Four fifths (81%) of public sector organisations are able to access the corporate network remotely via a virtual private network, and almost half (48%) are using online collaboration tools such as presentation and white boarding portals, idea sharing forums, instant messaging, and audio and video conferencing. Unsurprisingly, apps for customer sales and services is least common in this sector (15%), followed by access to customer insight software, apps and services (17%).

Customer-facing and non-customer facing public sector employees have similar access to business software, apps, and services, whereas access to these in private sector businesses is more likely to vary. Again, this suggests a more standardised approach to the provision of business software, apps, and services within the public sector.

This standardisation of technology access throughout public sector organisations could suggest that public sector organisations are less likely to see the value in technology compared to private sector companies. Evidence to support this includes the fact that public sector organisation are significantly less likely to believe technology has had a positive effect on their business (79% private, 67% public), and that access to business technology enables employees to be more productive (79% net agree for private, 69% net agree for public)

Similarly to the private sector, more public sector senior managers have access to a virtual private network (71%) and online collaboration tools (41%), compared to public sector employees (45% and 31%, respectively).

Business software, apps and services usage amongst public sector organisations

	None of these	Non customer-facing employees	Customer-facing employees	Senior management
Virtual private network	19%	49%	45%	71%
Online collaboration tools	52%	31%	31%	41%
Cloud data storage	77%	14%	14%	17%
Apps to remotely access real-time data	80%	10%	13%	13%
Enterprise mobility system (BYOD)	80%	12%	11%	15%
Customer insight software/apps/services	83%	9%	11%	11%
Apps for customer sales/services	85%	7%	11%	8%

CA1_1. Which of the following business software, apps, or services does your organisation provide? (Please tick all that apply)

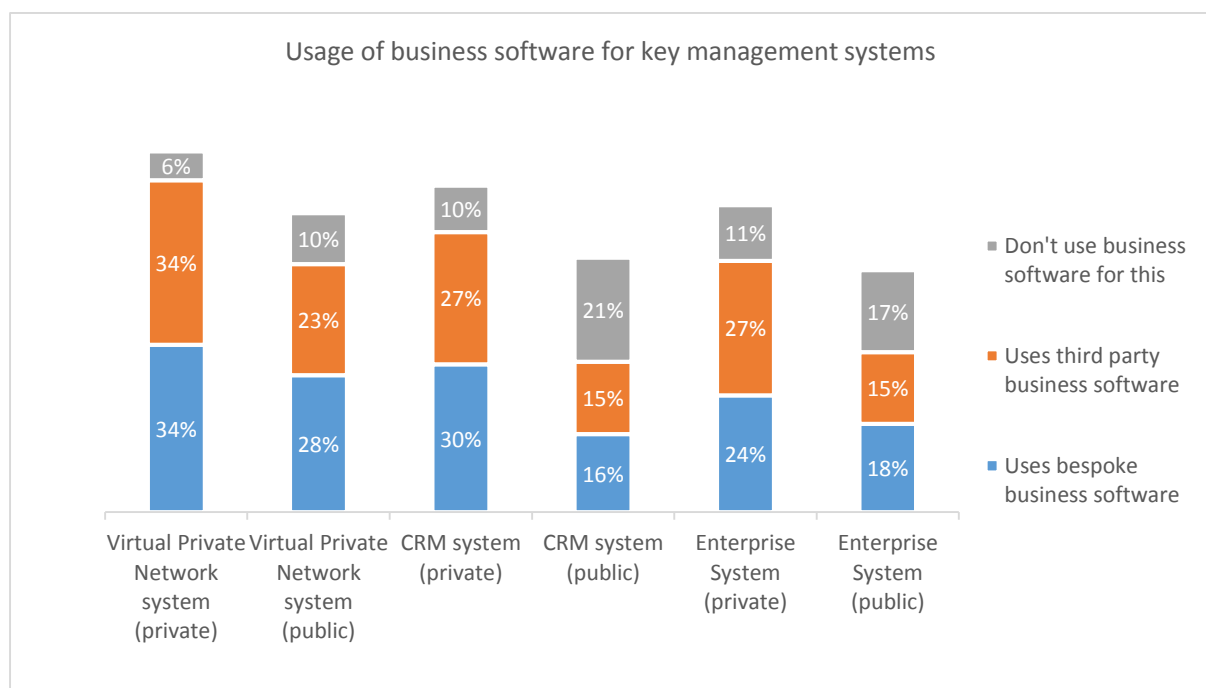Base: Public sector senior management (471)

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The majority of senior management believe that usage of business technology such as devices, business software, apps and services will increase within the next two years, particularly for tablet devices, and online collaboration tools (see Section 2 – Smarter Working).

Usage of business software for key management systems

For each of the key management systems – VPN, CRM and Enterprise systems – there is generally an equal split between those companies who use bespoke business software, and those who use a third party business software.

Over two thirds (68%) of private sector businesses use VPN software - just over a third (34%) use bespoke software, whilst just over a third (34%) use third party software. Over half (51%) of private sector businesses use Enterprise System software - almost a quarter (24%) use bespoke software, whilst just over a quarter (27%) use third party software. Just over half (57%) of private sector businesses use CRM system software - three in ten use bespoke software, whilst just over a quarter (27%) use third party software.

For each of the key management systems, public sector organisations are significantly less likely to know if their organisation has a software system in place, compared to private sector businesses. Furthermore, public sector organisations are significantly less likely to use business software for any of the key management systems, compared to private sector businesses – 51% have a VPN (68% for private), 31% have a CRM system (57% for private), and 33% have an Enterprise System (51% for private).

Usage of business software for key management systems

C2_1. Does your company use business software, apps, or services for any of the following? (Please tick one answer per row)
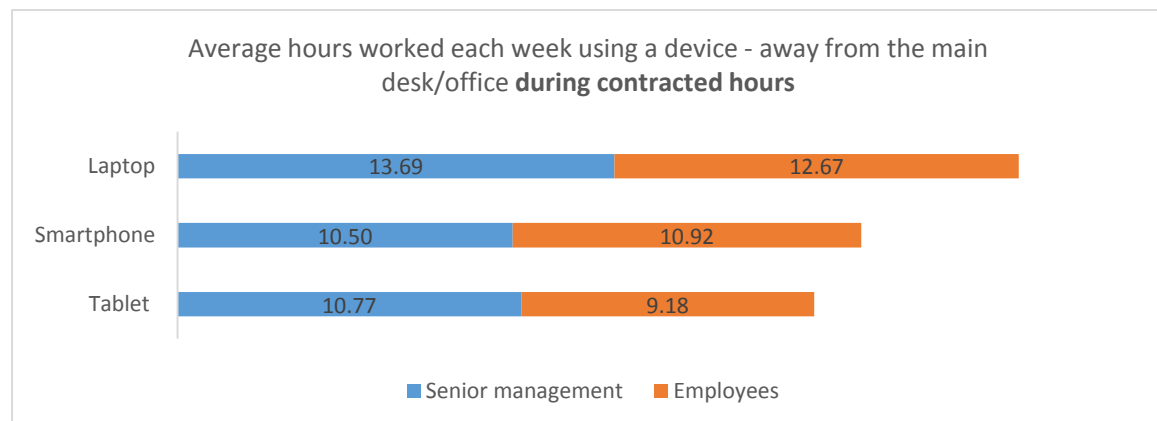Base: Senior management (1,020)

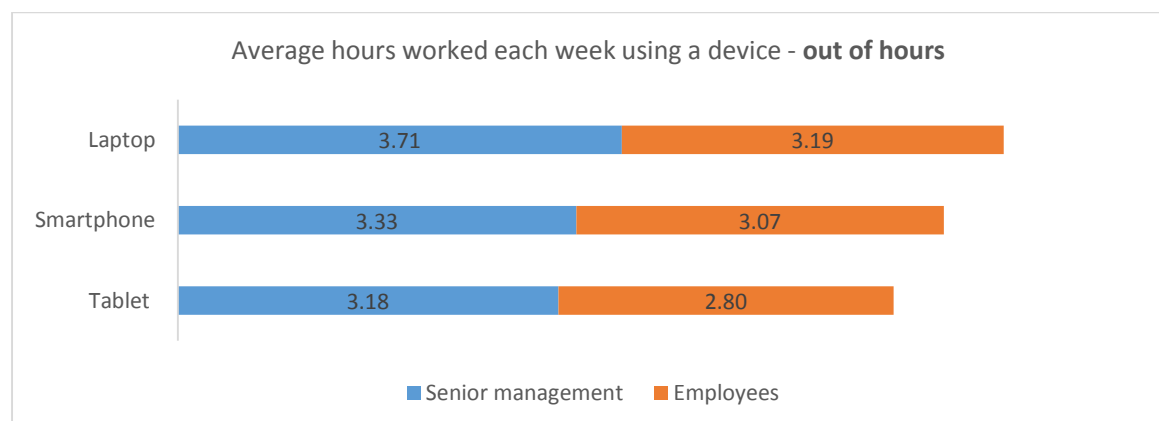## Use of technology devices outside of the office

Senior management are most likely to be working away from the main office during work hours, whereas employees are more likely to be working away from the main office after hours. Both use devices in order to do this.

During work, senior managers claim to use devices away from their main office/desk for between 10 -14 hours a week, whilst employees do the same for between 9 - 13 hours a week.

Average hours worked each week using a device - away from the main desk/office **during contracted hours**

Device	Senior management	Employees
Laptop	13.69	12.67
Smartphone	10.50	10.92
Tablet	10.77	9.18

B4_1. On average, how many hours each week do you use your device(s) to work away from your main desk/office during contracted hours?
Base: Senior managers using smartphones (477), senior managers using tablets (147), senior managers using laptops (637), employees using smartphones (149), employees using tablets (47), employees using laptops (212)

Outside of contracted working hours, senior managers use devices away from their main office/desk for between 2 - 4 hours a week, whilst employees do the same for between 3 – 4 hours a week.

Average hours worked each week using a device - **out of hours**

Device	Senior management	Employees
Laptop	3.71	3.19
Smartphone	3.33	3.07
Tablet	3.18	2.80

B5_1. On average, how many hours each week do you use your device(s) to work out of hours (i.e. extra work outside your normal contracted hours)?
Base: Senior managers using smartphones (477), senior managers using tablets (147), senior managers using tablets (637), employees using smartphones (149), employees using tablets (47), employees using laptops (212)

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The amount of time spent using devices away from the office suggests a need for connected technologies, such as business software, apps and services, in order for employees and senior managers to work efficiently away from the office.
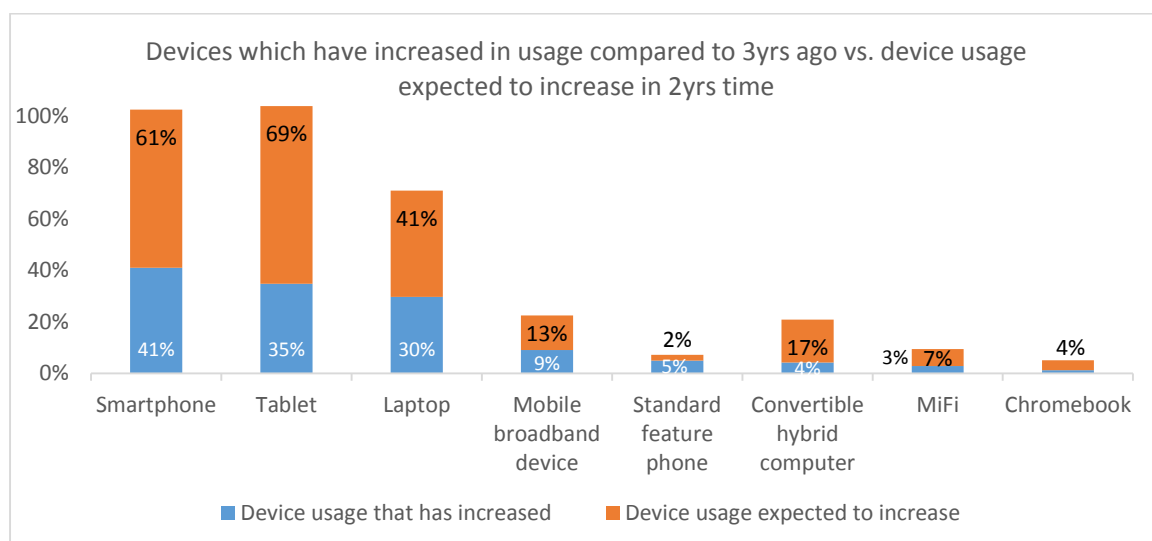
Section 2: Smarter Working

This section of the report looks to understand how technology influences the behaviours of senior managers and employees, the impact this has on the working day, and how it enables an organisation to thrive.

Technology device penetration will continue to increase

Seven in ten senior managers believe the range of devices employees have access to has increased compared to three years ago, most predominantly for smartphones (41%), tablets (35%) and laptops (30%). Additionally, over three quarters (76%) of senior management believe the number of devices in their organisation will increase in the next two years, re-enforcing technology's continued importance within large organisations.

Whilst smartphones have been the major addition to organisations in the past three years (41%), the majority of senior management predict that tablets will be increasingly used in their organisation two years from now (69%). Furthermore, senior management expects the use of mobile broadband devices (13%) and convertible hybrid computers (17%) to increase, as well as smartphones (61%) and laptops (41%). All of these devices enable employees to work away from the office more, if needed, facilitating more flexible working for employees. Senior managers back up this theory, with 45% believing that technology in their organisation has enabled more flexible working hours for employees.

Furthermore, the increase in mobile devices used for work, and the amount of time employees and senior managers spend working away from their main office/workplace, reinforces the likelihood that device usage in organisations will continue to grow.

Devices which have increased in usage compared to 3yrs ago vs. device usage expected to increase in 2yrs time

Business services and apps will be a big driver in breaking the standard 9 to 5

Almost half (46%) of senior managers think that the range of business software, apps, and services employees have access to has increased compared to three years ago - most predominantly for VPN software (44%), online collaboration tools (43%) and cloud data storage (20%).

Over half (55%) of senior management believe the range of business software, apps, and services available in their organisation will increase in the next two years. Again, this suggests that trends towards more collaborative working, and being able to work remotely are set to continue for large productive organisations.

Whilst VPN software, apps and services have been the most significant addition in the past three years (44%), the majority of senior management predict that online collaboration tools will be increasingly used within their organisation, two years from now (64%).

Business software, apps and services usage which has increased compared to 3yrs ago vs. software apps and services expected to increase 2yrs from now

- Business software, apps and service usage expected to increase
- Business software, apps and service usage that has increased

Category	Expected to increase	Has increased
Virtual private network	60%	44%
Online collaboration tools	64%	43%
Cloud data storage	46%	20%
Apps for customer sales/services	38%	17%
Apps to remotely access real-time data	39%	16%
Customer insight software/apps/services	34%	16%
Enterprise mobility system (BYOD)	32%	13%

D4. You mentioned that the range of business software, apps, or services employees have access to in your company has increased, compared to three years ago. For which type of business software, apps, or services?

E4. You mentioned that the number of business software, apps, or services employees have access to will increase, two years from now. For which type of business software, apps, or services?

Base: Senior management who think the use of devices in their organisation will increase (467), senior management who think the use of business software, apps, and services in their organisation will increase (569)

Access to technology for all employee levels is based upon need

In the public sector, office-based staff have greater access to technology devices compared to field-based staff such as first response and manual/skilled employees. On average, one in five office-based staff are using standard feature phones, and approximately a quarter are using smartphones for work. Less than one in five office-based staff use tablets for work and just over one in twenty use a mobile broadband device. Budget constraints within the public sector are likely to have slowed the acquisition and development of their technology advancements; however, as technology prices begin to drop, this may change.

In the private sector, there is a greater relationship between staff member role and the type of technology devices they have access to, compared to the public sector where differences in device usage by staff role are minor.
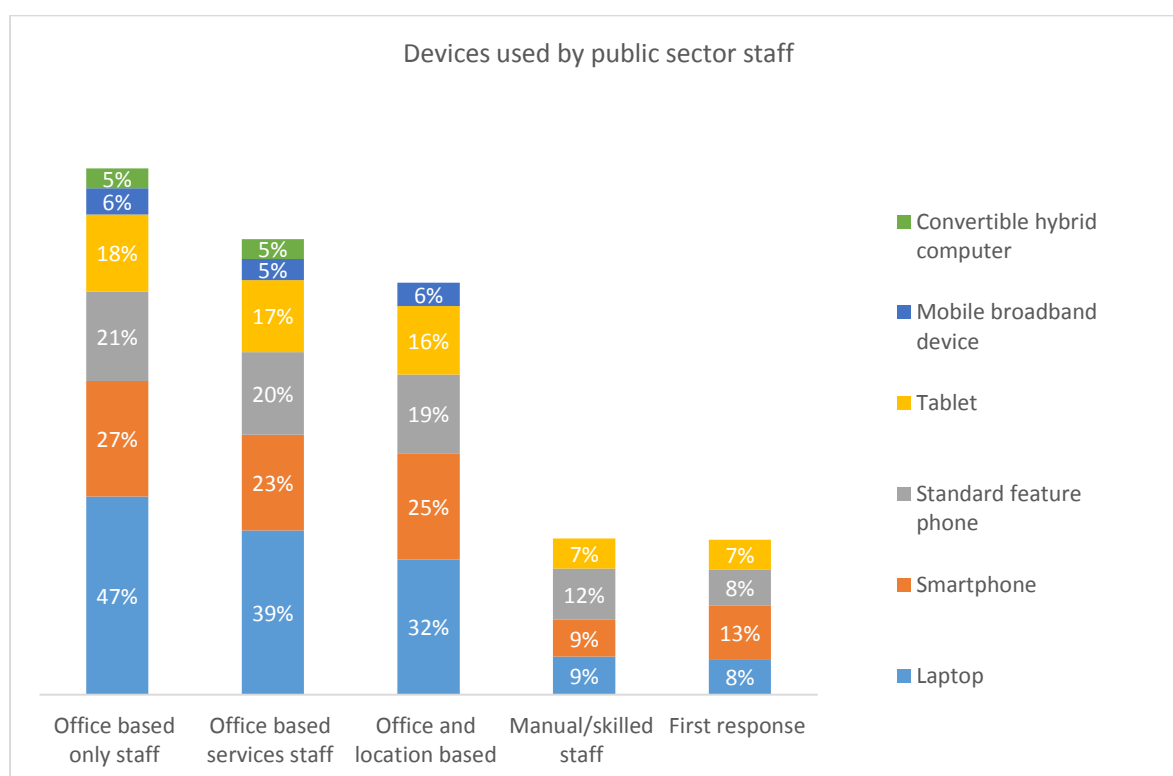
F1aa_1. Who in your organisation uses each of the following devices, for work purposes?

Base: All public sector senior managers whose employees use devices for work (322)

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As with technology devices, business software, apps, and services are mostly used by office-based staff in the public sector. VPNs and online collaboration tools are the most likely business software, apps and services to be used. There is a greater range of business software, apps, and services used in the private sector, compared to the public sector.

Business software, apps, and services used by public sector staff
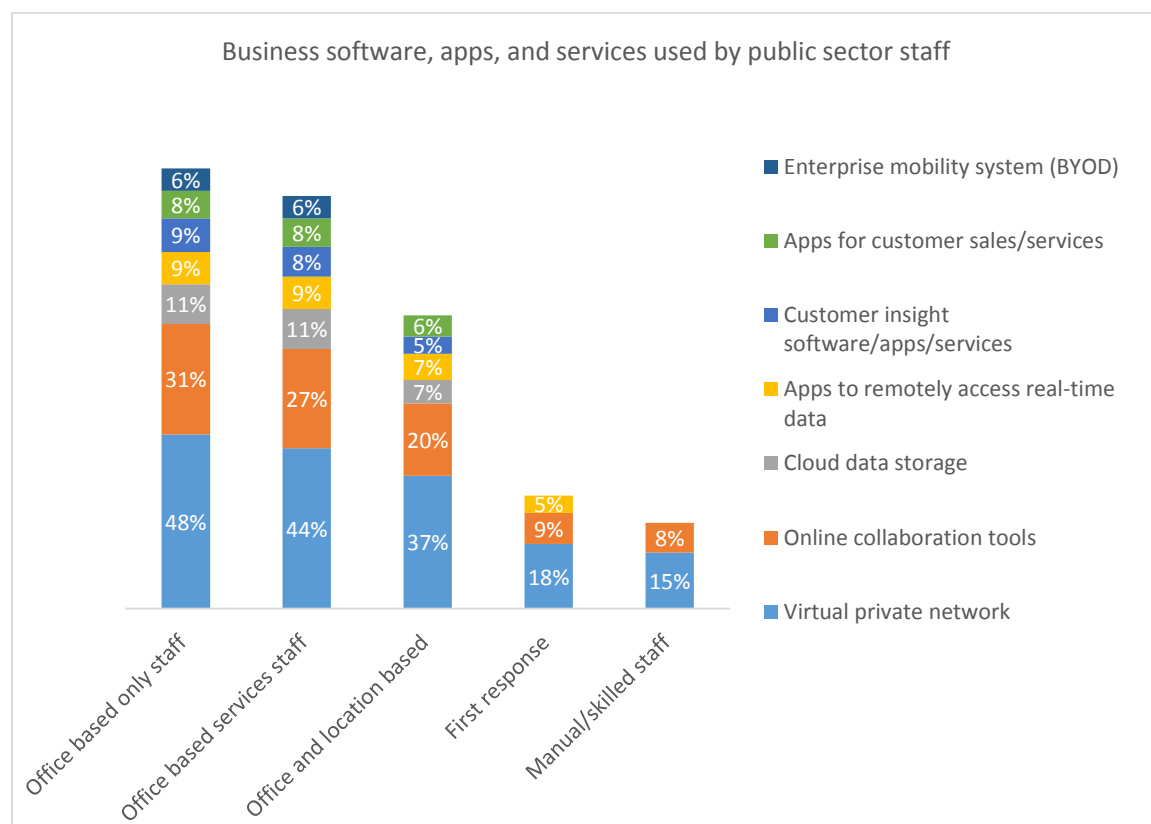
F2aa_1. Who in your organisation uses each of the following business software, apps and services, for work?
Base: All public sector senior managers whose employees use business software, apps, & services for work (291)

In the private sector, a much greater proportion of frontline staff are using devices for work, compared to the public sector. Retail sales staff are the most likely frontline staff to be using devices for work, with a quarter using laptops (26%) and smartphones (25%), and, most significantly, over one in five (21%) using tablets for work. This suggests technology devices, particularly tablets are a key component in face-to-face sales for large productive organisations. One only has to go into larger, more established stores nowadays to see how technology is starting to become part of the customer shopping process. Despite this, as we see later, many customers have not fully registered these changes and would like more technology to be available in store (see how technology assists the customer journey, page 31).

Devices used by private sector staff

Staff role	Laptop	Smartphone	Standard feature phone	Tablet	Mobile broadband device
Other office-based staff	48%	32%	14%	11%	5%
Office sales staff	45%	27%	11%	8%	5%
Retail sales staff	26%	25%	6%	21%	7%
Office customer services staff	42%	23%	11%	5%	
Retail customer services staff	26%	21%	7%	15%	
Manual/skilled staff	9%	8%	6%		

F1bb_1. Who in your company uses each of the following devices, for work purposes?

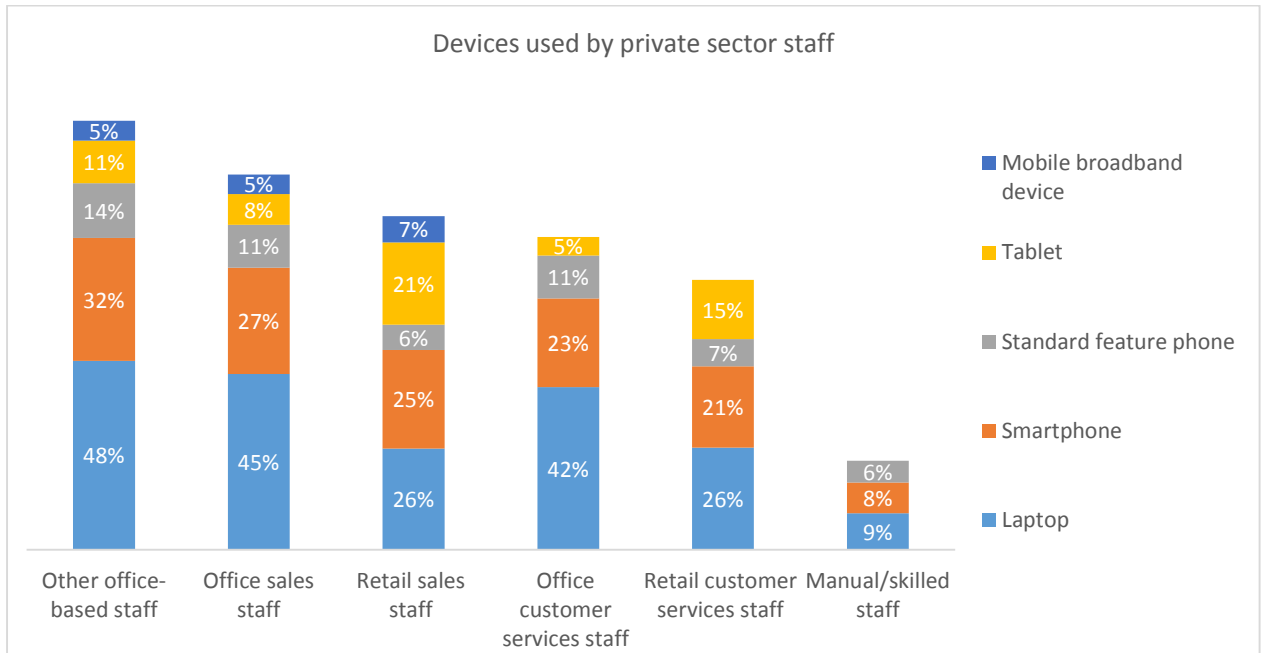Base: All private sector senior managers whose employees use devices for work (355)

Unlike devices, where usage differed by staff role, usage of business software, and apps (for example VPN, CRM software, Enterprise Systems etc.) is roughly the same across all staff roles for private sector businesses, suggesting an ability for employees to access business and customer information across company.

Business software, apps, and services used by private sector staff

Staff role	Virtual private network	Online collaboration tools	Cloud data storage	Apps to remotely access real-time data	Customer insight software/apps/services	Apps for customer sales/services	Enterprise mobility system (BYOD)
Office sales staff	39%	34%	12%	12%	15%	19%	11%
Other office-based staff	47%	36%	15%	9%	10%	13%	11%
Office customer services staff	39%	35%	12%	12%	12%	18%	9%
Retail sales staff	32%	24%	9%	10%	12%	20%	7%
Retail customer services staff	31%	24%	9%	9%	12%	19%	7%
Manual/skilled staff	14%	10%	5%			5%	

F2bb_1. Who in your company uses each of the following software, apps, and services for work?
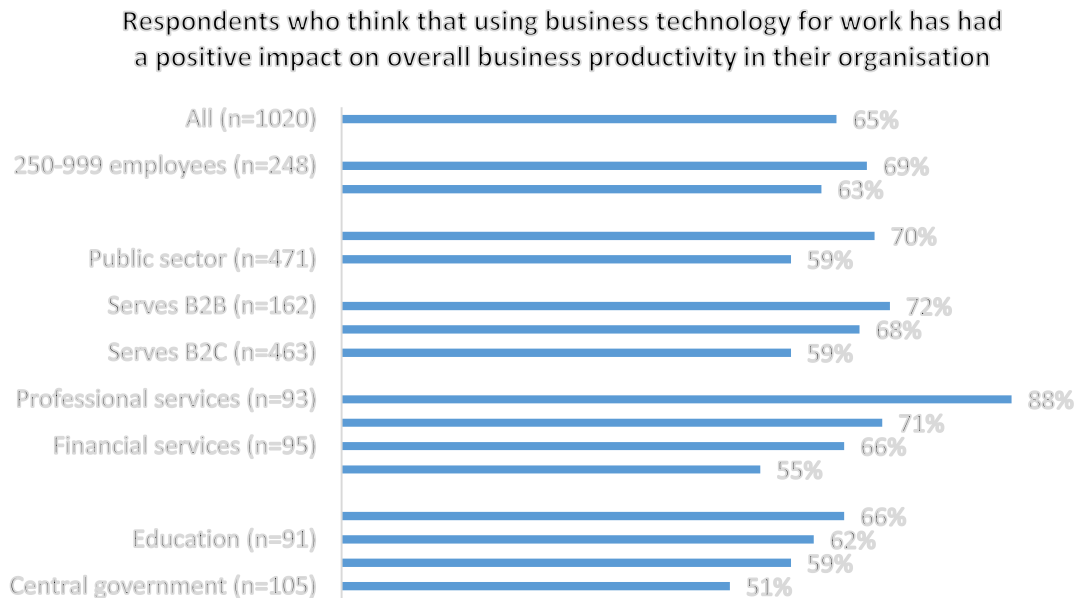
Base: All private sector senior managers whose employees use business software, apps, & services for work (344)

Understanding the impact technology has on businesses:

The value of technology for business purposes is recognised by the majority of senior managers across all of the sectors and industries researched. Almost two thirds (65%) of senior managers think using business technology at work has had a positive impact on their business. This increases to seven in ten private sector businesses and, particularly, almost nine in ten (88%) in the professional services sector.

Respondents who think that using business technology for work has had a positive impact on overall business productivity in their organisation

Category	Percentage
All (n=1020)	65%
250-999 employees (n=248)	69%
	63%
	70%
Public sector (n=471)	59%
Serves B2B (n=162)	72%
	68%
Serves B2C (n=463)	59%
Professional services (n=93)	88%
	71%
Financial services (n=95)	66%
	55%
	66%
Education (n=91)	62%
	59%
Central government (n=105)	51%

F3. Overall, do you think that using business technology (i.e. devices, software, apps and services) for work has had an impact on overall business productivity in your organisation?
Base: All senior management (1,020)

Employees of large businesses also see the value of technology and how it can benefit them in their role at work. Over two thirds (68%) of employees believe that the use of business technology (i.e. devices, software, apps and services) has a positive impact on their productivity at work, over half (56%) believe that the use of business technology has a positive impact on their ability to serve customers, and almost a third (32%) believe that business technology has had a positive impact on their ability to sell to customers.

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The impact of business technology (i.e. devices, software, apps and services) on employees

	dk/na	Net: Negative Impact	No impact	Net: Positive Impact
Your productivity at work	8%	6%	18%	68%
Your ability to serve customers	24%	3%	16%	56%
Your ability to sell to customers	46%	2%	21%	32%

■ dk/na ■ Net: Negative Impact ■ No impact ■ Net: Positive Impact
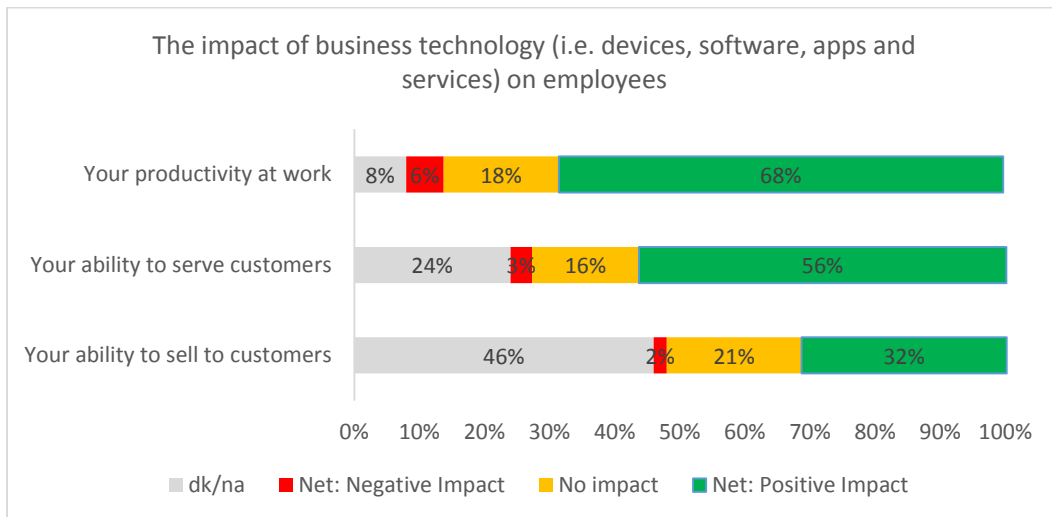
F3_1. Overall, what impact do you think using business technology (i.e. devices, software, apps and services) has on the following?
Base: All employees (542)

Of the varying benefits technology offers, senior managers are most likely to think that the use of business technology in their organisation has led to more flexible working hours (45%), greater business efficiency (44%), and having saved more time (36%). Comparatively, employees think business technology has enabled them to be more efficient (40%), more productive (33%), and save more time during their working week (31%).

The impact business technology has on your organisation (employer) vs. the impact business technology has on your working week (employee)

	Senior management	Employee
More flexible working hours/ My work hours are more flexible	45%	26%
Greater business efficiency/ I am more efficient at work	44%	40%
More time saved/ I save more time	36%	31%
The employees in our organisation are more productive/ I am more productive	32%	33%
More streamlined business processes/ Work processes are more streamlined	30%	29%
Customers' needs are better met/ I can better meet my customer's needs	30%	20%
Less resources are needed/ I use less of the organisation's resources	25%	12%
More money saved/ I can help save the organisation more money	23%	17%
Improved customer satisfaction/ I can deliver better customer satisfaction	22%	19%
Our organisation is better able to respond to changes in the market/ I am better able to respond to changes in my job	22%	23%
Our organisation is better able to make proactive decisions/ I am better able to make proactive decisions at work	20%	17%
More environmentally friendly/sustainable business model/ I can work in a more environmentally friendly/sustainable way	17%	16%
More sales are made/ I am able to make more sales	7%	4%

F4. What impact has using business technology (i.e. devices, software, apps and services) for work had on your organisation?
F4. What impact does using business technology (i.e. devices, software, apps and services) have on your working week?
Base: All senior management (1,020), all employees (542)

Time and money saved[1]

Technology and services can help large businesses in the UK save both time and money.

	Employee				Senior management			
	Time saved		Money saved		Time saved		Money saved	
	Devices	Business software apps and services	Devices	Business software apps and services	Devices	Business software apps and services	Devices	Business software apps and services
All	23,006,256 hrs. saved	15,059,933 hrs. saved	£4,541,700,391	£4,279,095,672	9,380,106 hrs. saved	6,034,402 hrs. saved	£2,150,801,624	£2,043,673,688
Private	15,903,580 hrs. saved	10,881,024 hrs. saved	£3,259,196,094	£3,250,828,119	6,579,708 hrs. saved	4,516,847 hrs. saved	£1,572,431,340	£1,656,187,434
Public	5,354,676 hrs. save	3,609,790 hrs. saved	x	x	2,045,076 hrs. saved	1,292,446 hrs. saved	£457,984,059	£411,008,025
Manufacturing, construction & utilities	x	x	x	x	964,704 hrs. saved	x	x	x
Financial services	x	x	x	x	628,975 hrs. saved	x	x	x
Professional services	x	x	x	x	1,645,515 hrs. saved	x	x	x

On average, senior managers from large organisations save a total of £2.2 billion and 9.4 million hours each week from using devices for work. £2 billion and 6 million hours are saved each week using business software apps and services for work.

When asking employees, these figures double, with employees from large organisations believing to have saved a total of £4.5 billion and 23 million hours each week from using devices for work. £4.3 billion and 15 million hours each week are saved using business software apps and services for work.

[1] Note that the extrapolation of the data has been conducted based upon senior managers in organisations with 250+ employees. This extrapolation was conducted by understanding the total number of private sector employees within companies of 250+ (9,763,000) according to ONS data. For the public sector this extrapolation was based upon 5,129,000 employees. For the extrapolation for the private sector, YouGov selected those that worked in the relevant sectors which were as near to those within the survey as possible (Manufacturing,1,102,000; Construction 296,000; Retail 2,629,000; Transportation 752,000; Accommodation and Food Service Activities 760,000; Information and Communication 503,00; Financial and Insurance Activities 827,000; Professional, Scientific and Technical Activities 491,000; Administrative and Support Service Activities 1,281,000; Arts, Entertainment and Recreation 214,00). This equated to 8,855,000 employees of the targeted individuals. Using the employee survey, we then looked at the proportion of employees that were middle management and above (35% in the private sector and 23% in the public sector) and calculated the data accordingly. We then looked at the proportion of senior managers who use devices and business software apps and services and then multiplied the survey data by the total population of senior managers. Note that these figures are based upon respondent claimed data. It is also estimated data and this needs to be conveyed.

<u>Senior manager data extrapolation by sector</u>

Looking at this by sector, on average senior managers from large private sector organisations believe they save a total of £458 million and 2 million hours each week from using devices for work. £1.7 billion and 4.5 million hours are saved each week using business software apps and services for work.

According to senior managers, the amount of time and money thought to have been saved from using technology is significantly lower in the public sector compared to the private sector. On average, senior managers from large public sector organisations believe they save a total of £458 million and 2 million hours each week from using devices for work. £411 million and 1.3 million hours each week are believed to be saved from using business software apps and services for work.

For non-extrapolated averages of time and money saved across the sectors, please refer to table 1.1 and 1.2. in the appendices.

<u>Large productive organisations are increasingly seeing the benefit of being able to work remotely</u>

Within the results of this survey, there is evidence to suggest that a more flexible approach to working hours could benefit both the company and its employees. There is also evidence to suggest that technology has an important role in enabling businesses and their employees to work during non-standard work day hours.

Over two thirds (68%) of senior managers in large businesses agree that breaking the 9-5 work pattern has helped their company achieve greater business success.

- On average, this belief is held mostly by senior management in the Professional Services sector (75%) and the Local Government sector (73%). This belief is also more likely to be held by business serving companies (71%) rather than by consumer serving companies (66%).

Almost half (46%) of employees in large businesses agree that breaking the 9-5 work pattern means they are more likely to be successful in their job.

- On average, this belief is held mostly amongst employees working in the Manufacturing, Construction, & Utilities sector (56%), and employees working in the Local Government sector (54%). This belief is also mostly held by employees from businesses that serve other businesses (58%) compared to employees from businesses that serve consumers (41%)

There is evidence to suggest that many senior managers and employees are already spending a lot of time working outside of their standard hours. Many organisations are using smartphones for working outside of their normal contracted working hours.

- On average, senior managers use their smartphone for 3.33 hours a week outside of working hours. It is slightly higher amongst the private sector senior managers (3.68 hours), and amongst those working in professional services, it is 4.19 hours. It is also slightly higher amongst businesses serving other businesses (3.73 hours) compared to businesses selling to other consumers (2.84 hours).

Many organisations are using laptops for working outside of their normal contracted working hours.

- On average, senior managers use their laptops for 3.71 hours a week outside of working hours. It is slightly higher amongst senior managers from organisations with between 250 – 499 employees (3.95 hours), compared to senior managers from organisations with 500+ employees. It is also slightly higher amongst the private sector senior managers (4.09 hours), compared to the public sector senior managers (3.38 hours), and in the professional services sector (4.61 hours). It is slightly higher amongst businesses serving other businesses (4.08 hours) compared to businesses selling to consumers (2.84 hours)

These results suggest that technology has an important role to play in enabling businesses and their employees to work during the non-standard work day, and that a more flexible approach to working hours benefits both the company and employees. Sectors most likely to benefit include business serving companies and, particularly, the professional service sector. Businesses who serve other businesses are significantly more likely to believe that using business technology has led to more flexible working hours (B2B 52%, B2C 38%) and that breaking the 9-5 work pattern helps their company achieve greater success (B2B 71% and B2C 66%).
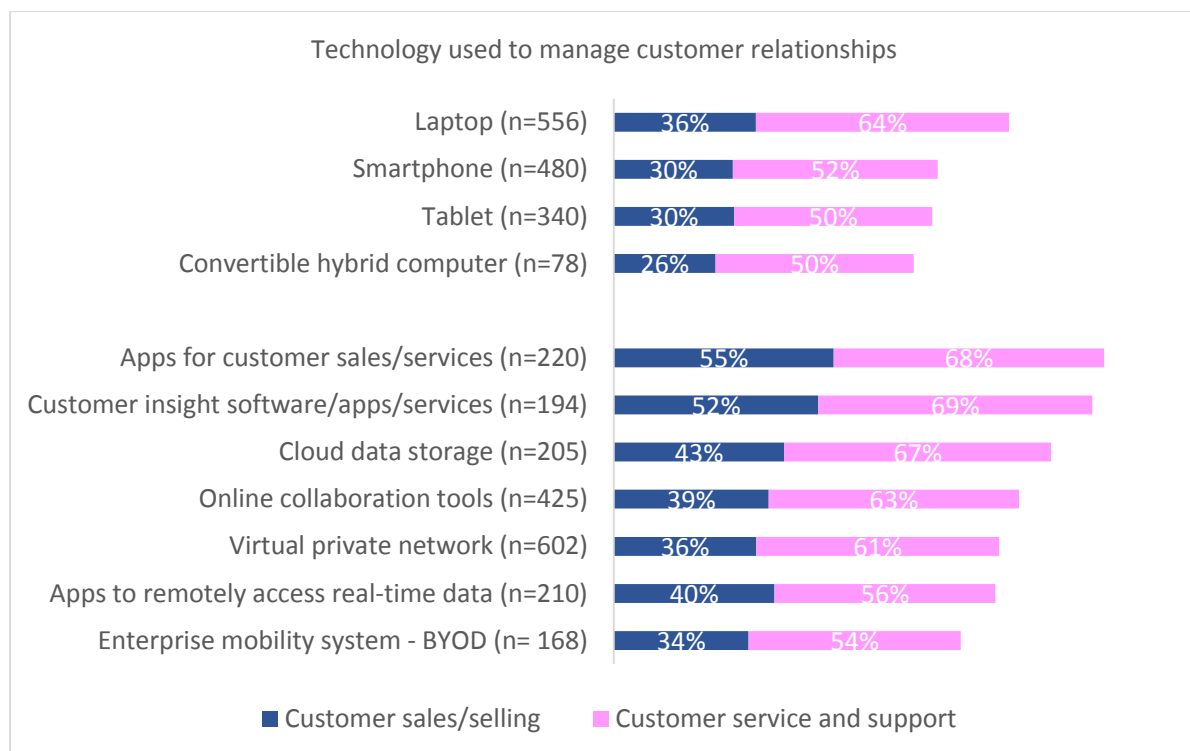
Section 3: Smarter Selling and Serving

This section of the report looks at how technology is changing the way senior managers and employees communicate with customers and public citizens.

<u>Technology is making in-roads in servicing customers but there is still a way to go</u>

Technology has an important role to play within the function of customer selling and serving. At present, technology is mostly being used to serve and support customers, rather than sell to them (see chart below).

Overall, customer relationships are mostly managed using customer sales and services apps (55% sales, 68% service and support), and customer insight software apps (52% sales, 69% service and support). Laptops are the most widely used device for both customer sales/selling (36%) and customer service and support (64%). At least half of respondents are using their smartphone (52%), tablet (50%), or convertible hybrid computer (50%) to serve and support customers with. Three in ten use smartphones and tablets for customer sales/selling.

Technology used to manage customer relationships

	Customer sales/selling	Customer service and support
Laptop (n=556)	36%	64%
Smartphone (n=480)	30%	52%
Tablet (n=340)	30%	50%
Convertible hybrid computer (n=78)	26%	50%
Apps for customer sales/services (n=220)	55%	68%
Customer insight software/apps/services (n=194)	52%	69%
Cloud data storage (n=205)	43%	67%
Online collaboration tools (n=425)	39%	63%
Virtual private network (n=602)	36%	61%
Apps to remotely access real-time data (n=210)	40%	56%
Enterprise mobility system - BYOD (n= 168)	34%	54%

■ Customer sales/selling ■ Customer service and support

H1z_1. Which of the following devices do employees in your organisation use for managing customer relationships?
Base: Senior management who's employees use devices for work (see base sizes on chart)

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Two way communication for both selling and serving is starting to become the 'norm'
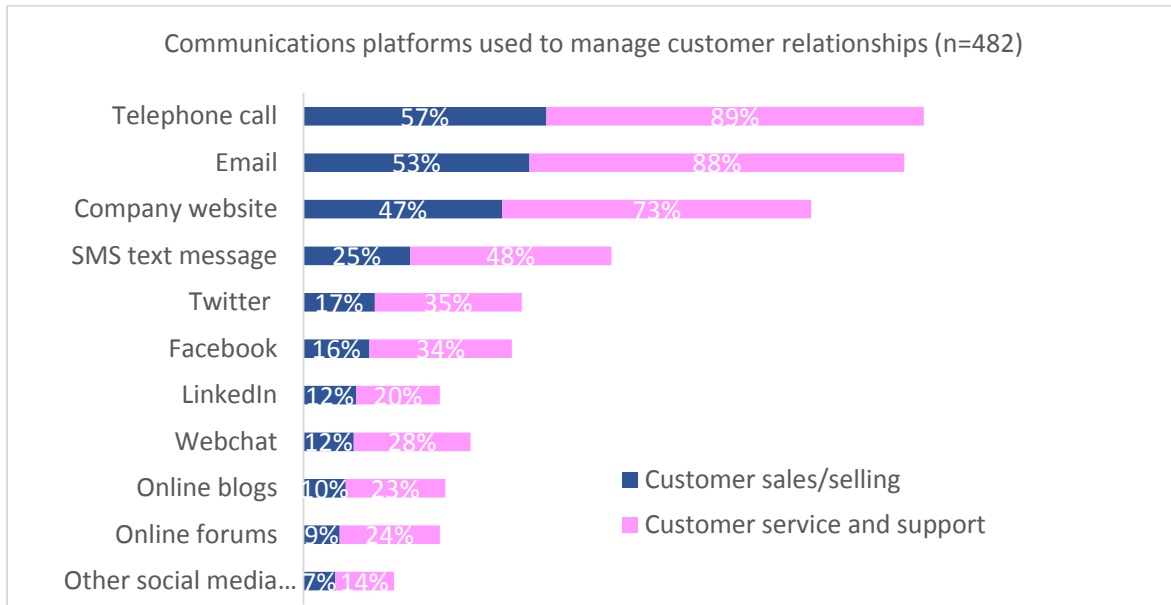
Looking at the communications platforms businesses use to help serve and support customers from, we can see that telephone and email are the most used communications platforms, with almost nine in ten providing customer service and support over the phone (89%) and via email (88%).

Customer selling predominantly takes place over the phone (57%), via email (53%) and on the company website (47%). A quarter of companies are using SMS to sell to customers, and a further 17% and 16%, respectively, are using Twitter and Facebook. Approximately one in ten organisations are using web chat, blogs, or forums as a platform to sell to customers from. Despite the high usage of phones to sell to and serve customers from, 53% of consumers feel that waiting to speak to someone on the phone has increased and the use of automated menus has increased (60%).

Over a third of senior managers state their company uses social media such as Twitter (35%) and Facebook (34%), and around a quarter use web chat (28%), blogs (23%), and forums (24%) to provide customer service and support. From this, it is evident to see that new ways to serve and sell are being harnessed by businesses and consumers alike, but there is some way to go – 55% of consumers agree that companies need to invest more in apps and social media in order to communicate better.

Looking at the different sectors, the local government sector is most likely to be using Twitter (51%) and Facebook (49%) to communicate with citizens, and the professional service sector is most likely to be using LinkedIn (43%). This suggests that particularly for these sectors, a social media strategy is important. For more information on the differences between the sectors, please see Sector Analysis, page 43.
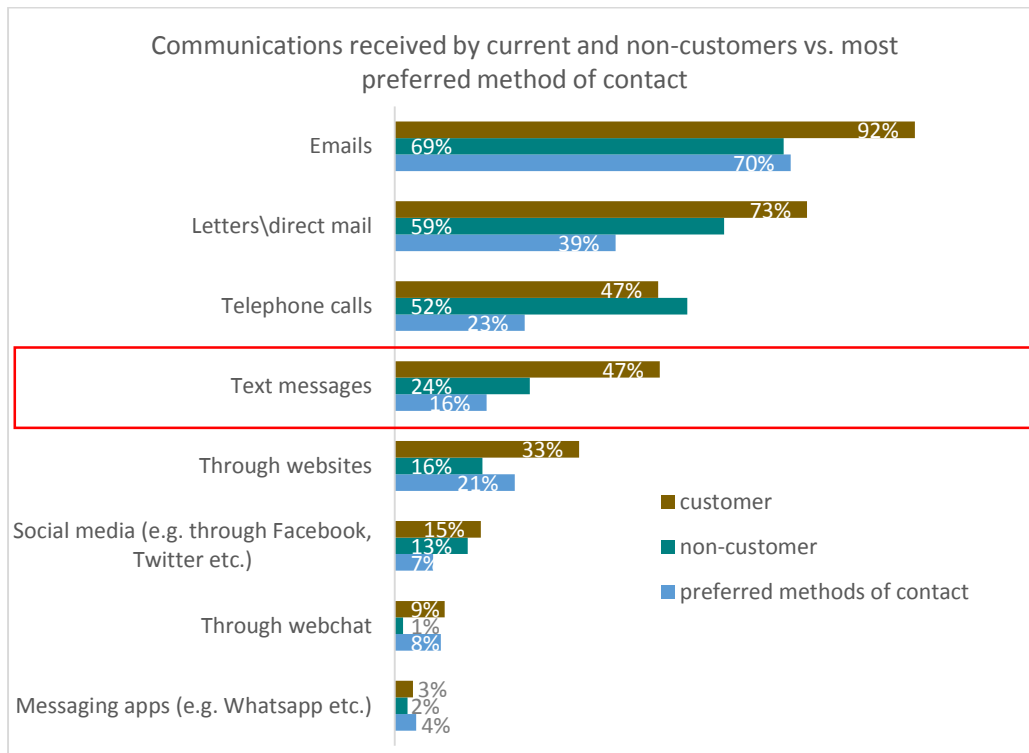
Communications platforms used to manage customer relationships (n=482)

Platform	Customer sales/selling	Customer service and support
Telephone call	57%	89%
Email	53%	88%
Company website	47%	73%
SMS text message	25%	48%
Twitter	17%	35%
Facebook	16%	34%
LinkedIn	12%	20%
Webchat	12%	28%
Online blogs	10%	23%
Online forums	9%	24%
Other social media…	7%	14%

H1ab_1. Do employees ever use their device(s) to sell to, serve, or support customers via any of the following communication points?
Base: Senior management whose employees use devices for customer selling or serving (482)

The most used customer communications platforms include email (92%), direct mail (73%), telephone (47%), and text (47%). The communications platforms customers would most prefer to be contacted on include email (70%), direct mail (39%), and through the company website (21%).

Almost half (47%) of customers and a quarter (24%) of non-customers report being contacted by companies by text. Despite text being the third most used method of contact, it is currently the fifth most preferred by consumers/citizens (16%). Looking further into why this might be, we can see that despite a large proportion of companies using text to communicate with customers/prospects, only 44% of the sample personalise their communications with customers, and of that 44%, only 36% personalise their text messages (half that of emails 77%, and direct mail 61%). As customers clearly see a great benefit in personalised communications (see Section 4 Personalised communications, page 36) there is an opportunity for companies to personalise their communications via text in order to meet consumer appetite for communicating with brands via this channel.

Communications received by current and non-customers vs. most preferred method of contact

	customer	non-customer	preferred methods of contact
Emails	92%	69%	70%
Letters\direct mail	73%	59%	39%
Telephone calls	47%	52%	23%
Text messages	47%	24%	16%
Through websites	33%	16%	21%
Social media (e.g. through Facebook, Twitter etc.)	15%	13%	7%
Through webchat	9%	1%	8%
Messaging apps (e.g. Whatsapp etc.)	3%	2%	4%

A2a. We would like you to think about how you interact with different companies nowadays. Which types of communication do you receive from companies that you are a current customer of?

A3. And of those companies that you are not a customer of and thinking about when they contact you, which types of communication do you receive?

A14. Lastly, how would you prefer to receive personalised customer services from companies, in the future?

Base: All consumers/citizens (2.076)

How technology assists the customer journey

Over half (52%) of consumers are using some kind of technology when shopping in stores. Despite this, almost all of this is made up by private device use, with very little offered by the retailers themselves.

Using their own personal devices in store, over a fifth (21%) will check where else they can purchase an item if it's not in stock. Almost a fifth (19%) use their device to visit a retailer's website whilst in store, for example, to get additional product information, check customer reviews, or look up additional or alternative product/service options. Over one in ten (12%) use retail/shopping apps in store, for example to compare products, scan QR codes etc.

Very few customers have been into a store where technology has been used to help sell, serve or support them in their purchase journey. 16% have been assisted by staff that use in-store devices and technology, and 9% have paid for a product or service in store away from the main sales desk. Despite this, almost half (48%) of customers think that retailers which use technology to assist customers are beneficial. The top three ways in which customers feel technology can be beneficial in a retail environment include:

- *I can compare costs (50%)*
- *I feel like the technology can easily find items that may not be in store but I can purchase (49%)*
- *I can read reviews of the item (44%)*
- *I can read more information by viewing items on screen (44%)*

Customer technology experiences when out shopping

Category	Percentage
If an item is not in stock, my device can help me find the item elsewhere	21%
I have used my device to go on a store's website whilst in-store	19%
Retailers have assisted me using an in-store device	16%
Retailers have personalised their service using in-store devices/tech	16%
I have used my device in-store to get impartial advice about a product/service	16%
I have used retial/shopping related apps whilst shopping in-store	12%
I have paid from a product/service in-store away from the main sales counter	9%
I have used my device in-store to access social media and get opinions on an in-store product/service	6%
None of these	48%

A5. Thinking about retail and shopping now… which of the following scenarios have you experienced the use of technology when shopping in-store? (Please tick all that apply)
Base: All consumers/citizens (2.076)
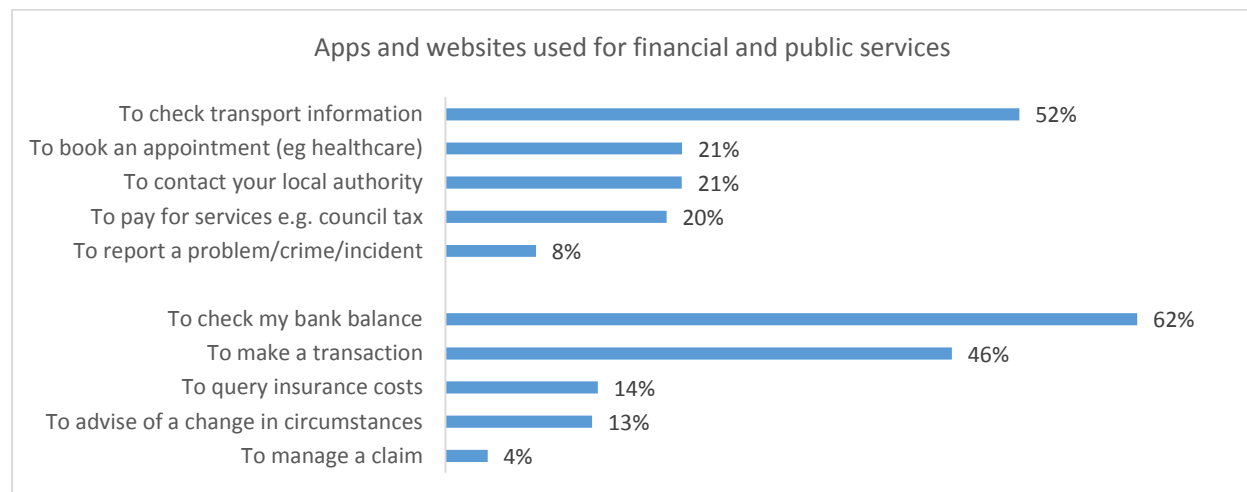
How technology is used for public services

Looking specifically at the public services, we can see that technology is predominantly used for transportation, with over half of respondents using apps and websites to check transport information online (52%). After this, a fifth of the public use apps and websites to book an appointment online (21%), to contact their local authority (21%), and to pay for public services such as council tax (20%). Less than one in ten (8%) of the public use apps and websites to report a problem, crime, or incident. This could be due to a number of reasons:

a) For interactions where the user need is more critical (either due to lack of time or the severity of the incident), a more direct form of contact, such as over the phone, is preferred, or
b) That awareness of reporting services for crimes/incidents is low, or
c) That reporting services for crimes/incidents are currently unavailable

How technology is used for financial services

For financial services, over three fifths (62%) of consumers use apps and websites to check their bank balance, and almost half (46%) go online to make a transaction. For situations that may require more dialogue or negotiating, for example to query insurance costs (14%),

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advise on a change of circumstances (13%) or manage a claim (4%), respondents are less likely to use apps or websites,.
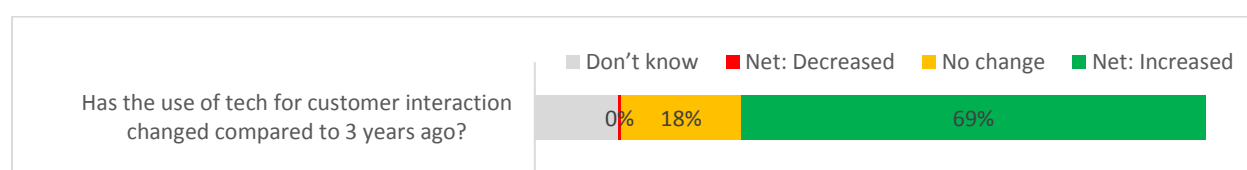
Apps and websites used for financial and public services

Category	Value
To check transport information	52%
To book an appointment (eg healthcare)	21%
To contact your local authority	21%
To pay for services e.g. council tax	20%
To report a problem/crime/incident	8%
To check my bank balance	62%
To make a transaction	46%
To query insurance costs	14%
To advise of a change in circumstances	13%
To manage a claim	4%

A5a. How are you using apps and the web for public services such as healthcare, criminal justice, transport and local government?
A5aa. How are you using apps and the web for financial and professional services?
Base: All consumers/citizens (2.076)

Attitudes towards technology

Attitudes towards using technology for work are positive for both senior management and employees. Approximately seven in ten (69%) senior managers think the use of technology for customer interaction has increased in their organisation compared to three years ago, and over seven in ten (72%) think the use of technology for customer interaction has had a positive effect on their organisation. On average, senior managers believe they save 3.88 hours and £1,680 a week using business devices and 3.35 hours and £1,725 a week using business software, apps, and services for work, further evidencing the influence technology has on productivity (see appendices 1.1 and 1.2).

	Don't know	Net: Decreased	No change	Net: Increased
Has the use of tech for customer interaction changed compared to 3 years ago?		0%	18%	69%

I2. Has the use of business technology to interact with customers changed compared to 3 years ago?
Base: All senior management (1.020)

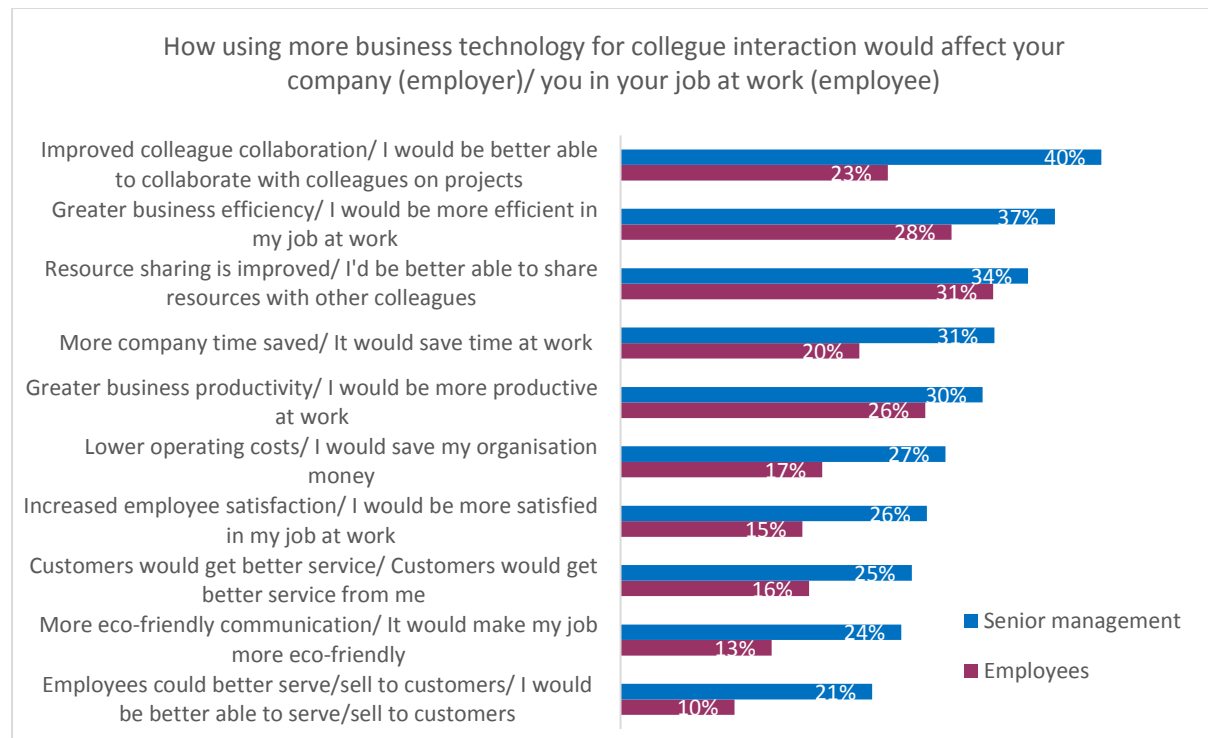|	Don't know	Net: Negative	No Effect	Net: Positive
What effect has tech had on customer interaction?			16%	72%
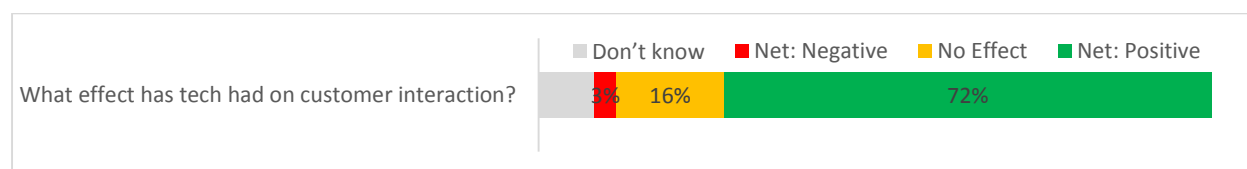
I1. What effect has technology had on the way your organisation communicates with its customers?
Base: All senior management (1.020)

For better working

According to senior managers, using more business technology for colleague interaction would lead to improved colleague collaboration (40%), greater business efficiency (37%), and improved sharing of resources amongst employees within their organisation (34%). According to employees, using more business technology for colleague interaction would lead to improved resource sharing (31%), and greater efficiency (28%) and productivity (26%) in their job at work.

How using more business technology for collegue interaction would affect your company (employer)/ you in your job at work (employee)

	Senior management	Employees
Improved colleague collaboration/ I would be better able to collaborate with colleagues on projects	40%	23%
Greater business efficiency/ I would be more efficient in my job at work	37%	28%
Resource sharing is improved/ I'd be better able to share resources with other colleagues	34%	31%
More company time saved/ It would save time at work	31%	20%
Greater business productivity/ I would be more productive at work	30%	26%
Lower operating costs/ I would save my organisation money	27%	17%
Increased employee satisfaction/ I would be more satisfied in my job at work	26%	15%
Customers would get better service/ Customers would get better service from me	25%	16%
More eco-friendly communication/ It would make my job more eco-friendly	24%	13%
Employees could better serve/sell to customers/ I would be better able to serve/sell to customers	21%	10%

I4. Overall, what effect does business technology have on employee interaction with other colleagues?

I4a. How would having greater use of business technology specifically for colleague interaction affect you at work?

Base: All senior management (1,020), all employees (542)

For better selling and serving

Senior managers tend to have a more optimistic view of the impact technology can have in their company, compared to employees. All clearly see the benefits technology can offer employees, and selling and serving customers.

Senior managers (44%) and employees (28%) are most likely to think that increased business/job efficiency would occur if more business technology was used for customer interaction in their company. Additionally, over a third (37%) of senior managers and a fifth (20%) of employees think that using more business technology for customer interaction would increase customer satisfaction in their organisation. Over a third (36%) of senior managers and almost a quarter (24%) of employees think that using more business technology for customer interaction in their organisation would lead to greater business/employee productivity.

How using more business technology for customer interaction would affect your company (employer)/ you in your job at work (employee)

Category	Senior management	Employees
Greater business efficiency/ I would be more efficient in my job at work	44%	28%
Increased customer satisfaction / It would increase customer satisfaction	37%	20%
Greater employee productivity/ I would be more productive at work	36%	24%
CRM would be improved/ Customers would be better managed	34%	19%
More company time saved/ It would free up more time for me at work	34%	20%
Lower operating costs/ I would save my company money	32%	16%
More eco-friendly method of communication/ It would make my job more eco-friendly	25%	11%
More customer service targets met/ I would hit more customer service targets	25%	8%
More sales are made/ I would be able to make more sales	14%	5%

I2a. How do you think increasing the use of business technology in customer interaction would affect your organisation?

I2a. How would using more business technology in customer interaction affect you in your job at work?

Base: All senior management (1,020), all employees (542)

Section 4: Personalised Communications

This final section of the report looks at the personalisation of customer communications. It will explore how the use of technology in businesses and by customers has evolved, and will define the tangible benefits experienced by both customers and organisations who implement personalised communications.

Current thinking on personalisation

Almost half (46%) of senior managers think that business technology is advanced enough to enable organisations to personalise all communications with customers. Agreement on this is significantly higher amongst private sector businesses (54%) and organisations with 250-500 employees (56%).
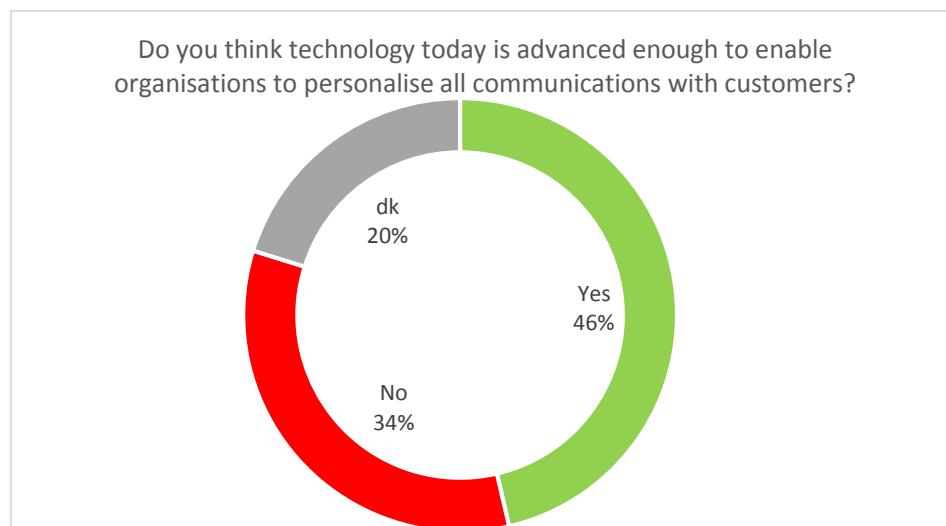
Jb. Do you think technology today is advanced enough to enable organisations to personalise all communications with customers?
Base: All senior management (1,020)

Over two fifths (44%) of the total sample are able to personalise their customer communications. This is significantly higher amongst private sector companies (55%), compared to public sector organisations (33%). Almost three in ten (28%) very large organisations with 1,000+ employees don't know if their company organisation has personalised customer communications capabilities.

Is your organisation able to access data and customer insights that enable it to personalise its customer communications?

	dk	No	Yes, partly	Yes, fully
All (n=1,020)	25%	30%	30%	14%
Private sector (n=473)	24%	21%	35%	20%
250-999 employees (n=248)	16%	31%	36%	17%
1,000+ employees (n=772)	28%	30%	29%	13%
Public sector (n=471)	27%	40%	25%	8%
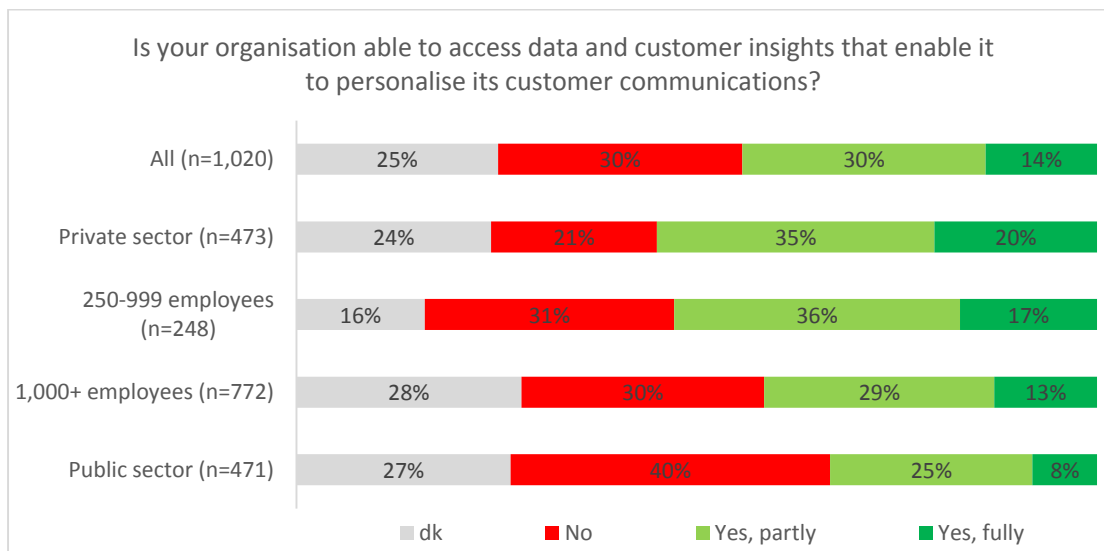
Ja. Is your organisation able to access data and customer insights that enable it to personalise its customer communications?
Base: All senior management (1,020)

Of the organisations that are able to personalise their customer communications (65% financial services, 63% of professional services, 60% retail and leisure) almost four fifths (77%) personalise emails, three fifths (61%) direct mail, and over a third social media (38%) and text messages (36%). Almost a fifth (19%) personalise telephone communications. Interestingly, despite the large number of calls experienced by customers, only one in five companies use personalised communications to contact customers with. As we see later on, this has been noted by consumers/citizens, and is a large concern and frustration for them (see chart on public reaction towards personalised communications, page 41).

Companies are investing in personalised communications via social media– but gaining cut-through can be difficult

What is interesting to see is that 38% of companies are personalising their social media communications, more so than on telephone calls (19%) and via text messages (36%). However despite the high investment in personalised communications on social media, there is a fairly low awareness from consumers - only 15% recall ever being contacted by companies on social media. This is possibly due to the social media environment where not only other companies, but communication with friends and family are all impacting on the limited attention span consumers can give to a brand. If done successfully, though, communicating with customers via the more personable environment social media provides could prove effective in building consumer relationship with brands.

Benefits of personalising customer communications
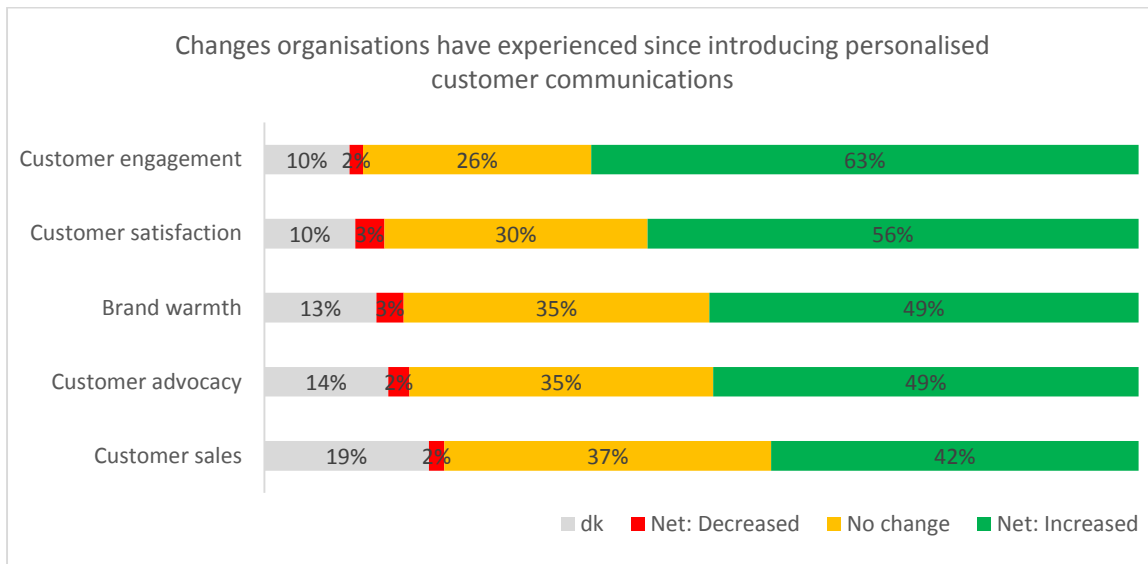
Almost three fifths (58%) of senior managers feel that customers respond positively to their organisation's personalised communications.

Almost two thirds (63%) of senior managers think that since the introduction of personalised customer communications, customer engagement with their organisation has increased. Furthermore, approximately half think customer satisfaction has increased (56%), brand warmth has increased (49%), and customer advocacy has increased (49%). Over two fifths (42%) think that since the introduction of personalised customer communications in their company, customer sales has increased.

Changes organisations have experienced since introducing personalised customer communications

	dk	Net: Decreased	No change	Net: Increased
Customer engagement	10%	2%	26%	63%
Customer satisfaction	10%	3%	30%	56%
Brand warmth	13%	3%	35%	49%
Customer advocacy	14%	2%	35%	49%
Customer sales	19%	2%	37%	42%

J1b_1. Since the introduction of personalised customer communications into your organisation, what has changed?

Base: All senior management whose organisation personalises their customer communications (452)

Communications platforms used for customer services, by service type

Emails are the most common method of communication public services use to interact with citizens, particularly for healthcare services (61%), emergency services (61%), and local government services (42%). Customer services for transport is mostly accessed through the travel operator's website (49%). One in ten citizens have experienced healthcare customer services contact via text messages, which is likely to be reminders for appointments. Social media, messaging apps, and web chat are not being used by public services to provide customer services for citizens, however private sector companies are more likely to see usage through these channels. Implementing these newer communication channels could help alleviate the load experienced by other channels such as over the phone.

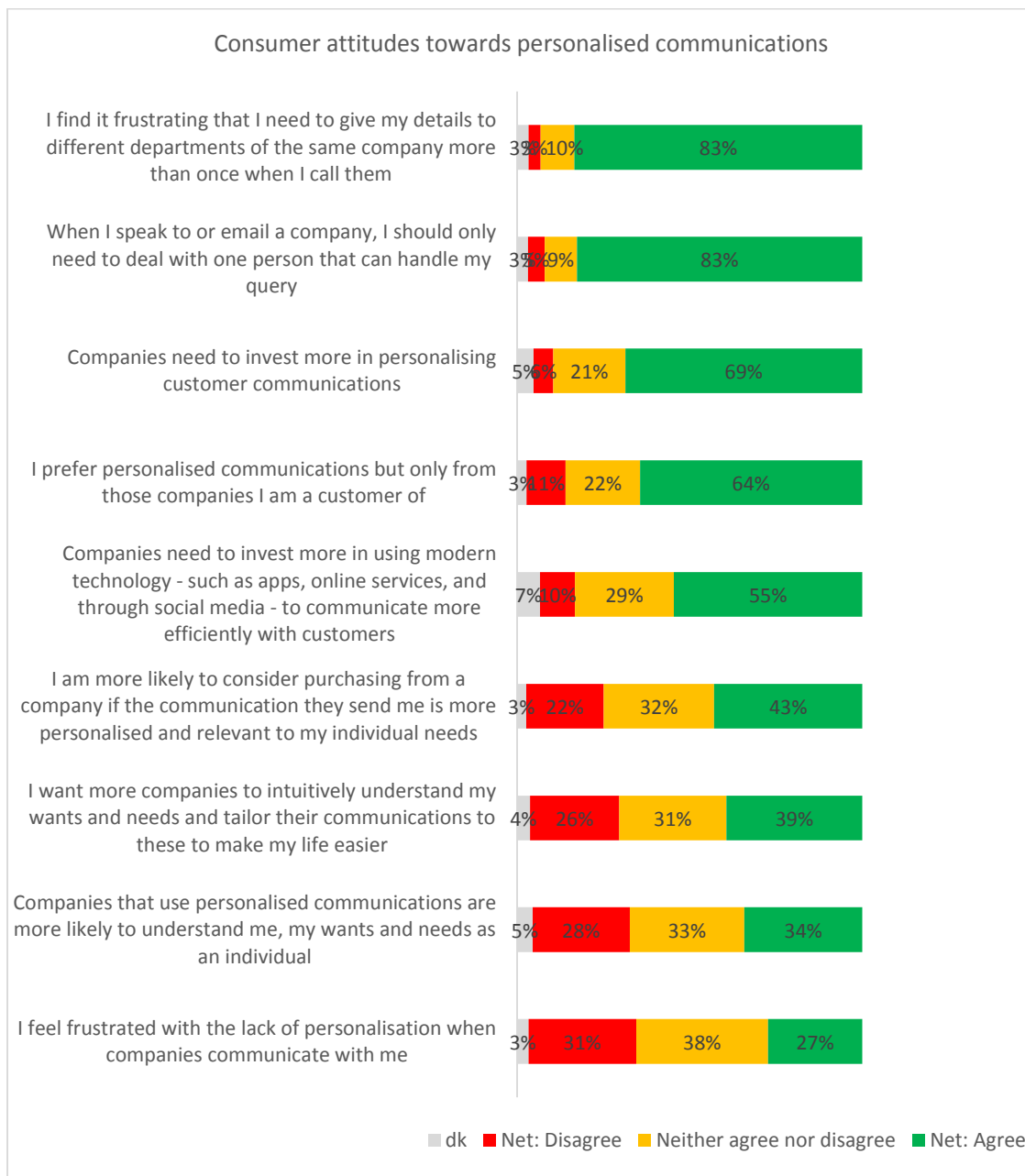Communications platforms used for customer services, by public service
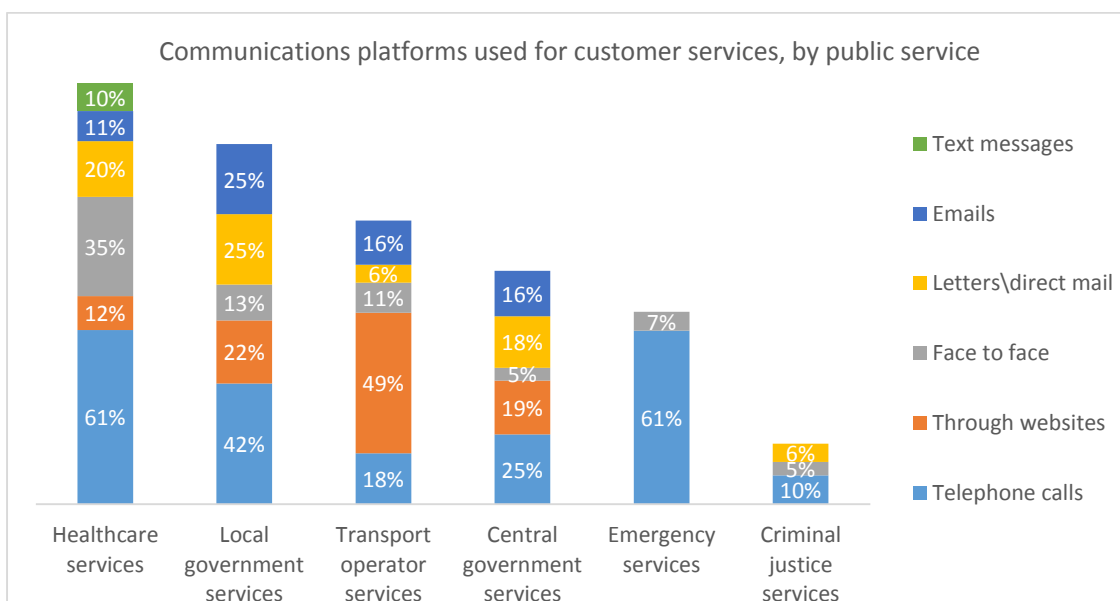
A9a_1a. Now thinking about customer services… How do you communicate with customer service teams from each of the following public services?

Consumers are receiving customer services through a greater variety of communications platforms from commercial businesses, compared to public services. Mobile phone operator and retail business sectors are most likely to be using a variety of communication platforms to deliver customer services. One in twenty customers have received customer services via web chat from a broadband provider (5%) or a mobile phone operator (6%). Also, one in twenty customers have received customer services through social media from a retailer (6%).
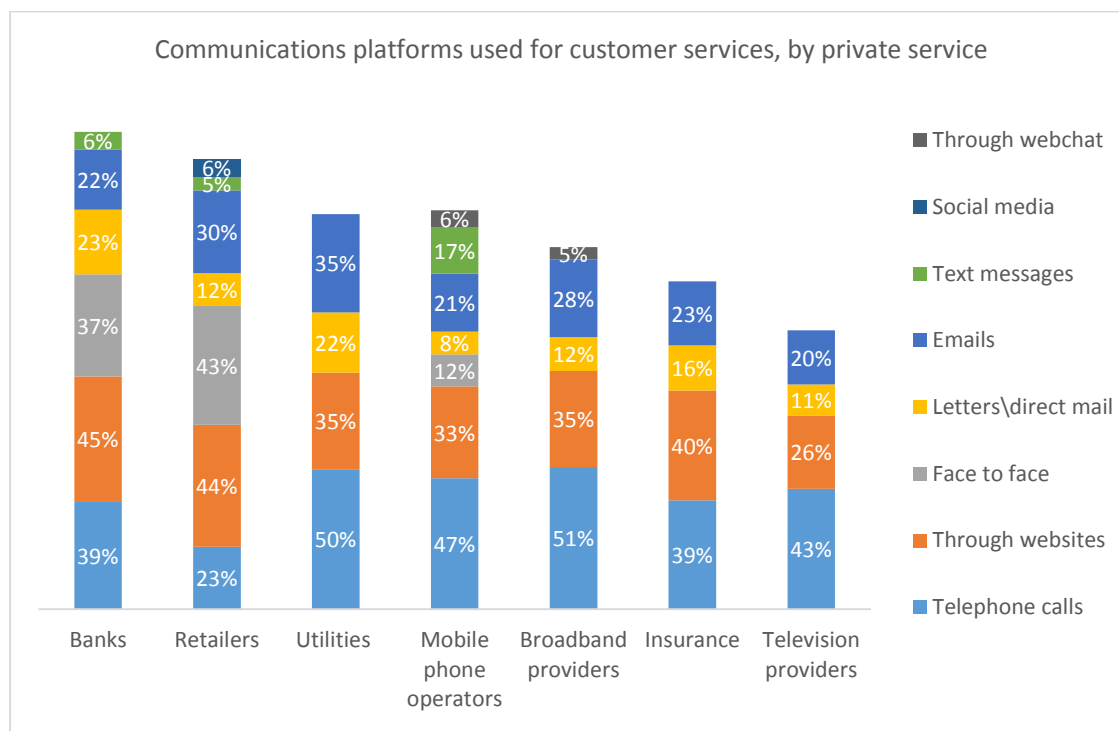
A9b_1b. Again, thinking about customer services… How do you communicate with customer service teams from each of the following services?
Base: All consumers/citizens (2,076)

Public reaction towards personalised communications

Personalised customer communications is favourably thought of by a large proportion of consumers/citizens. Over four fifths feel frustrated by the effects of not being able to personalise the customer service experience, such as constantly having to update details (83%) or having to speak to many people to receive the service you need. (83%). Almost seven in ten (69%) believe that companies need to invest more in personalising customer communications. Over half (55%) agree that companies need to invest in using more modern technology to improve customer communications.

Consumer attitudes towards personalised communications

Statement	dk	Net: Disagree	Neither agree nor disagree	Net: Agree
I find it frustrating that I need to give my details to different departments of the same company more than once when I call them	3%	2%	10%	83%
When I speak to or email a company, I should only need to deal with one person that can handle my query	3%	3%	9%	83%
Companies need to invest more in personalising customer communications	5%	5%	21%	69%
I prefer personalised communications but only from those companies I am a customer of	3%	11%	22%	64%
Companies need to invest more in using modern technology - such as apps, online services, and through social media - to communicate more efficiently with customers	7%	10%	29%	55%
I am more likely to consider purchasing from a company if the communication they send me is more personalised and relevant to my individual needs	3%	22%	32%	43%
I want more companies to intuitively understand my wants and needs and tailor their communications to these to make my life easier	4%	26%	31%	39%
Companies that use personalised communications are more likely to understand me, my wants and needs as an individual	5%	28%	33%	34%
I feel frustrated with the lack of personalisation when companies communicate with me	3%	31%	38%	27%

A4_1. How much do you agree or disagree with each of the following statements regarding personalised communications?

A11_1. To what extent do you agree or disagree with each of the following customer sales and service statements

Base: All consumers/citizens (2,076)

Over two thirds (69%) of the public believe companies need to invest more in personalised communications. Interestingly, 18-24 year olds are less likely to agree with this with 58% of them in agreement, compared to older age groups. As age increases so does the agreement (25-34: 62% 35-44: 65% 45-54:71% 55+:75%)

When it comes to customer services, older age groups believe that it has worsened with 41% of 55s+ believing this compared to just 15% of 18-24s. Amongst those that do believe customer services have improved, a fifth (21%) say that customer services are more personalised and over a quarter (27%) believe that customer service staff seem to better understand personal needs.

Company perceptions of personalised communications

Amongst senior managers, 44% believe that their organisation has the capabilities to personalise customer content. Those in the private sector (55%) are significantly more likely to think this than public sector (33%) senior decision makers. This peaks somewhat with those working in the Financial Services (65%), retail and leisure (60%), and professional services (63%) sectors.

Almost half (46%) of senior managers believe that technology is advanced enough to enable organisations to personalise all communications with customers. Those in organisations with between 250-499 employees are significantly more likely to believe this than those working in 1000+ organisations (55% compared to 44%). Also, those in the private sector are significantly more likely to believe this compared to public sector employees (54% compared to 41%).

Even within companies that personalise their communications there is scope for improvement, with 61% thinking their company's personalised communications is of low to average standard. The public sector (68%) are more likely to believe this compared to the private sector (54%).

There does seem to be some disconnect between senior decision makers and general employees in regards to their perceptions on the type of communications that are personalised for customers. 40% of senior decision makers believe their company personalises customer emails compared with 77% of employees. Senior decision makers believe that text messages are personalised (36%) compared to just 19% of employees. Despite this disconnect, the benefits of personalised communications is estimated to be high, with 56% of senior managers noting an increase in customer satisfaction, 63% noting an increase in customer engagement, and 49% noting an increase in customer advocacy since personalising their customer communications.

Section 5: Sector Analysis

This section of the report outlines the differences in technology usage by the key sectors…

Professional Services sector:

Technology reliant, around the clock workers:
Of the sectors investigated, the Professional Services sector is the most likely to be using technology at work. This includes both devices, and business software, apps, and services.

A large proportion are using laptops (90%) and smartphones (84%). Not only this but they are the most likely to be working on these mobile devices away from the office. This includes both during working hours and out of hours (i.e. in their own time). This suggests that Professional Services have a heavy reliance on technology in their profession, which again can be evidenced by the benefits they perceive technology to have had on their organisation. Three fifths state 'more flexible working hours' has been the greatest benefit, followed by 'greater business efficiency' (54%) and 'employees are more productive' (47%). They are also the most likely sector to agree with the statement 'breaking the 9-5 work pattern helps our company achieve greater business success' (75%).

Companies in the Professional Services sector also feel that technology has a greater role to play in their organisation, other than increased efficiency and productivity. Of the private sector, they are the most likely to believe that a good technology setup up can have a positive effect on staff retention (42%), and can help attract new staff (47%).

Technology leaders that are keen to continue developing:
Professional Services sell predominantly to other businesses (57%) and are the most likely to be using LinkedIn to sell to (30%) and support (27%) customers. They are also the most likely to use telephones, web chat, and email in their customer communications.

Senior managers from the professional services sector are also the most likely to anticipate an increase in device usage over the next two years (85%), at an accelerated rate compared with the three years previous (+14% increase). This sector also sees high potential growth for business software, apps, and services (68%)

Furthermore, this sector already sees the benefits in using technology at work – 88% believe that business technology has had a positive effect on their company - and are keen to develop their technology capabilities in the future.

<u>Financial Services sector:</u>

Early adoption of technology:
The Financial Services sector has experienced the most growth in device usage compared to any other sector over the past three years (77%) and usage is expected to increase over the next two years at a similar rate (79%).

Of the sectors, Financial Services are the most likely to have access to Tablets (51%) and MiFi (18%), and a large proportion have access to laptops (84%) and Smartphones (72%). They are also the most likely to have access to an Enterprise Mobility System (Bring Your Own Device).

This suggests that the Financial Services sector has been the earliest adopter of technology, of the sectors under analysis.

"Middle of the road" sector:
Despite the large proportion of Financial Services companies using technology for work, their usage is "middle of the road", compared with other industries. Specifically, compared with other private sector industries they are the third greatest users behind Professional Services, and Manufacturing, Construction and Utilities. Whilst 32% think technology has improved staff retention and 39% believe it helps to attract new talent, again it's not as high as other sectors.

Just two thirds of the Financial Sector said that technology had a positive effect on their business – whilst high, it's the third highest of the private sectors, with Professional Services (88%) and Manufacturing, Construction, and Retail (71%) leading. Furthermore, other than the Education sector, Financial Services are the least likely to agree with the statement 'breaking the 9-5 work pattern helps our company achieve greater business success' (63%).

Technology for better serving, but not selling:
Looking at the attitudinal statements for the Financial Services sector, it becomes apparent that there are two different opinions on the benefits technology has on customer interaction. Of the sectors, they are the joint highest proportion to agree that technology in their company has meant customers' needs are better met (38%) and the highest amongst the private sector to agree that customer satisfaction has improved (27%). This suggests that Financial Services are more inclined to see the customer service benefits technology offers. In contrast to this, however, Financial Services companies are significantly less likely to report that business technology has had a positive impact on sales made (7%) in their

organisation. This paints the picture that for Financial Services sector, technology is best used for serving, not selling their products and services to customers.

Technology advocates with both a business and consumer audience:

The Financial Services sector is most likely to sell to both businesses and consumers (64%), illustrating the differences within the sector, for example, selling insurance to both corporate entities and consumers. They are the most likely of all the private sectors researched, to be using Twitter and Facebook for customer selling and serving. They are also the most likely sector to use text for customer selling and support (30% and 40%, respectively).

The range of devices and software already available to this sector would suggest an ability for employees within this sector to be flexible in their work-home life balance. Over half believe this to be the case, agreeing that business technology in their company has led to more flexible working hours (56%), and four fifths agree that having the right technology in place will increase business productivity (81%).

Anticipated growth in devices (79%) and business software, apps, and services (61%) is also high.

Manufacturing, construction and utility services sector:

Business serving device users:

For manufacturing, construction, and utilities, portability is key with this sector being the most likely of all the sectors to be using devices for work (90%). Particularly, laptops (94%) and Smartphones (85%) are more likely to be used in this sector compared to any other sector. Nine in ten also use business software, apps, and services for work, however usage is higher amongst both the professional, and the Financial Services sectors (94% and 92%, respectively*). In terms of devices, this sector saves more time using laptops to work remotely on, compared to Smartphones.

The rate of growth anticipated in the manufacturing, construction, and utilities sector is at a slower rate compared to the other private sectors in this study, with 71% expecting an increase in devices and 51% expecting an increase in business software, apps, and services in their organisation in two years' time.

Like the professional services sector, the manufacturing, construction, and utilities sector is significantly more likely to serve other businesses (48%), with only 15% working to serve consumers only. Due to this, customer communications using social media is low for this sector. Interestingly, this sector is most likely to stick to traditional forms of customer

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communication compared to the other sectors researched, such as telephone and email. Taking email as an example, 80% use it to sell to customers on, and 86% use it to serve and support customers from.

See the practical benefits of technology:

Despite the slower development and anticipated growth of technology in this sector, over seven in ten (71%) believe that business technology has had a positive impact on their company. When asked how technology has benefitted their company, this sector was more likely to agree with the statements around efficiency and productivity i.e. technology has provided greater business efficiency (54%), technology has made employees more productive (37%), and technology has enabled more flexible working hours (36%). On average, senior managers from this sector believe they save 3.18 hours and £1,447 a week using business devices, and 2.91 hours and £1,292 a week from using business software, apps and services for work. Senior managers from this sector are also more likely than any other sector to agree that technology has enabled their organisation to make better proactive decisions (26%).

Technology as an enabler, not a standalone benefit:

When looking at how technology impacts on staff recruitment and retention, we can see that the manufacturing, construction, and utilities sector perceive there to be less of a relationship, compared with the other private sectors researched. A third think technology has been beneficial in attracting new talented staff and three in ten (31%) think technology has had a positive impact on staff retention.

Retail & Leisure:

Low technology users, but customer demand is high

The retail and leisure sector has the lowest adoption of business technology of all the sectors researched. This includes both devices (54%), and business software, apps, and services (58%). Due to the nature of these professions, this isn't too surprising as many companies in this sector are destinations (i.e. shops, leisure centres etc.) therefore working remotely is not as likely to be so prevalent. The lack of technology usage in retail is also evidenced by consumer responses, with only 16% that had been to a retailer that could assist them in their shop through the use of technology.

Despite this, 48% of consumers felt that technology would be beneficial to them in-store, suggesting retailers could do more to incorporate technology into the consumer retail experience. Key benefits consumers felt could be offered included enabling them to compare product costs (50%), making it easier for them to find items (49%), and enabling them to access more information on a product (44%) i.e. through product reviews (44%).

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Expecting device usage to increase:

The retail and leisure sector has experienced the lowest growth in device usage over the last three years (63%). Despite this, 76% expect an increase in the range of devices available in their organisation over the next two years - an accelerated rate of 13% compared with the three years previous.

Anticipated growth in usage of business software, services and apps is comparatively low compared to the other sectors in this study, at 56%. This suggests that the retail and leisure sector see more value in the acquisition of new technology devices over new technology infrastructure, and as shown in retail earlier, many consumers already see the value of using technology to shop, with 48% finding it beneficial.

Technology is for consumers, not employees:

As suspected, the retail and leisure industry is primarily made up of companies that sell to consumers (66%). Despite low base sizes, we can also see that retail and leisure companies are more likely to be using Facebook and Twitter, which makes sense considering their audience.

At 55%, the retail and leisure sector is one of the least likely of the sectors to agree that technology has had a positive effect on their company. Looking at this in more detail, when asked how technology had benefitted their company, the retail and leisure sector were least likely to agree that it provided them with more flexible working hours (26%), that it enabled employees to be more productive (25%), and that it helped create a more environmentally friendly and sustainable business (9%).

The more negative outlook on technology's impact on retail and leisure could be due to how technology has enabled smaller retail and leisure companies to grow in this market as a result of the low start-up costs and a global online presence. As the sample consisted of larger organisations, this could have an impact on their thoughts on the benefits of technology. The benefits the retail and leisure sector believe technology provides are customer centric, such as customer's needs are better met.

Technology could help attract new staff:

As technology usage is lower in this sector, having a good technology setup could provide companies with a differentiator which may help attract new and talented staff. This is supported by the finding that 43% think that having good technology in place has a positive impact on attracting new talented staff – the second highest score of all the sectors in the research.

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<u>Health Sector:</u>

Large users of basic devices:
Of the public sector, Healthcare is the industry most likely to be using devices for work. That said, the types of devices used are quite basic, with standard feature phones mostly being used and making up a large proportion of the total device usage.

Software apps and services set to drive the increase in technology usage:
Seven in ten (71%) senior managers in this sector think the range of devices available in their organisation has increased compared to three years ago and similarly 73% expect this to increase two years from now.

Under a third of organisations in the healthcare sector think business software apps and services have increased in the last three years – the lowest of all the sectors. Despite slow growth in technology within their company in the last three years, future growth expectations are high with almost half (49%) of the sample expecting the range of business software, apps and service to increase in the next two years

Benefits of technology need retelling to this sector:
Despite the anticipated growth in technology within the Healthcare sector, less than six in ten (59%) believe technology has had a positive impact on their organisation. This could be due to the lack of functionality many employees are likely to experience as a result of high usage of standard feature phones within the sector. Furthermore, the healthcare sector are least likely to believe technology plays a positive role towards helping attract new and talented staff (22%) and helping retain current staff (22%). They are least likely to identify with positive attributes about technology across the board. Furthermore, marketing communications such as success stories using case studies could help to reinforce these messages support their claims.

As business technology and devices naturally decrease in price over time, it is likely that there will be an increase in technology uptake within this sector.

Please note: All reporting in Section 5 Sector Analysis has been based on a sample of senior managers from organisations with 250+ employees.

Appendices:

1.1 Chart showing the average time/money senior managers estimate they save their organisation each week using technology devices

BUSINESS DEVICES	Average time saved each week per individual from using devices for work	Average money saved each week per individual from using devices for work
All (n=795)	3.88 hrs.	£1,680
Public sector (n=352)	3.94 hrs.	£1,637
Private sector (n=381)	3.86 hrs.	£1,688
Manufacturing, Construction & Utilities (n=90)	3.18 hrs.	£1,447
Financial Services(n=79)	4.1 hrs.	£1,504
Retail & Leisure* (n=43)	3.46 hrs.	£2,000
Professional services (n=82)	4.02 hrs.	£1,690
Health (n=56)	3.64 hrs.	£2,288
Local government (n=87)	4.05 hrs.	£1,715
Central government (n=71)	3.28 hrs.	£1,211
Education (n=63)	4.6 hrs.	£1,687

G1. On average, how much time each week do you think you have you saved as an individual from using devices (e.g. smartphones, tablets, laptops MiFi and USB Dongles etc.) for work?

G2. On average, how much money do you think you have saved your company each week as a result of you using devices (e.g. smartphones, tablets, laptops MiFi and USB Dongles etc.) for work?

Base: All senior management who use a device for work (795)

1.2. Chart showing the average time/money senior managers estimate they save their organisation each week using business software, apps and services

BUSINESS SOFTWARE, APPS AND SERVICES	Average time saved each week per individual from using business software, apps & services for work	Average money saved each week per individual from using business software, apps & services for work
All (n=829)	3.35 hrs.	£1,725
Public sector (n=368)	3.32 hrs.	£1,659
Private sector (n=398)	3.47 hrs.	£1,843
Manufacturing, Construction & Utilities (n=90)	2.91 hrs.	£1,292
Financial Services(n=87)	3.48 hrs.	£1,755
Retail & Leisure* (n=46)	2.64 hrs.	£2,196
Professional services (n=87)	3.56 hrs.	£2,016
Health (n=52)	3.87 hrs.	£1,286
Local government (n=91)	3.3 hrs.	£1,989
Central government (n=78)	3.06 hrs.	£1,156
Education (n=75)	3.16 hrs.	£1,479

G3. On average, how much time each week do you think you have saved as an individual from using business software, apps and services (e.g. CRM software, online collaboration tools, cloud data storage etc.) for work?

G4. On average, how much money do you think you have saved your company each week as a result of you using business software, apps and services (e.g. CRM software, online collaboration tools, cloud data storage etc.) for work?

Base: All senior management who use business software, apps, % services for work (829)