



ESG RESEARCH INSIGHTS PAPER

CX champions: How CX leaders who raise their game are driving business success

Strategies for SMB organisations to build agility, resilience and confidence in their customer support

October 2020

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Contents

Executive summary.....	3
Research goal.....	3
Scope of the research.....	3
Segmenting the market.....	3
Key takeaways	3
Customer service performance.....	3
Agent experience.....	3
Business outcomes	4
What you can learn from service and support champions	4
Introduction: The CX mandate	5
The stakes are high.....	5
What makes a customer service and support champion?	7
Champions meet and exceed customers’ expectations	9
Delivering a market-leading response to customers	9
Speed plus effectiveness equals the winning service and support formula	11
Helping customers to help themselves	12
Engaging customers where they are.....	13
Bringing it all together: Service and support excellence to enable less effort from customers	14
The agent experience: Setting up agents for success.....	16
Breaking down multi-channel silos	16
Optimising the agent experience drives up efficiency and helps to drive down burnout.....	18
Connecting service and support excellence to improved business outcomes	20
Keeping customers happy to drive engagement	20
Do support teams get the credit?.....	23
Performance under pressure (and during a pandemic).....	24
What you can learn from service and support champions.....	27
The bigger truth.....	29
Appendix I: Research methodology and demographics	30
Appendix II: Establishing maturity levels for customer service and support.....	33

Executive summary

Research goal

In today's 24/7 business environment, organisations are under increasing pressure to continuously optimise customer experience (CX). Small businesses with fewer resources that are more susceptible to macro-economic shocks are no exception. In addition, our research shows that the current pandemic has further emphasised the need for organisations to be responsive to customers' preferences: 65% of SMB respondents said that customer-centric agility has increased in importance as a result of COVID-19. The goal of the research on which ESG and Zendesk recently partnered was to validate whether, and to what degree, organisations that employ more sophisticated approaches to service and support operations are delivering quantifiably better support. Going one step further, we wanted to test if delivering better support is helping organisations make a measurable impact on overall business outcomes.

Scope of the research

This report is based on a survey conducted during the summer of 2020. In total, 1,012 business decision makers responsible for ensuring and improving customer experience in their organisations participated. This report focuses on the 500 respondents who worked at organisations with less than 100 employees and includes respondents based in the US, Canada, Brazil, Mexico, the UK, Germany, France, the Netherlands, Sweden, Australia, India, Japan and Singapore.

Segmenting the market

To accomplish the stated goal of the research, ESG created a data-driven scale that segments respondents (and the organisations that they represent) into three levels of service and support maturity: champions, risers and starters. Champions employ a broad set of best practices within their service and support organisations, including appropriately staffing and upskilling their teams, employing service and support tools that allow agents to do their jobs well, capturing comprehensive and timely service and support data, and putting that data to work to optimise the team's performance.

By comparing customer service performance, agent experience and operations, as well as macro business outcomes across these service and support maturity levels, the ESG maturity scale allows us to use data to quantify the differences that exist as maturity level improves.

Key takeaways

Organisations in the 'champion' category are clearly outperforming their counterparts in ways that affect business results:

Customer service performance

- Champions reduce the average total resolution time by 44%, or nearly three hours, compared to starters.
- Champions enjoy 12% more one-touch resolutions than starters, driving efficiency for agents and satisfaction for customers.
- Champions provide their customers with more methods of engagement. On average, champions offer nearly two more channels of engagement than starters.

Agent experience

- Agents in 'champion' organisations handle 48% more requests over the same amount of time as agents in 'starters'.
- Champions' stated that turnover is 'not at all problematic', at 3.8x the incidence among starters (60% versus 16%).

Business outcomes

- Champions are 4.8x more likely than starters to exceed formal customer satisfaction (CSAT) goals.
- Champions are 7.8x more likely to have had a very smooth pivot to remote work scenarios necessitated by the COVID-19 outbreak.
- Champions are 3.6x more likely than starters to have grown their customer bases over the past six months.
- Champions are 9.2x more likely than starters to have significantly grown customer spending over the past six months.

What you can learn from service and support champions

Champions differ from less mature organisations in several important ways:

- Becoming a champion requires a culture focused on CX, driven from the top down: 76% strongly agree that CX is considered a critical business priority in their organisations.
- Champions use their data: 91% describe the comprehensiveness of their support metrics and KPIs as market leading or strong.
- Champions invest for success: Half (50%) of champions expect their organisation to increase investment significantly over the next 12–24 months, versus only 6% of starters.



Introduction: The CX mandate

What exactly is customer experience (CX)? For the purposes of this paper, CX represents the perception that customers have of your brand when engaging with your company throughout all aspects of the customer journey. Thus, CX is primarily affected by two factors: your product/s and your people.

While there are numerous touch-points between a company and its customers throughout the customer journey, one of the primary places in which CX can take a turn for the worse is when customers run into problems or have questions about your products that are not handled swiftly and effectively. Organisations must be ready to provide timely and appropriate customer service or support to optimise customer satisfaction, boost repeat business and maximise a customer's lifetime value. It's not unusual to find an advocate for your brand quickly turning into a detractor when confronted by long waiting times for support, ineffectual or irrelevant answers, unresolved problems or impolite staff.

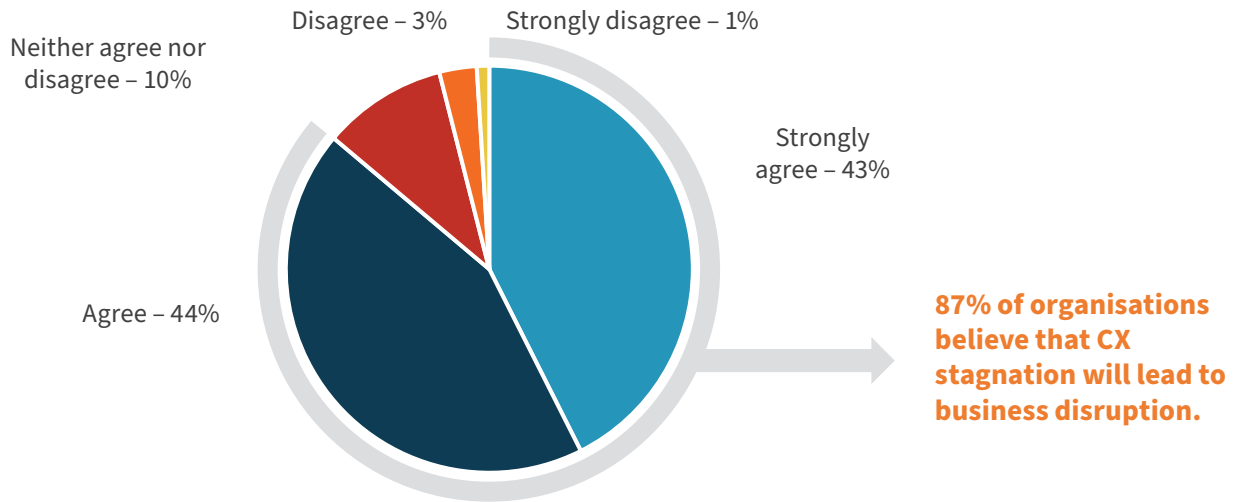
The research conducted by ESG and Zendesk endeavours to validate (or invalidate) the link between an organisation's ability to impart a remarkable service/support experience and its business results. The research consisted of a survey of 500 individuals familiar with their organisation's CX capabilities, priorities and current initiatives. Respondents all have managerial responsibility, with 42% being at VP or C level, with 45% holding senior manager or director titles. These individuals were all employed in organisations with 100 or less employees and in customer-facing functions, such as sales, marketing, service and support, e-commerce or a CX centre of excellence. (See *Appendix I: Research Methodology and Demographics* for more details about the scope of the research.)

The stakes are high

The research is clear: CX excellence is an existential imperative. Respondents believe that customers have a low tolerance for sub-par CX and will actively seek out alternatives based on poor interactions. When asked to agree or disagree with the statement that their organisation will lose business to more customer-centric competitors if CX is not continually improved, 87% of respondents agreed (see Figure 1).

Figure 1. CX stagnation leads to business risk

To what extent do you agree with the following statement? If we do not continually improve our CX capabilities, my organisation will lose business to more customer-centric competitors. (Percentage of respondents, organisations with <100 employees, N=500)

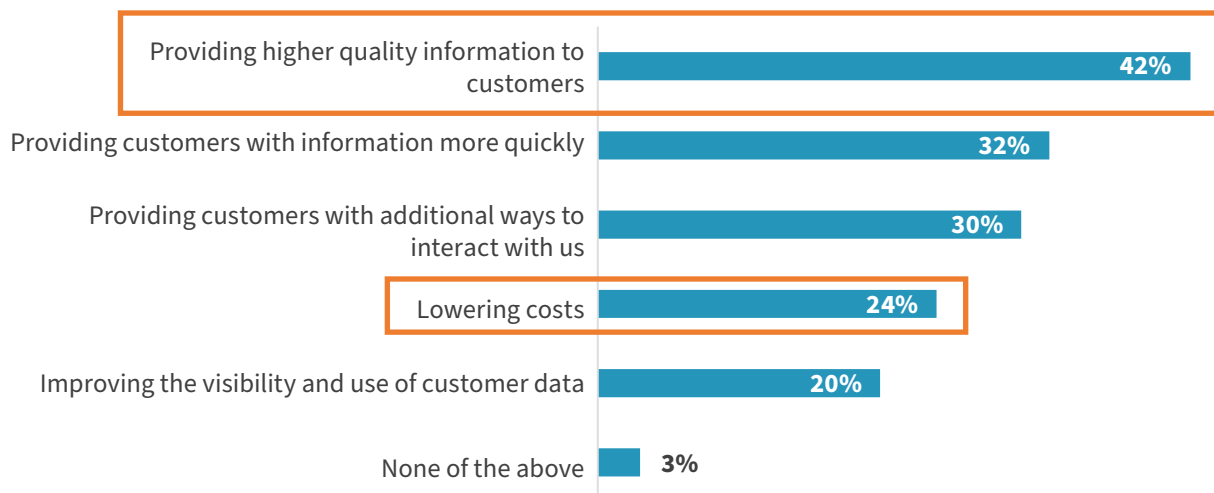


Source: Enterprise Strategy Group

Clearly, CX capabilities matter – but on what factors are organisations focused when it comes to driving improvement in CX practices? We asked this question of respondents and were encouraged by the results. Despite the research being fielded as organisations grappled with the uncertainty and macro-economic impact of the COVID-19 pandemic, respondents report that their organisations are focused on improving their ability to serve customers rather than reducing the costs associated with CX. In particular, organisations are focused on providing better information to customers (see Figure 2).

Figure 2. CX priorities of organisations

Over the next 12 months, what aspects of CX are the biggest priority for your organisation to improve? (Percentage of respondents, organisations with <100 employees, N=500)



Source: Enterprise Strategy Group

It is worth noting that SMBs appear slightly less ambitious than their larger counterparts. Organisations with 100 or more employees were more apt to be focused on increasing the ways in which customers can interact with them (44%), and improving their visibility and use of customer data (30%).

The remainder of this report will discuss the various ways in which organisations service and support their customers, and the results achieved by these organisations. However, before we discuss this methodology, it's essential to examine several significant data points.

While there is virtually ubiquitous agreement that CX must be continuously enhanced for the health of the business, all organisations do not place equal importance on CX. We asked respondents to agree or disagree with the following statement: 'My organisation views CX as a critical business priority'.

Of the organisations that have implemented holistic customer service and support best practices – called 'customer service and support champions' for the purposes of this report – 76% strongly agreed. In contrast, of the organisations with the fewest CX best practices in place – called 'customer service and support starters' for the purposes of this report – only 37% strongly agreed. Clearly, the importance that an organisation places on CX is directly linked to its ability to implement CX best practices more broadly.

What's more, we observed that the more customer-centric organisations are succeeding in growing their customer base at the expense of those less equipped to excel at CX. We asked respondents if their organisation has increased or decreased their market share over the past six months. **Nearly two-thirds (65%) of champions reported a net increase in customers relative to competitors, while nearly the same proportion of starters (67%) reported flat or declining customer growth.**

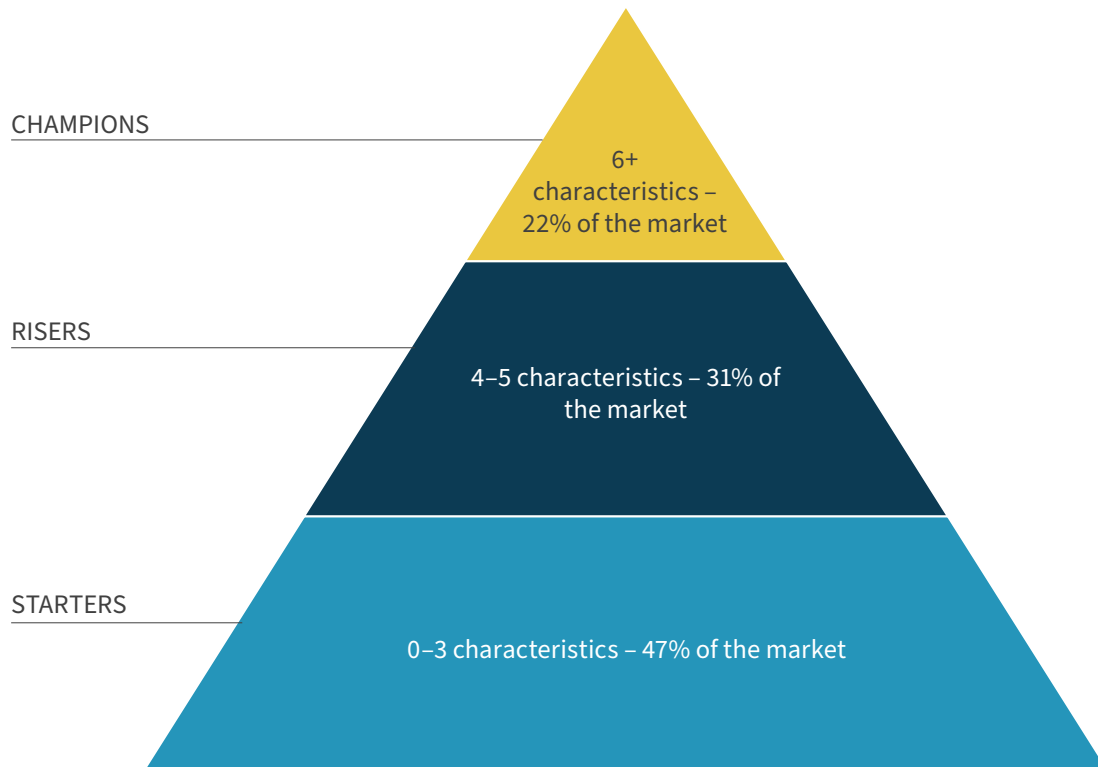
What makes a customer service and support champion?

We developed a maturity scale to assess how well organisations are positioned to deliver remarkable service and support experiences to customers. The scale uses seven questions from the survey as input to determine an organisation's service and support maturity, where each of these seven questions deals with an aspect of the service and support organisation's team, tools and the data they have at their fingertips to help drive better performance. In short, the input was:

- Does the organisation staff enough service and support agents and does it train them adequately?
- Does the organisation provide tools to agents that deliver a good 'agent experience' and empower them to do their jobs well?
- Does the organisation capture a broad set of service and support key performance indicators (KPIs) in a timely fashion? And does the organisation use the data to evolve products, services and business processes?

We employed a binary scoring system to evaluate organisations, meaning that organisations were determined to either have or not have each of the seven characteristics of a customer service and support champion. In this report, champions are defined as organisations having at least six of these characteristics in place. Risers are defined as organisations having four to five characteristics in place. Starters are those with three or fewer characteristics (see Figure 3 and *Appendix II: Establishing Maturity Levels for Customer Service and Support* for more details).

CX practitioners can view this input as a roadmap to improve capabilities. Our research strongly suggests that understanding and reinforcing your organisation's strengths, while working to improve weaknesses, will allow your organisation to not only improve its service and support performance, but also improve overall business outcomes.

Figure 3. The current state of service and support maturity

Source: Enterprise Strategy Group

While the data makes it clear that most organisations have significant room to improve, it is worth noting that larger organisations are outpacing SMBs in terms of maturity. While 29% of organisations with 100+ employees are designated champions, only 22% of SMBs are designated champions. SMBs are more apt to be starters (47%) compared to larger organisations (36%).



Champions meet and exceed customers' expectations

In addition to the input described, the survey touched on a broad range of service and support KPIs. Across all metrics included in the research, champions outperform their less mature counterparts, proving one of the key hypotheses of the research: *Service and support best practices have a demonstrable and quantifiable connection to service and support performance*. This section of the report will summarise our findings with respect to service and support excellence.

Delivering a market-leading response to customers

When it comes to customer service and support, speed matters. Our customers' time is valuable, and wasting it is a CX capital offence. To measure how quickly organisations are able to react to customer's requirements, we included several questions on the topic of customer-centric agility.

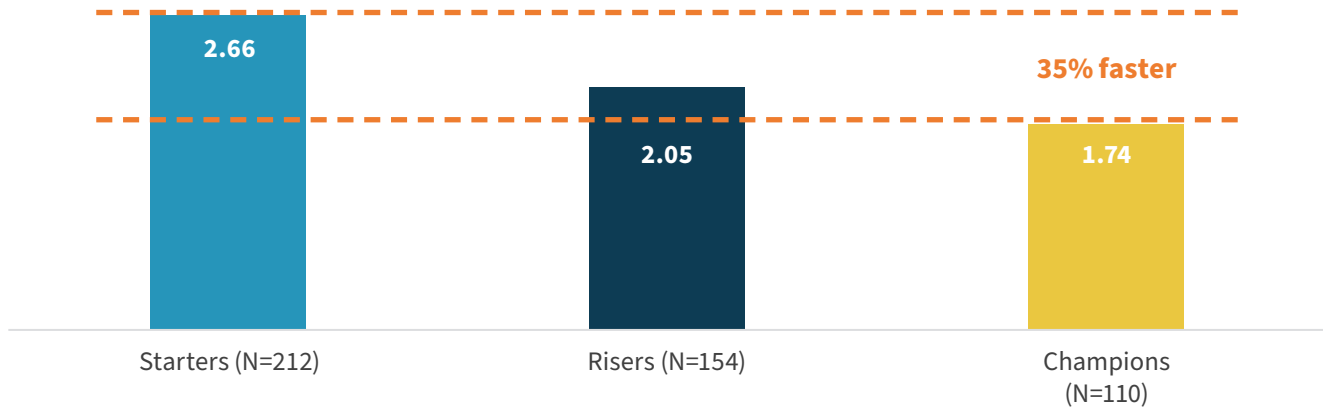
Qualitatively, it is clear that champions *believe* that they are doing well with respect to agility. ESG asked respondents to rate their organisation's agility generally – its ability to adapt and respond to customers' requirements quickly. The majority (55%) of respondents representing champions gave their organisation the best rating possible, a '5 – extremely agile'. Only 14% of starters rated themselves this highly. Said another way, **champions are 3.9x more likely than starters to be extremely agile when it comes to responding to customers' requirements**.

While this qualitative measure is ultimately subjective, additional data reinforces it. The first quantitative measure of customer-centric agility is 'first response time', or the amount of time that elapses between the time a customer submits a ticket and the time a customer service representative responds to the customer. When a customer contacts us with a question or problem, the last thing we want is for them to wait such a long period of time for a response that they become fed up. The data shows that, as a group, **champions are significantly more responsive: They were nearly 2x as likely to say that their average first response time is less than 1 hour** (51% versus 27%), and the mean average first response time of the group is an hour faster than that of starters (see Figure 4).

Champions reduce the average total resolution time by 44%, or nearly three hours, compared to starters.

Figure 4. Measuring average first response time

From the time a customer makes an enquiry, submits a support request or submits a help ticket, on average, how much time elapses before they receive a response from a customer service representative (i.e. average first response time)? (Mean among organisations with <100 employees)



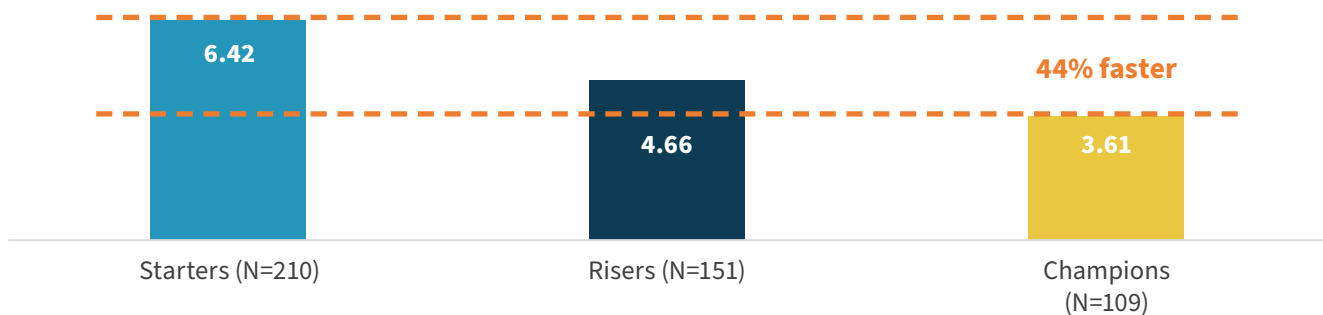
Source: Enterprise Strategy Group

In addition to measuring first response times, we measured average total resolution time – the amount of time that elapses from initial enquiry to successful resolution (this quantitative measure of customer-centric agility is even more important than the first quantitative measure). Once again, **champions outstrip the competition: They were 2.5x likelier to say that their average total resolution time is less than 1 hour** (45% versus 18%), and the mean total resolution time of this group is 44% faster than that of starters (see Figure 5).

Clearly, champions have good reason to award themselves high marks for agility. Based on the fact that 82% of all SMB organisations surveyed feel that agility is critical or important to their organisation, starters have a clear mandate to improve.

Figure 5. Measuring average total resolution time

On average, from the time when a customer makes an enquiry, submits a support request or submits a help ticket, how much time elapses before a successful resolution is reached (i.e. average resolution time)? (Mean among organisations with <100 employees)



Source: Enterprise Strategy Group

Speed plus effectiveness equals the winning service and support formula

When it comes to service and support, speed matters – but a quick response that is unhelpful leads to a negative customer experience just as assuredly as a slow response. Being a champion of customer service and support means that you deliver both speed and efficacy when supporting customers.

Qualitatively, we see that champions believe that they are delivering on efficacy. We asked respondents to rate their customer service organisations on their ability to provide customers with the information and solutions that they need.

Champions were 2.3x more likely than starters to rate their teams as market leading or strong (73% versus 32%).

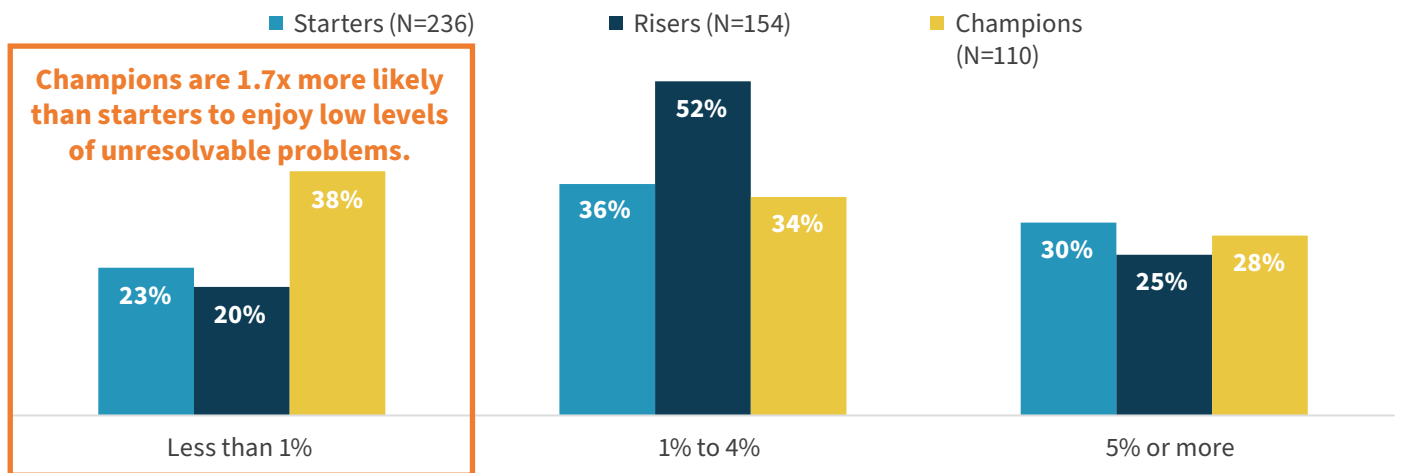
Like agility, the survey also captured quantitative measures of effectiveness to complement this qualitative data point.

The first quantitative measure of the service and support team’s effectiveness in delivering information to customers is the overall percentage of unresolvable problems. While there will always be a number of customer problems that cannot be successfully resolved, organisations possessing the best positioned teams, using the best tools and making the most intelligent use of their data should be able to minimise this number – and this is exactly what we observe in the data: **Champions are nearly twice as likely as starters to report that less than 1% of all customer problems go unresolved** (38% versus 23%).

Champions enjoy a 12% higher frequency of one-touch resolutions, driving efficiency for agents and satisfaction for customers.

Figure 6. The incidence of unresolvable customer problems

Of all customer service enquiries, support requests or help tickets received by your organisation’s customer support staff, what percentage are they unable to resolve successfully? (Percentage of respondents, organisations with <100 employees)



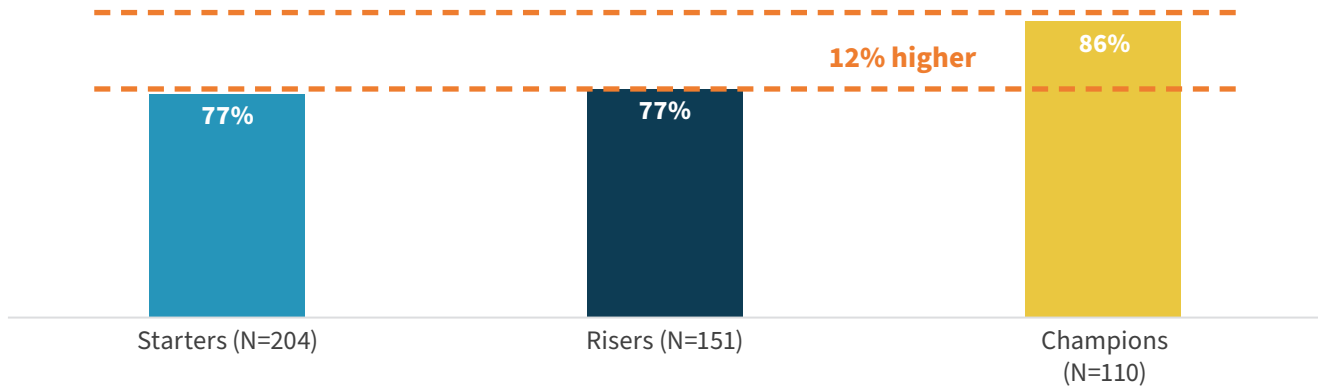
Source: Enterprise Strategy Group

Another quantitative measure of service and support team effectiveness is the percentage of issues that the team is able to resolve in a single interaction (i.e. the percentage of one-touch tickets). Once again, champions lead the pack in terms of their ability to solve customer’s problems at the time. On average, champions reported that 86% of customer’s problems are resolved in a single interaction. This compared favourably to the 77% reported by starters, on average.

It is worth noting that by each of these quantitative measures (average first response time, average total resolution time and percentage of unresolvable problems), SMB organisations tend to outperform their larger counterparts in the aggregate. We hypothesise that smaller organisations may have lighter ticket volumes and more leeway when responding to customers, ultimately driving more positive outcomes.

Figure 7. One-touch tickets

What percentage of customer service enquiries, support requests or help tickets are customer support staff able to resolve successfully with a single customer interaction? (Mean among organisations with <100 employees)



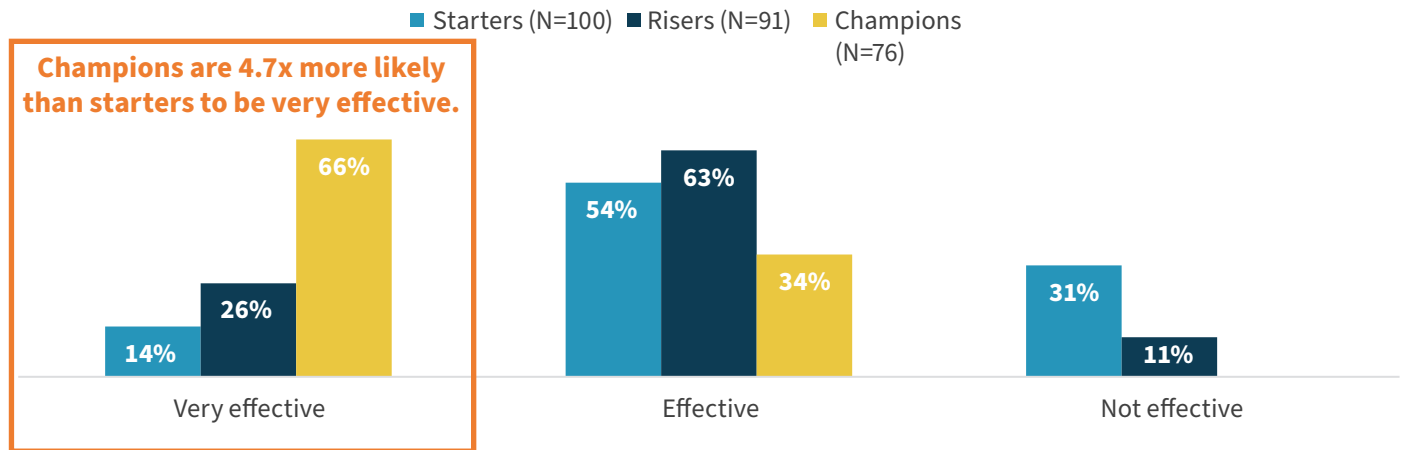
Source: Enterprise Strategy Group

Helping customers to help themselves

One of the most effective ways for service and support to scale is via customer self-service. Consequently, an online Help Centre is a crucial element of an overarching CX strategy. The online Help Centre organises frequently asked questions (FAQs), product details, policies, etc., empowering customers to find the information that they require without having to engage with a support agent. But building an effective Help Centre is not a checklist item – it's a journey. The information required by your customers will change over time as new products are released, software is updated and company policies are changed. As we would expect, champions recognise these dynamics. We asked respondents to rate their effectiveness at ensuring that Help Centre resources are up to date. **Two-thirds (66%) of champions rated themselves as very effective, 4.7x the frequency of starters (14%)** (see Figure 8).

Figure 8. Keeping online Help Centre resources current

How effective is your organisation at ensuring that resources in its online Help Centre are up to date (i.e. new information is regularly posted, out-of-date information is removed, etc.)? (Percentage of respondents, organisations with <100 employees)



Source: Enterprise Strategy Group

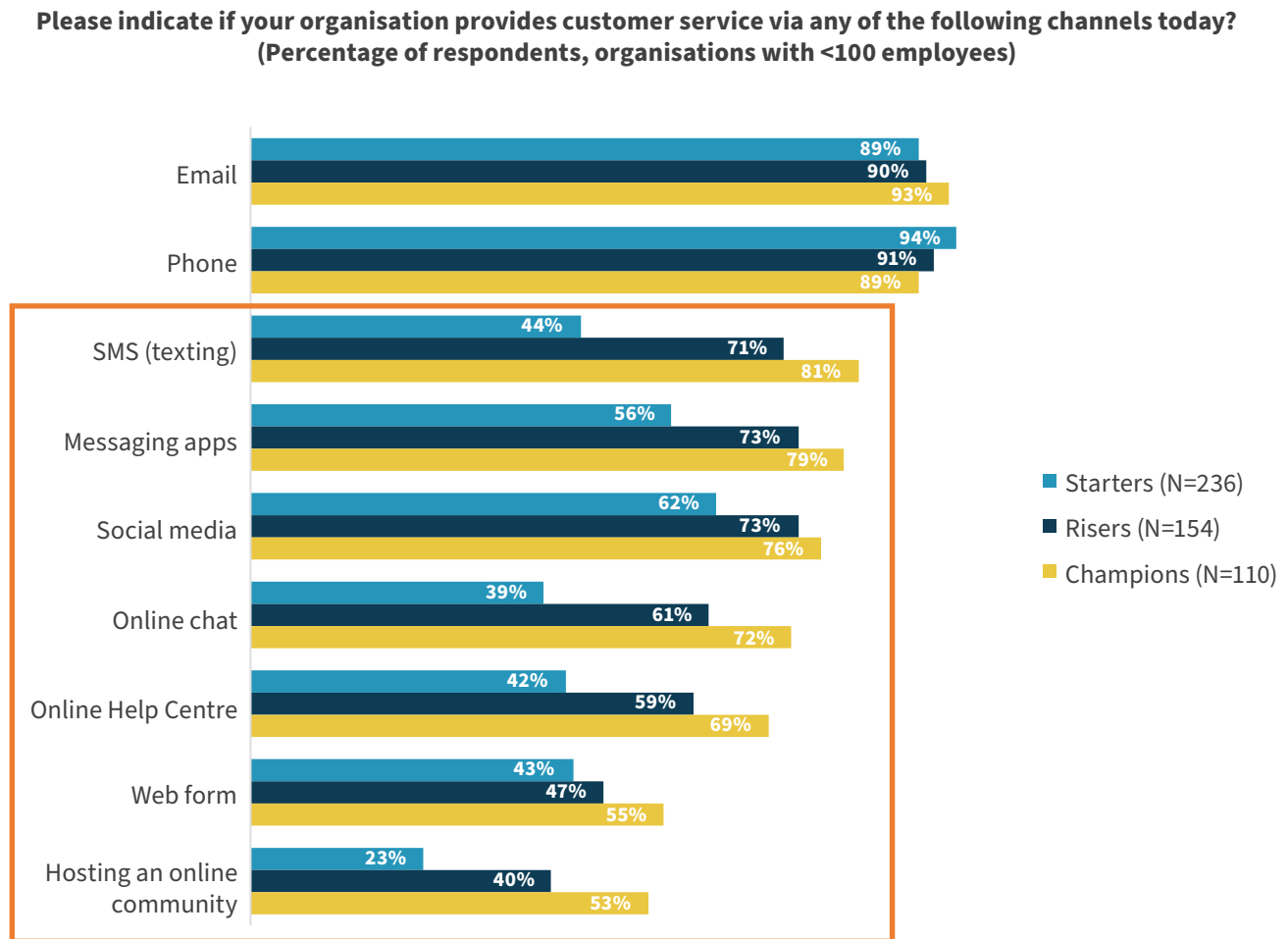
Engaging customers where they are

The number of ways in which customers can engage with us has skyrocketed over the past decade. Gone are the days where a 'Contact Us' email address and phone number were considered sufficient. Today, customers expect organisations to meet them where they are, including text, chat and social engagement (among other non-traditional channels).

The data shows that champions are embracing this omni-channel ethos. We presented respondents with a list of possible customer-engagement channels and asked which channels their organisations provide their customers with today. While the use of phone and email are nearly ubiquitous, 'champion' organisations are much more likely to have embraced online help resources, messaging apps, social engagement, online chat and text channels, among others (see Figure 9). In fact, when we looked at the average number of channels used by organisations, **champions offer an average of about two more channels of engagement than starters** (6.2 versus 4.4).

Champions provide their customers with more ways to engage with them. On average, they offer two more channels of engagement than starters.

Figure 9. Customer-engagement channels in use



Source: Enterprise Strategy Group

It is worth noting, and not surprising, that SMBs are much less likely to provide some of these channels of engagement than their mid-market and enterprise counterparts. This includes online chat (53% versus 73%), an online Help Centre (53% vs 82%), hosting an online community (35% vs 53%) and web forms (47% vs 70%).

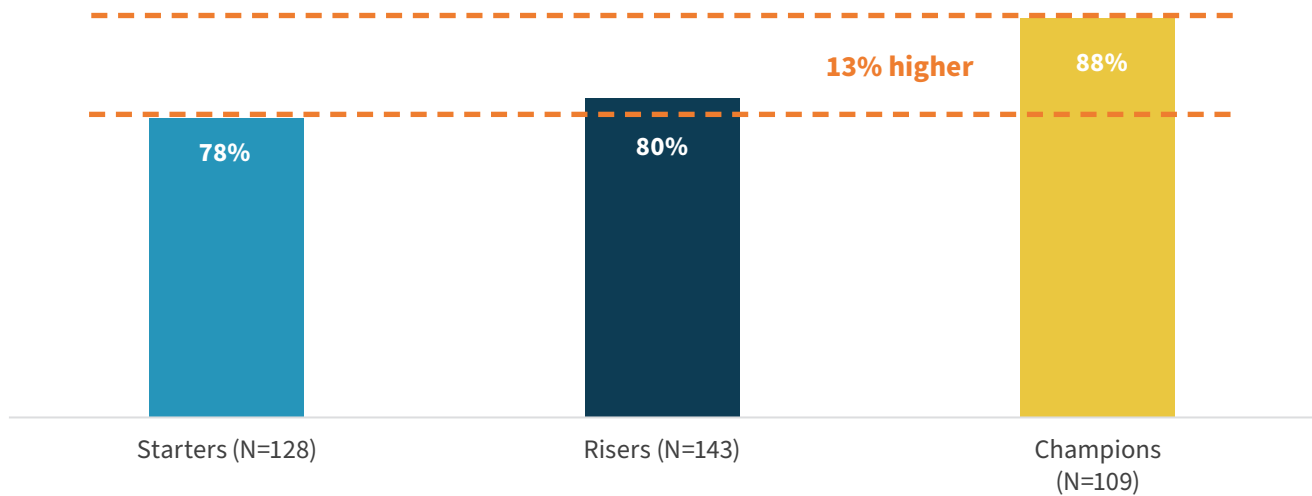
Bringing it all together: Service and support excellence to enable less effort from customers

All KPIs and capabilities discussed thus far serve a common goal: to provide a frictionless customer support experience. We want our customers to recognise that we are helping them, not to feel as if they’ve had to work hard to get the support they deserve. For example, if our customer has to be transferred to multiple departments to find an answer, has to contact us repeatedly to obtain the right response or use multiple channels to receive an appropriate solution – then we are making them work far too hard.

In this regard, one measure of an organisation’s success is its customer effort score (CES). Serving as a proxy for CES, in our survey, we asked respondents to estimate the percentage of customers they believe would agree that their company made it easy to handle their problem. On average, **champions believe that 88% of customers would agree they are easy to deal with, which is significantly higher than what starters believe (78% of customers)** (see Figure 10).

Figure 10. Assessing effort from customers

Based on feedback that your organisation has received, what percentage of customers do you think would agree that your company made it easy to handle their problem? (Mean among organisations with <100 employees)



Source: Enterprise Strategy Group



The agent experience: Setting up agents for success

In this report, we have discussed the concept of ‘holistic’ customer service and support best practice. Granted, a major part of these best practices deals with *customer* experience, but we can’t overlook the agent experience. Customer service and support agents are on the front lines of many customer engagements, so it’s essential that they be equipped to keep customers happy, and to help to reinforce loyalty to the company and the brand.

Breaking down multi-channel silos

Previously, we discussed how champions tend to offer customers more channels of engagement than their counterparts. In theory, this improves CX, providing customers with more options and flexibility. In practice, this isn’t always the case.

Consider the scenario where a customer discusses a problem on the phone with a customer service representative, and then a few days later has a follow-up question and engages with another representative in an online chat. Without a clear, cross-channel profile containing information about the customer, their problem and any progress towards a resolution, it is unlikely that the agent chatting to the customer will be able to deliver a very positive experience. This scenario underscores the importance of providing agents with omni-channel customer visibility, a capability that varies with an organisation’s customer service and support maturity.

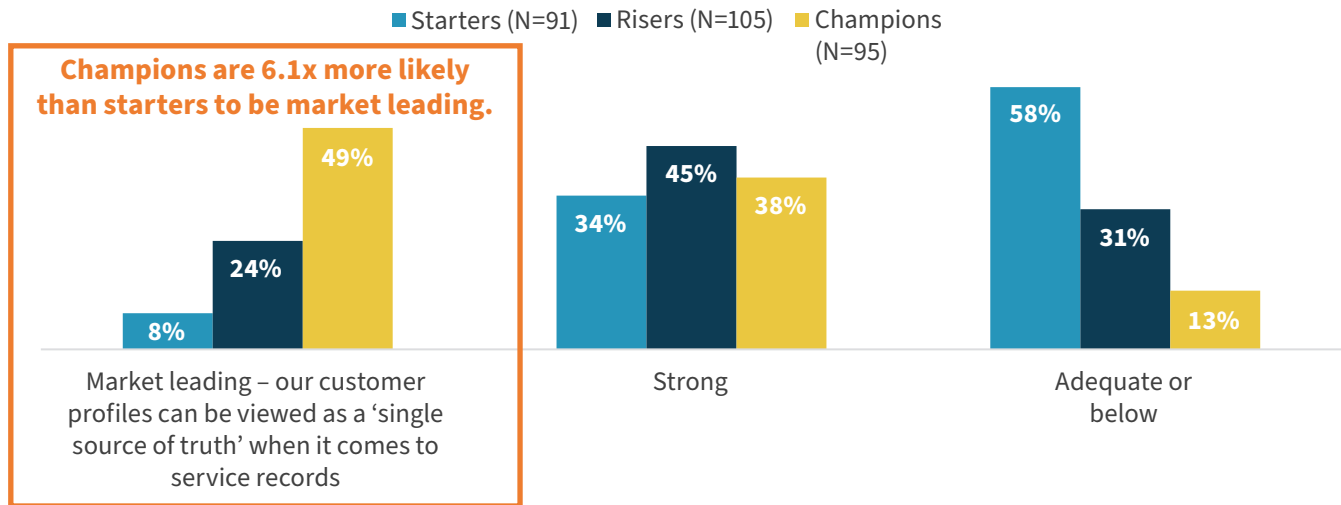
Champions are 6.1x more likely than starters to have market-leading omni-channel customer visibility.

In the research, we asked respondents to rate their organisation’s ability to build historical, comprehensive customer profiles that span all channels of interaction. **The plurality (49%) of champions rated their organisations as market leading, saying that their customer profiles can be viewed as a ‘single source of truth’ when it comes to service records.** By contrast, only 8% of starters had the same level of faith in the completeness of their customer profiles (see Figure 11).

Going beyond the *quality* of an organisation’s omni-channel visibility, there is the question of *how quickly* the organisation can deliver that intelligence to agents. When we asked respondents to describe how cross-channel customer profiles were built in their organisations, the plurality (44%) of starters said that this process was manual and done at regular intervals, while only 26% of champions reported this to be the case in their organisations. Organisations with greater service and support maturity are delivering more current cross-channel intelligence to agents.

Figure 11. Delivering omni-channel visibility via robust customer profiles

How would you rate your organisation's ability to build historical, comprehensive (i.e. spanning all channels of interaction) customer profiles? (Percentage of respondents, organisations with <100 employees)

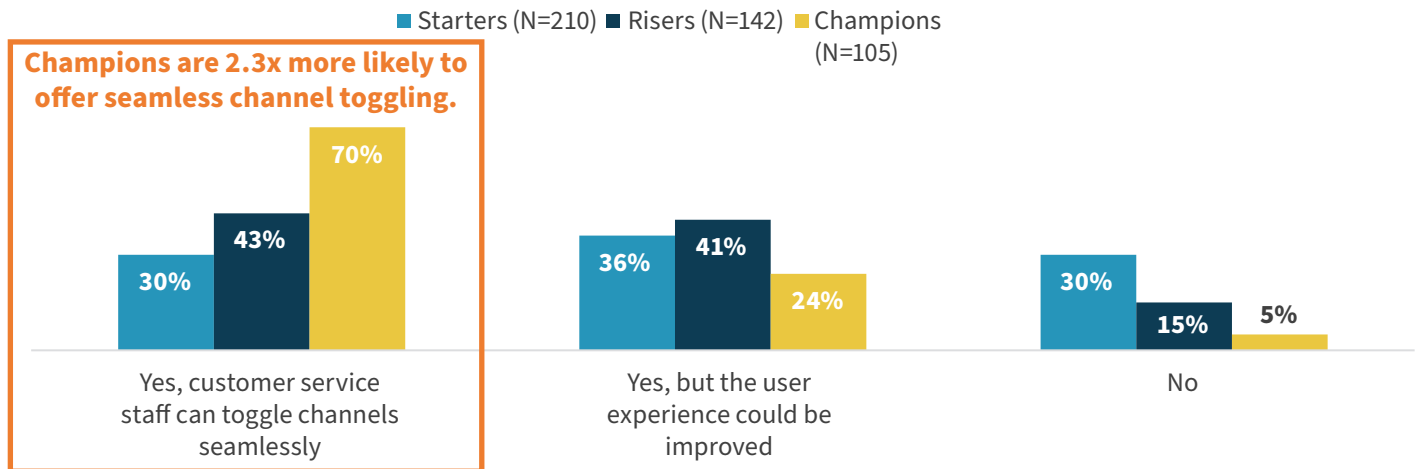


Source: Enterprise Strategy Group

Providing visibility across channels of engagement is one way in which organisations can break down silos. Another method is providing agents with the ability to switch channels of engagement whenever they need to in order to better serve customers. For example, an agent may engage in an online chat with a customer. In the course of that engagement, the agent may determine that switching to a phone call would expedite the resolution. The ability to change channels without disruption to solve a customer's problem more quickly is going to drive a positive customer experience. Being stuck in an inefficient channel or switching channels in a way that is jarring or disruptive to the customer will drive a negative experience. Here again, **champions lead the way: 70% of champions say that service and support agents have the ability to toggle customer support channels seamlessly, 2.3x the rate of starters (30%)** (see Figure 12).

Figure 12. The ability to toggle service channels seamlessly

Do customer service staff have the ability to change the channel on which they are interacting with a customer in order to better serve their needs (e.g. toggle the conversation from a phone call to a chat discussion with a customer)? (Percentage of respondents, organisations with <100 employees)



Source: Enterprise Strategy Group

Optimising the agent experience drives up efficiency and helps to drive down burnout

One of the core tenets of our maturity scale deals with the technology experience provided by organisations to their service and support agents. We've already discussed correlations observed in this arena: whether tools can provide timely, comprehensive cross-channel customer profiles; and whether or not agents have the ability to toggle seamlessly between channels used for customer engagement. Assessing the technology experience more broadly, we asked respondents to rate the satisfaction of their customer service and support staff with the technology and tools that they use to do their jobs. The rating scale went from 0 (not at all satisfied) to 10 (extremely satisfied), and **91% of champions rated their teams' satisfaction with their help-desk solutions at either a 9 or a 10. By contrast, only 26% of risers and 5% of starters were as complimentary about the tools that their teams rely on.**

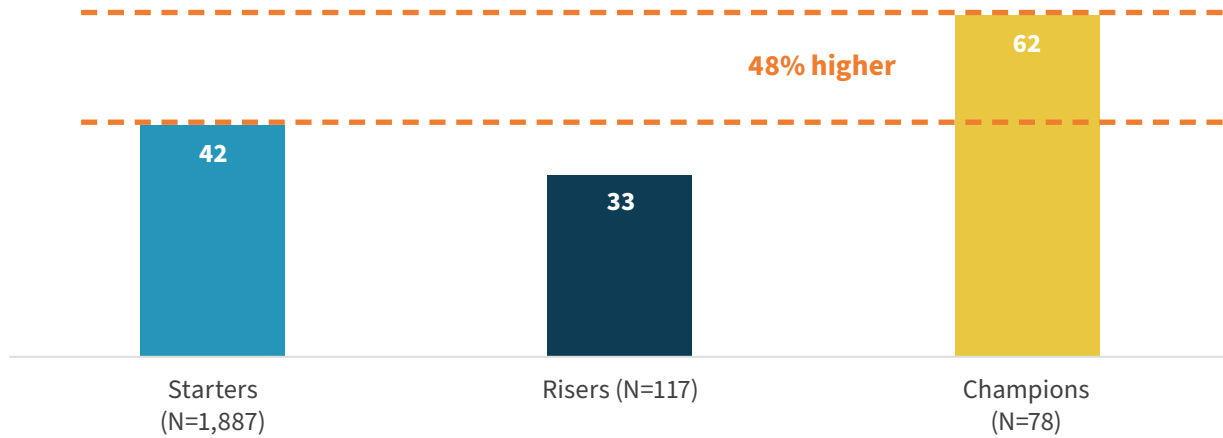
A focus on deploying best-of-breed technology for service and support staff is a means to many ends. We have already discussed several of these ends, from customer-centric agility to driving resolutions for customers more effectively. One additional end is agent efficiency and throughput. Qualitatively, the data clearly shows that champions *believe* they are doing a good job with respect to agent throughput. ESG asked respondents to rate their team's efficiency, and seven out of ten (70%) respondents representing champions rated their organisation as either market leading or strong. Only 28% of starters rated themselves this highly. Said another way, **champions are 2.5x more likely than starters to be top performers in terms of agent efficiency.**

Once again, our quantitative data backs up this qualitative assessment. Within the survey, we captured the number of staff exclusively or predominantly focused on customer service and support. We also captured the total number of enquiries, requests and tickets handled per month. Using these two data points in concert, we were able to derive a quantitative measure of agent throughput: the average number of tickets handled per support team member, per month. As a cohort, **champions shine on this metric, with agents handling 48% more requests per month than starters** (see Figure 13).

Agents in 'champion' organisations handle 48% more problems over the same amount of time as agents in 'starter' organisations.

Figure 13. Measuring agent throughput

Customer service enquiries handled per representative, per month (Mean among organisations with <100 employees)

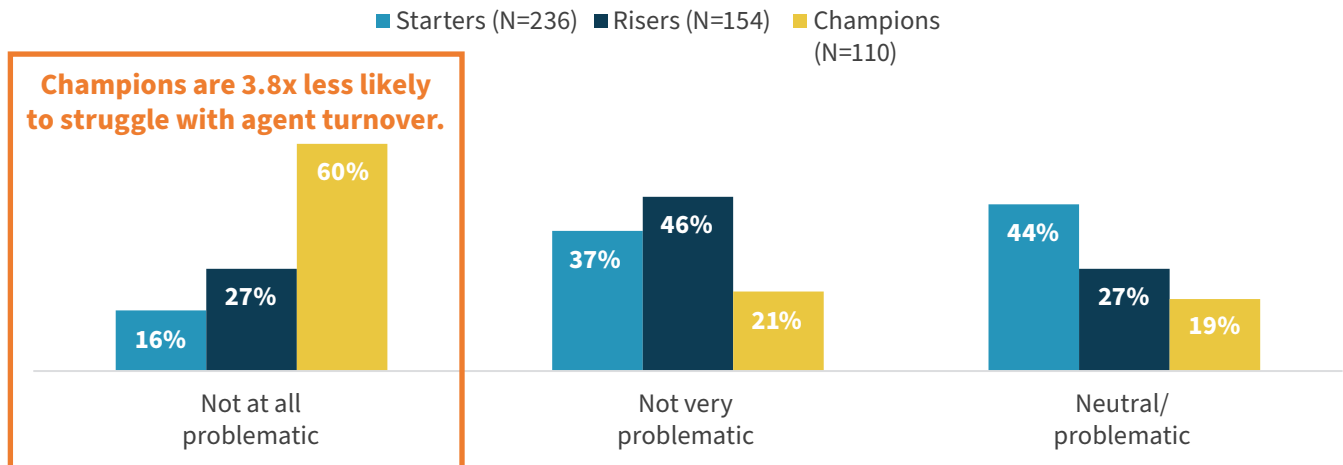


Source: Enterprise Strategy Group

On the flip side, our data reveals an inverse correlation between service and support maturity, and problems with team turnover. We asked respondents to describe the turnover rate within the service and support organisation, and **the majority (60%) of champions stated that turnover is not at all problematic, 3.8x the incidence among starters (16%)** (see Figure 14). The implication is that by giving staff the tools they need to perform their jobs, in addition to appropriately training and staffing them, champions struggle less with retention.

Figure 14. Measuring the pain associated with agent turnover

How would you rate the turnover rate of customer service and support staff in your organisation? (Percentage of respondents, filtered by SMBs)



Source: Enterprise Strategy Group



Connecting service and support excellence to improved business outcomes

The research discussed to this point has made it clear that the maturity scale developed has a strong correlation to success metrics within the service and support organisation. But correlations are not limited to the service and support organisation. There are connections to broader measures of business success, such as customer satisfaction, growth of – and spending within – the customer base and confidence in the organisation’s ability to retain customers. The implication is clear: by optimising their service and support function, organisations are better positioned to keep their customers happy, which promotes the overall health of the business.

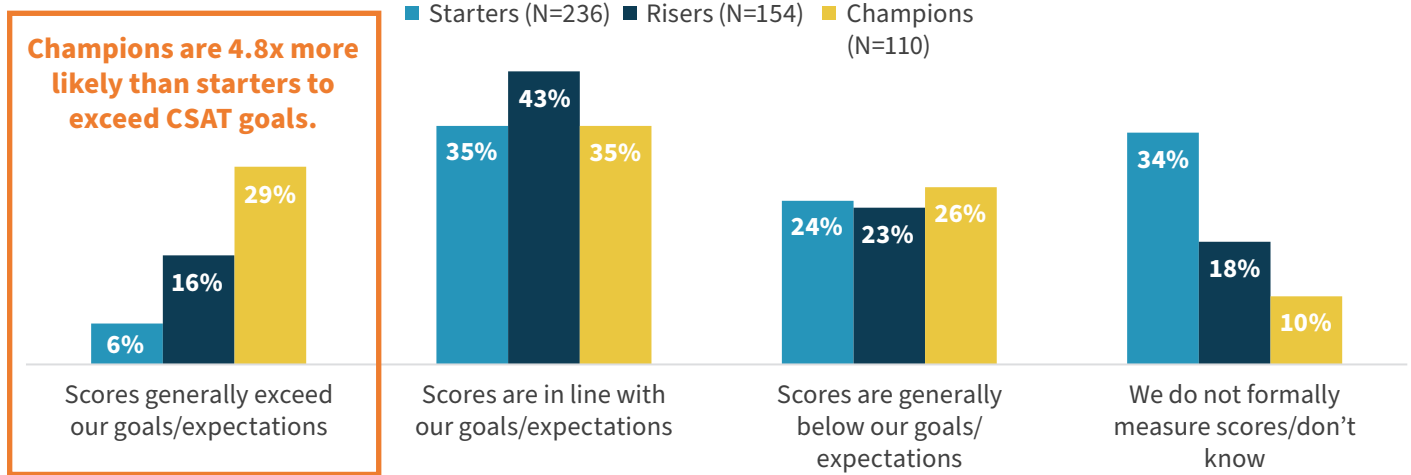
Keeping customers happy to drive engagement

The opportunity for service and support teams to move beyond the cost centre and towards a competitive differentiator hinges on their ability to improve customer satisfaction. By improving customer satisfaction, support teams help the organisation build customer loyalty and engagement – in turn growing share of wallet and retention.

To validate whether our maturity scale is linked to customer satisfaction, we asked respondents how their organisation’s performance correlates to its customer satisfaction (CSAT) goals. Nearly one-third of champions surveyed typically report exceeding their goals, with an additional 35% reporting that they generally meet goals. Said another way, **champions are 4.8x more likely than starters (6%) to generally exceed their customer satisfaction goals** (see Figure 15).

Figure 15. CSAT performance relative to goals

**How does your organisation generally perform in terms of customer satisfaction (or CSAT) if it is tracked?
(Percentage of respondents, organisations with <100 employees)**

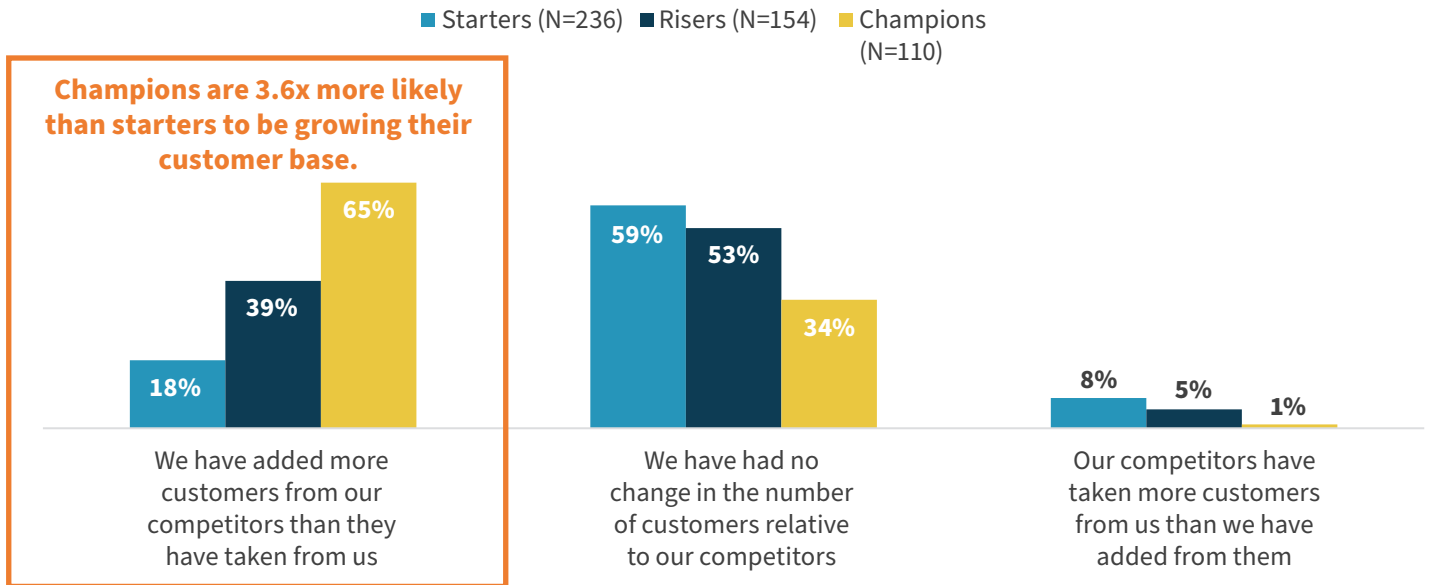


Source: Enterprise Strategy Group

The link between maturity also carried through to a number of related business performance metrics. Customer satisfaction is often linked to growing market share. The theory is that exceptional CX leads to higher customer satisfaction which, in turn, begets positive word of mouth and a broadening of the customer base. To test this theory, we asked respondents to describe their organisation’s performance over the past six months: whether they experienced a net increase in customers, had no change in the number of customers or experienced a net loss in customers. **About two-thirds (65%) of champions reported an increase in customers, 3.6x the rate of starters (18%)** (see Figure 16).

Figure 16. Change in market share

Over the past six months, which best describes how your organisation has performed? (Percentage of respondents, organisations with <100 employees)

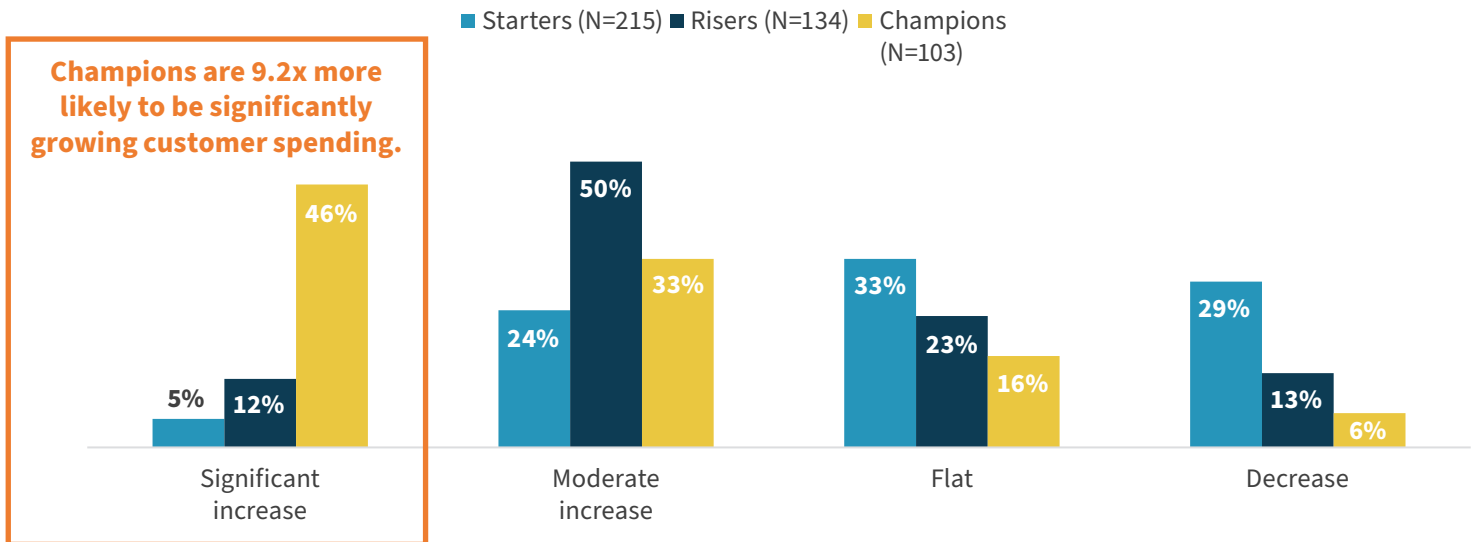


Source: Enterprise Strategy Group

Similarly, customer satisfaction is also linked (in theory) to increasing customer spending over time. The thinking is that customers should be more receptive to upselling and cross-selling offers from providers that do a good job with meeting their needs. To test this connection, we asked respondents how spending per customer has changed over the past six months. **While the plurality (46%) of champions stated that spending has increased significantly, only 5% of starters did so.** By contrast, the majority (62%) of starters reported spending per customer as flat or declining, versus only 22% of champions (see Figure 17).

Figure 17. Customer spending trends

Over the past six months, how would you characterise the change in the amount per year that your customers spend with your organisation (i.e. how much the average customer spends on your goods and services per year)?
(Percentage of respondents, organisations with <100 employees)



Source: Enterprise Strategy Group

Finally, the data shows us that past performance leads to confidence in the future: **55% of champions believe that their organisation will exceed their customer-retention targets over the next 12 months, as opposed to only 12% of starters.**

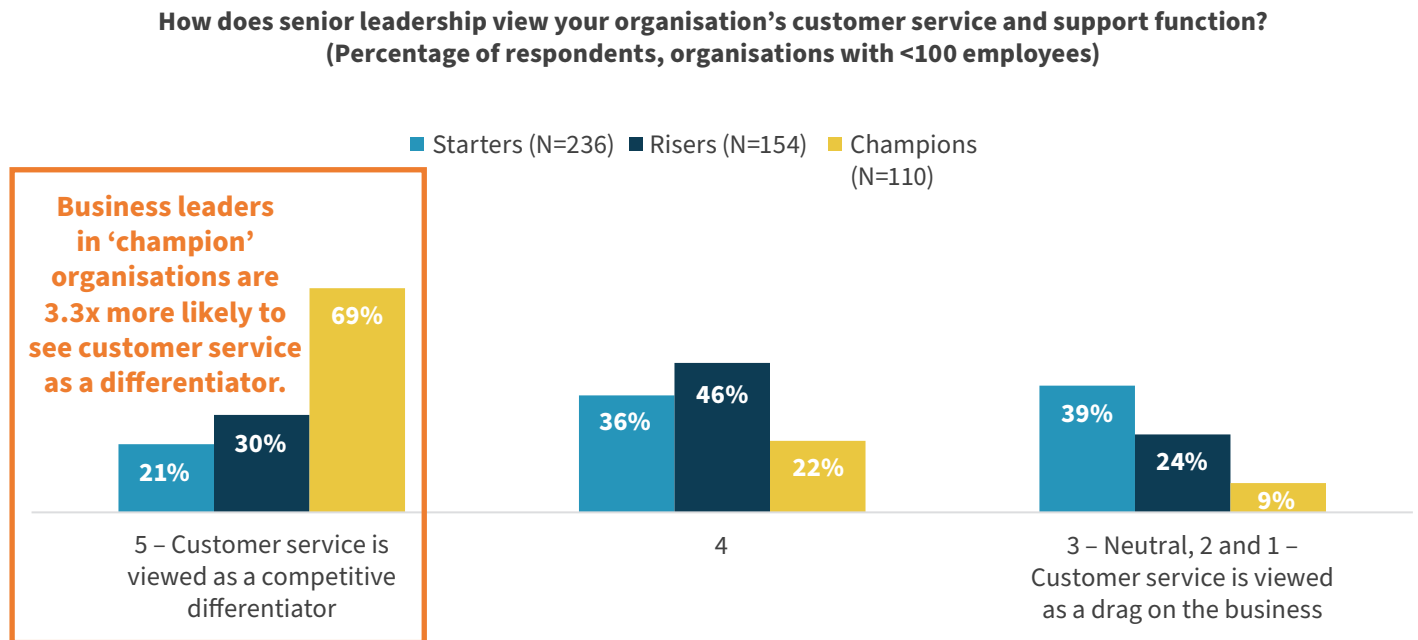
Do support teams get the credit?

The many correlations between service and support maturity, as well as positive business performance, that we have observed do not *necessarily* mean there is causation. While we believe that causation is present, in this case, our opinion matters less than the organisations represented in the research, and there is evidence in the data showing that organisations see causation between the service and support team's performance, and the organisation's business outcomes.

We asked respondents how senior leadership in their companies view the customer service and support organisations. They could select a number between 5 (customer service and support are a competitive differentiator) and 1 (customer service and support are a drag on the business). **The higher the maturity of the service and support organisation, the more likely the team is to be seen as a competitive differentiator: 69% of champions say that business leaders would rate them as a 5, compared to only 21% of starters** (see Figure 18).

Senior business leaders from 'champion' organisations say that their service and support teams set them apart from the competition. This fact strongly bolsters the argument that there is a causal relationship between service and support performance, and business success. For CX practitioners wanting to increase the internal influence of – and esteem for – the service and support team, implementing the best practices of champions is a worthwhile endeavour.

Figure 18. Leadership's perceptions of customer service and support teams



Source: Enterprise Strategy Group

Performance under pressure (and during a pandemic)

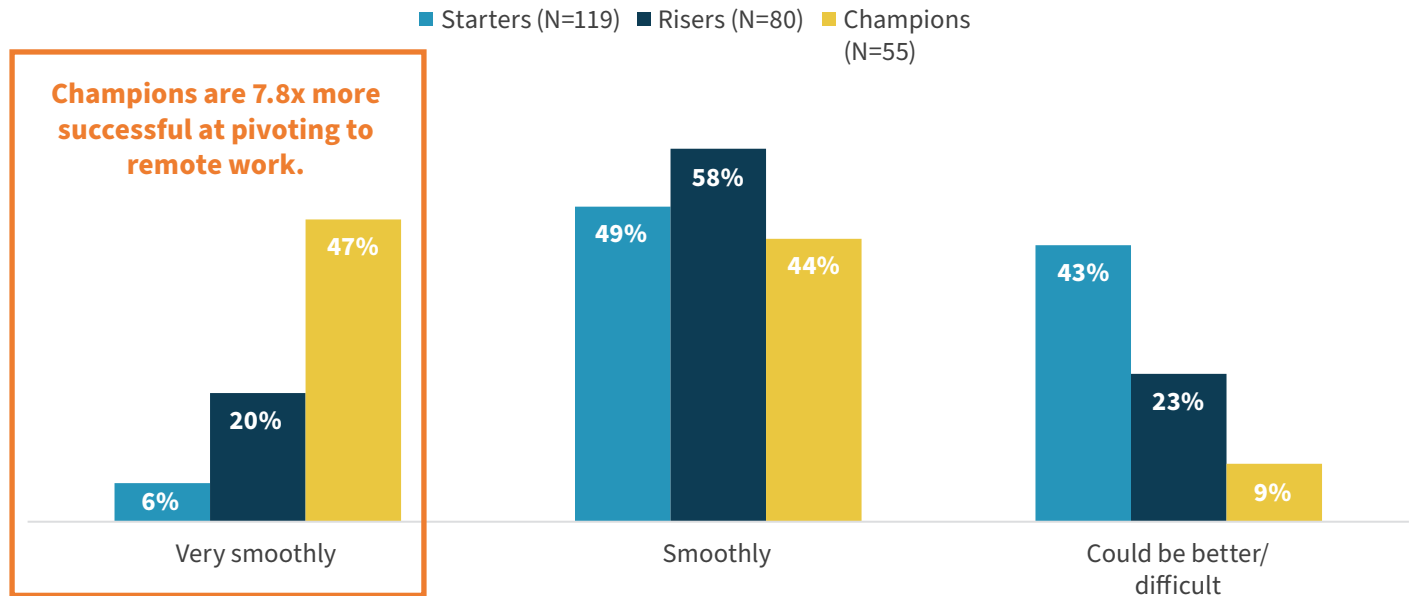
It is worth noting that due to the time in which this survey was fielded (14/7/20–8/8/20), we were afforded a unique glimpse into the state of businesses in the throes of a global pandemic. The business-performance questions we asked, which were related to market share and customer spending trends, were framed in the context of 'the past six months', a time horizon when economic activity was slowed by both state-mandated lockdowns and more cautious social behaviour. With this additional context, the performance reported by champions is particularly striking.

When it comes to delivering customer service and support in a pandemic, we did observe a connection to our maturity scale. We asked respondents about the policies that their organisations had enacted as a result of the COVID-19 outbreak. Not surprisingly, leading the way was the implementation of more flexible remote-work policies for service and support teams (reported by 54% of respondents). While more flexible remote-work policies were broadly based, the success with which organisations were able to implement them varied considerably. We asked respondents to characterise the process of supporting more customer service and support agents working from home and saw stark differences between maturity levels. **Almost half (47%) of champions report that the pivot to supporting remote agents is going very smoothly while two-fifths of starters (43%) say that the transition could be better or has been difficult** (see Figure 19).

Whether it was due to their teams being more capable (thanks to increased training and retention), their help-desk solutions being more flexible (e.g. SaaS-based solutions that only need a connection to the Internet to work), their use of data to optimise operations being better, or (more likely) a combination of all three, champions place themselves in the best position to navigate the uncertainty of the COVID-19 pandemic without dramatically harming their ability to support customers.

Figure 19. Assessing the transition to remote work in the face of COVID-19

How do you believe the efforts to support more customer service and support agents or representatives working from home are going? (Percentage of respondents, organisations with <100 employees)



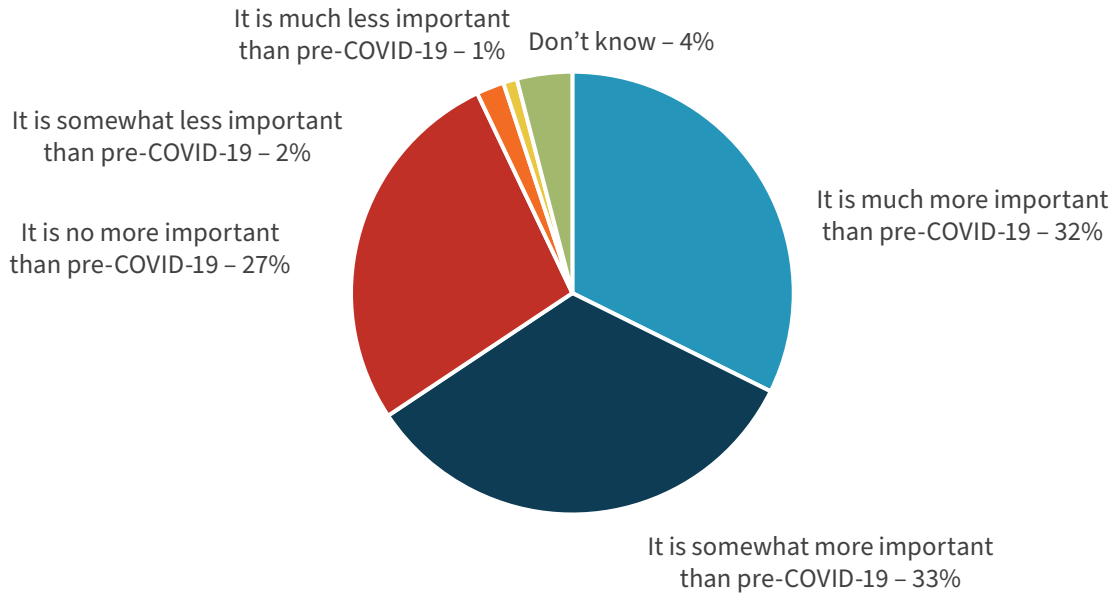
Source: Enterprise Strategy Group

Why does this matter? Not only are remote work scenarios pervasive, they may remain in place for quite a while: of the respondents that said their organisation had enacted more flexible remote-work policies, 70% reported that their organisations were considering making these policy changes permanent.

Moreover, the data indicates that customers still demand responsiveness in a post-pandemic world: 65% of respondents said that customer-centric agility has increased in importance as a result of COVID-19, outnumbering respondents who said that COVID-19 has diminished the importance of agility by 22 to 1 (see Figure 20). Regardless, remote service teams must still be able to deliver fast and effective customer support.

Figure 20. The impact of COVID-19 on the importance of customer-centric agility

As your organisation navigates COVID-19, how has the importance of agility (i.e. the ability to adapt and make changes quickly in response to customer needs) changed in your organisation? (Percentage of respondents, organisations with <100 employees, N=500)



Source: Enterprise Strategy Group

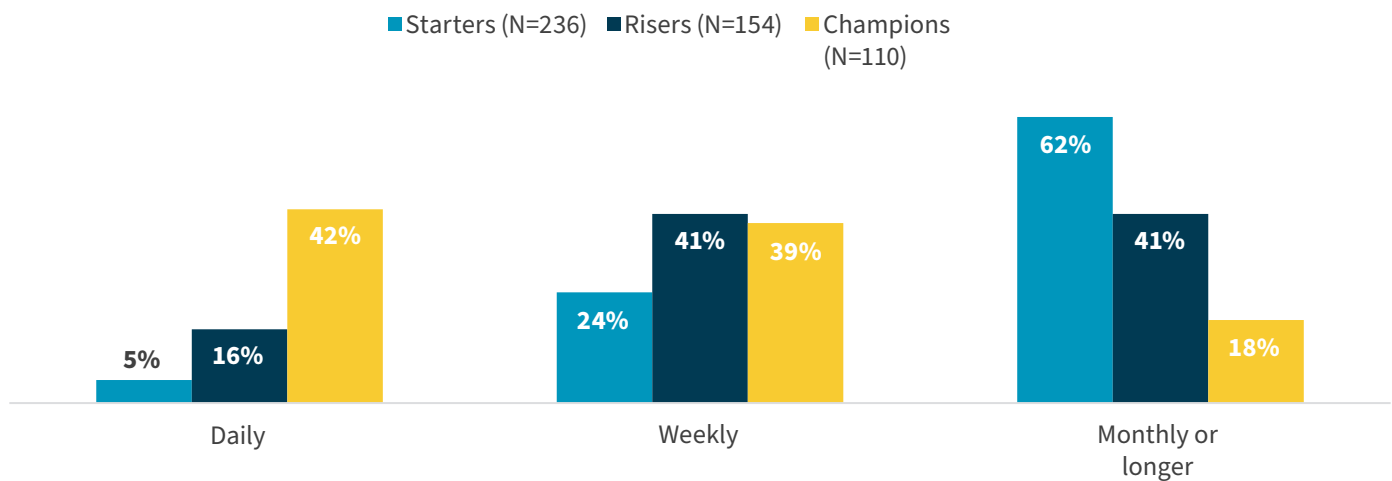


What you can learn from service and support champions

Becoming a champion requires a culture focused on CX, driven from the top down. When we asked respondents if CX is considered a critical business priority, 93% agreed that it is. However, the intensity of agreement varied by the organisation’s maturity level: 76% of champions strongly agreed, compared to 37% of starters. This higher level of importance is manifested in the behaviour of senior business leaders. When we asked respondents how often C-suite executives review CX metrics, 42% of champions reported that this was a daily occurrence, while 62% of starters reported that CX metrics receive C-suite inspection on a monthly basis or less often (see Figure 21).

Figure 21. CX inspection by the C-suite

How frequently are CX metrics (e.g. NPS, CSAT, customer retention, etc.) reviewed by your organisation’s senior leadership – such as C-suite business executives (CEO, CFO, COO) or the equivalent? (Percentage of respondents, organisations with <100 employees)



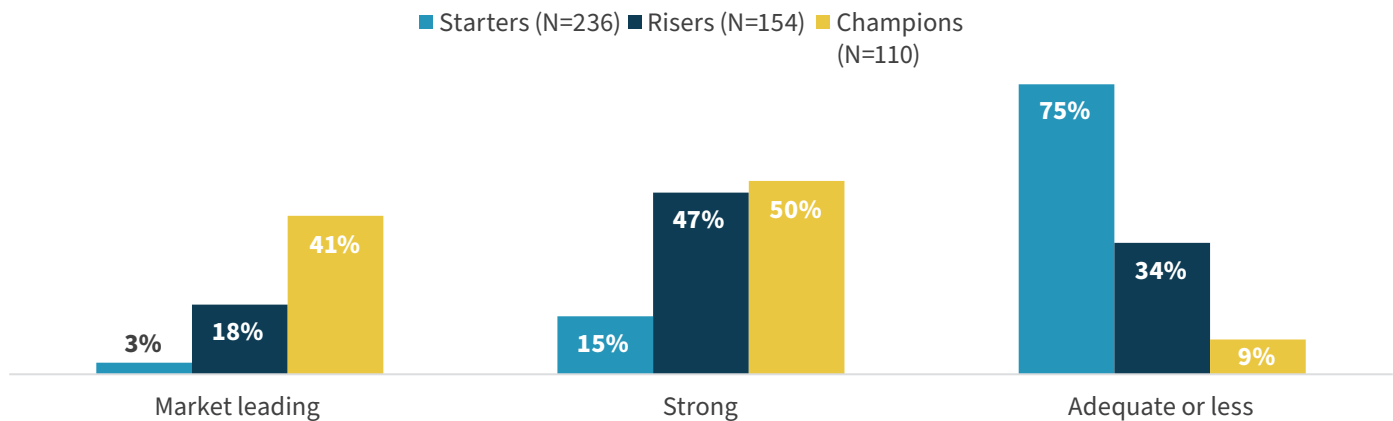
Source: Enterprise Strategy Group

Service and support are still predominantly a person-to-person endeavour – don’t forget your people. One of the inputs in our maturity scale is a belief that service and support team training is *appropriate* – but what does that subjective assessment really mean? To find out, we also asked *how much* training the average agent receives per year during normal working hours. On average, champions provide their teams with about half a day more of training per year than starters (3.7 days versus 3.3 days).

Data-centric support delivers. The maxim, ‘You can’t improve what you can’t measure’ holds true when it comes to customer service and support. Champions use their data: 91% describe the comprehensiveness of their support metrics and KPIs as market leading or strong. Moreover, their data is current, with 63% stating that their support metrics and KPIs can be reported on in real time. While service and support are predominantly provided by humans today, these areas must be guided by data.

Figure 22. Comprehensiveness of support data

How would you rate the comprehensiveness of your organisation’s customer service and support metrics, and key performance indicators (i.e. does the organisation have access to all the information that you would like it to)?
(Percentage of respondents, filtered by SMBs)



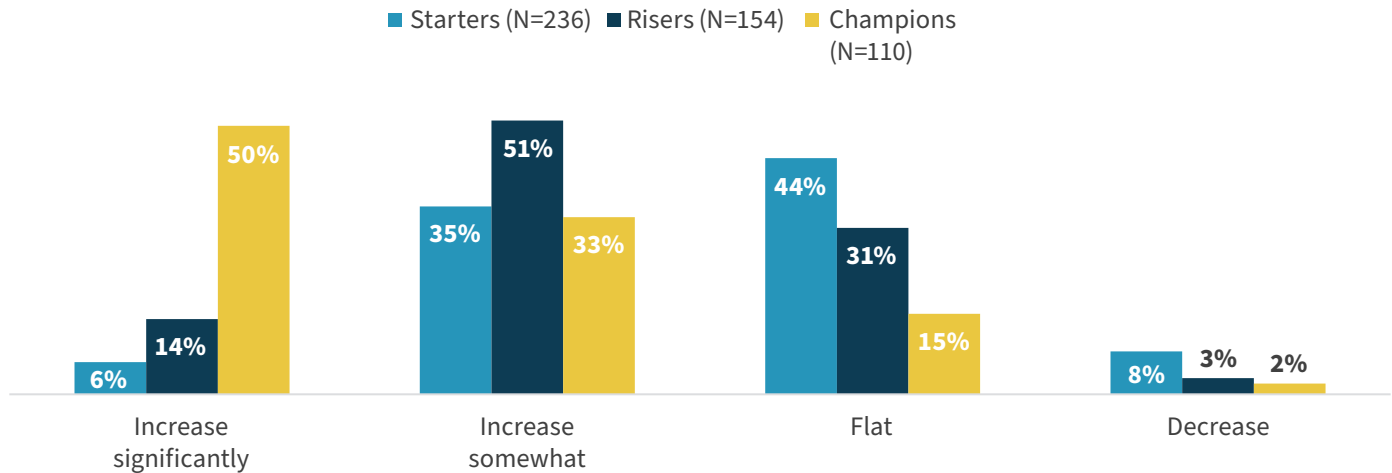
Source: Enterprise Strategy Group

Automation and artificial intelligence (AI) are making an impact. Collecting, analysing and acting on data at scale in real time creates a need for automation. Champions are responding to this need and will most likely be implementing automated methods of building and updating cross-channel customer profiles that are continuously updated (21% versus 15% of starters). AI is also starting to make a tangible impact on service and support performance. About 9% of respondents reported that their organisation leverages fully automated chatbots to answer customers’ questions. On average, these organisations told us that approximately 8% of customers’ enquiries made to chatbots are resolved successfully without any interaction required by a human representative. While nascent, the potential for AI-powered chatbots to offload work from humans is clear.

Champions invest for success. We asked respondents how they expected their organisation’s spending on CX tools and technology to change over the next 12 months. Half (50%) of champions expect their organisation to increase investment significantly, versus only 6% of starters (see Figure 23). While this trend is not surprising given the differences in perceived CX importance, it does pose a dilemma for ‘starter’ organisations. Champions already tend to outperform starters in terms of service and support excellence, so in order for starters to catch up, their spending patterns must be reversed. Hence, it will be critical for CX leaders in lagging organisations to preserve and make the most of their budgets.

Figure 23. CX investment trends over the next 12 months

How do you expect your organisation's investment in CX tools and technology to change over the next 12 months?
(Percentage of respondents, organisations with <100 employees)



Source: Enterprise Strategy Group

The bigger truth

Companies today increasingly rely on the intersection of their teams, their technology and their data to deliver differentiating customer support and service. ESG's research validates that organisations with the most prepared teams, using the best technology and continuously using data to optimise operations are delivering the best customer experience and the best agent experience. They have also navigated uncertain times while achieving dramatically better business results.

It's clear that customers today are rewarding companies with the ability to provide a truly elevated customer experience. Organisations seeking to increase their customer service and support capabilities should study the behaviour of the champions examined in this report and leverage this research to help make the business case for transforming their approach to meeting customers' needs.

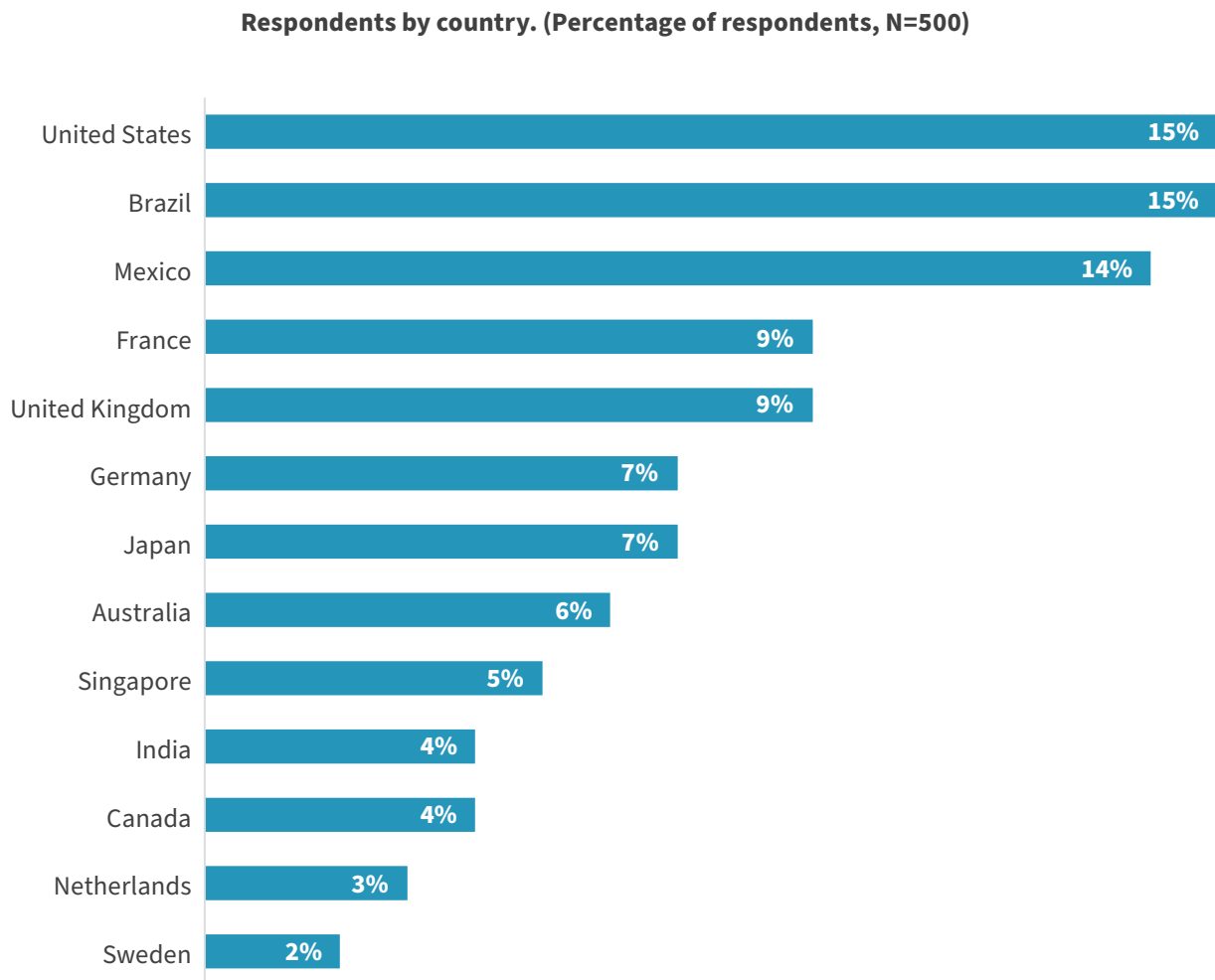
Appendix I: Research methodology and demographics

To gather data for this report, ESG conducted a comprehensive survey of business decision makers responsible for ensuring and enhancing customer service and support in their organisations. Organisations represented spanned the globe, including North America (N=256), Europe (N=250), Asia (N=250) and Latin America (N=256). Organisations represented were split between SMBs (those with <100 employees, N=500), mid-market organisations (those with 100–999 employees, N=255) and enterprises (those with 1,000 or more employees, N=257). The survey was fielded between 14 July 2020 and 8 August 2020. All respondents were provided with an incentive to complete the survey in the form of cash awards and/or cash equivalents.

After filtering out unqualified respondents, removing duplicate responses and screening the remaining completed responses (on several criteria) for data integrity, a final sample of 1,012 respondents remained. The figures that follow detail the demographics of the respondent base discussed in this report, those representing organisations with fewer than 100 employees.

Note: Totals in figures and tables throughout this report may not add up to 100% due to rounding.

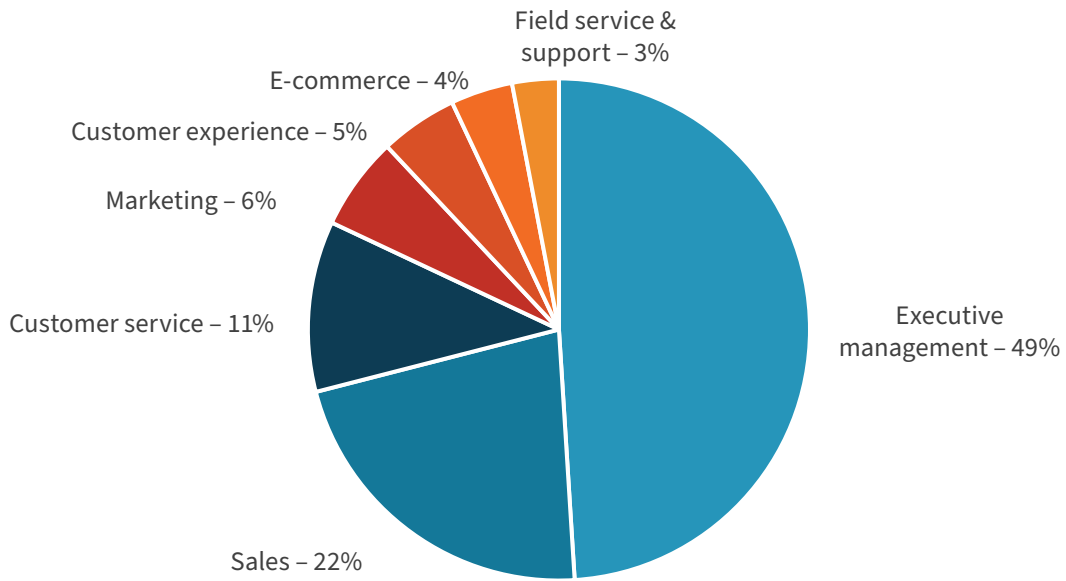
Figure 24. Location of respondents



Source: Enterprise Strategy Group

Figure 25. Respondents' job functions

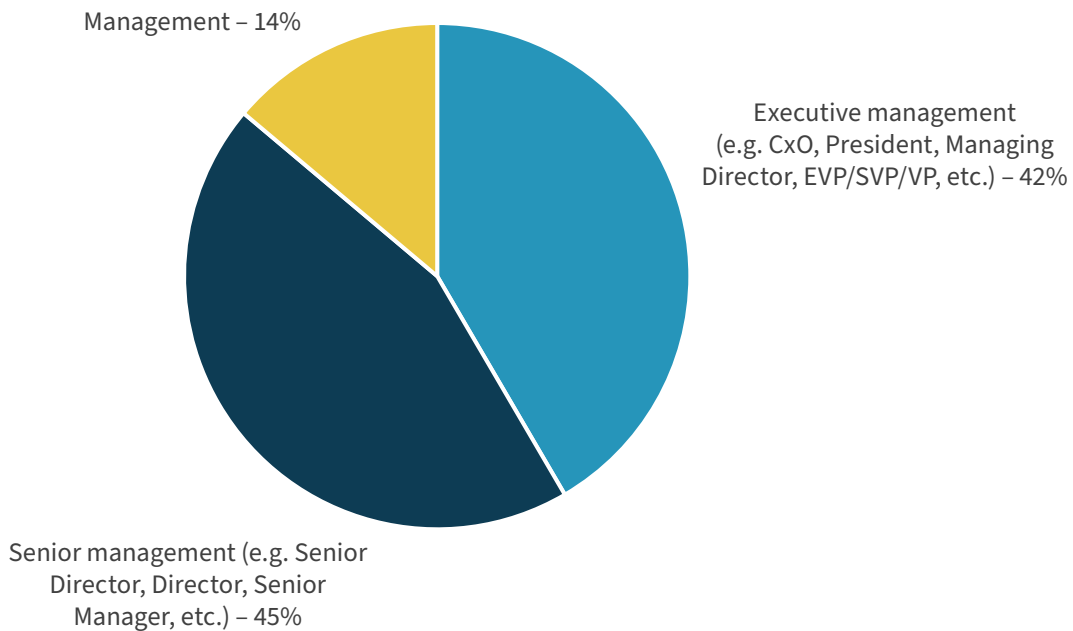
Which of the following best describes your current job function? (Percentage of respondents, N=500)



Source: Enterprise Strategy Group

Figure 26. Respondents' seniority

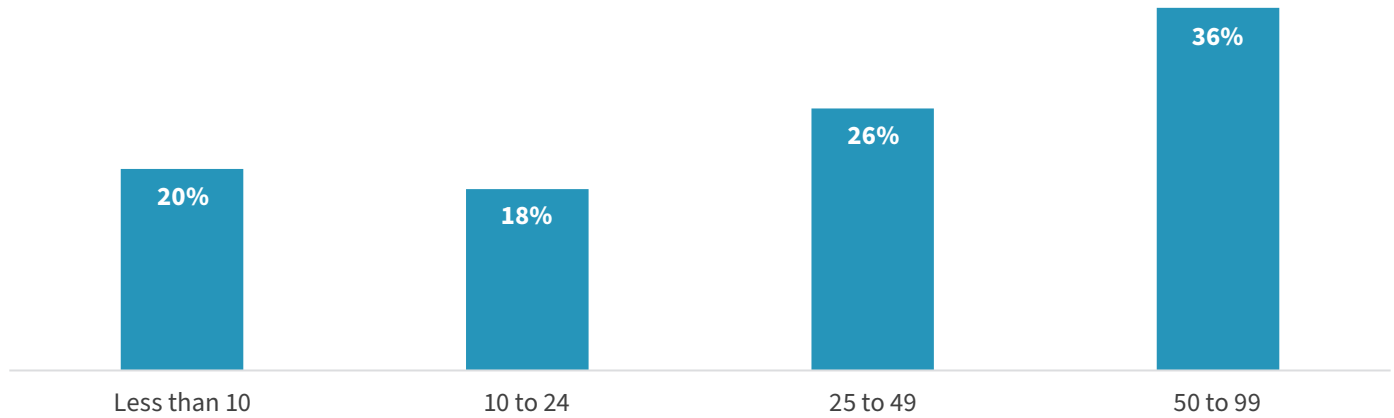
Which of the following best describes your current responsibility within your organisation? (Percentage of respondents, N=500)



Source: Enterprise Strategy Group

Figure 27. Company size (number of employees)

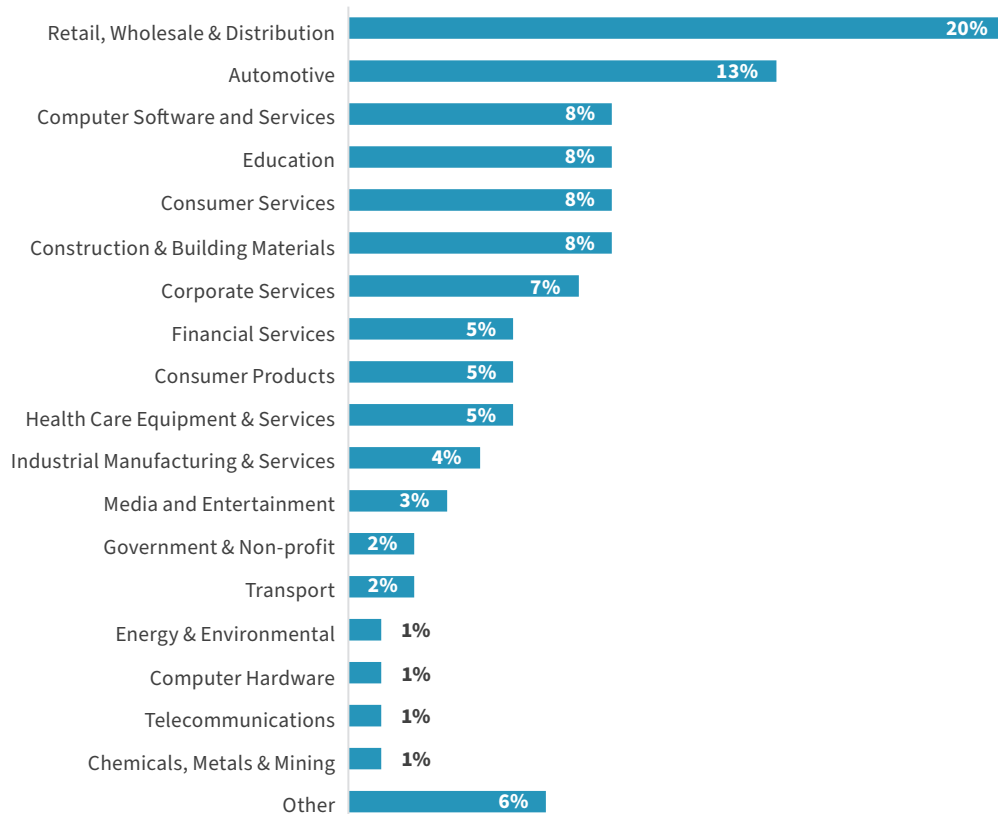
How many employees in total does your organisation have worldwide? (Percentage of respondents, N=500)



Source: Enterprise Strategy Group

Figure 28. Company industry

What is your organisation's primary industry? (Percentage of respondents, N=500, one response accepted)



Source: Enterprise Strategy Group

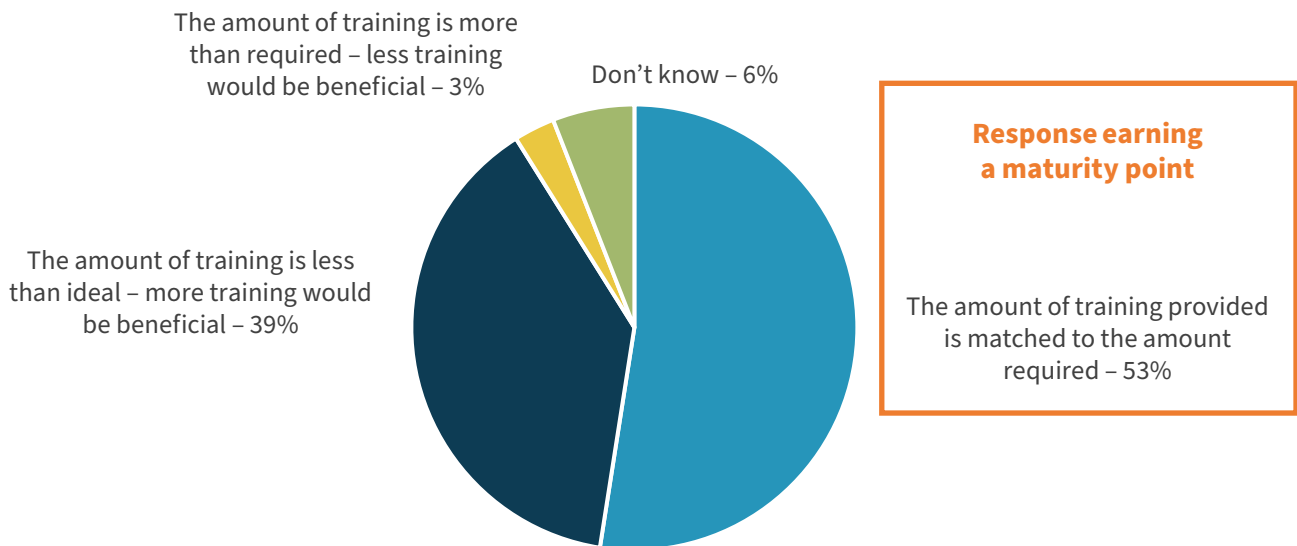
Appendix II: Establishing maturity levels for customer service and support

ESG’s maturity scale used seven questions from the survey as input to determine an organisation’s maturity score. These seven questions align to the people, process, and data and technology attributes of the service and support organisation within represented companies. Based on the answers to these and other questions, respondents’ organisations could earn between 0 and 7 maturity points. In organisations with 100 or less employees, 47% earned 0–3 points (placing them in the ‘starter’ category); 31% earned 4–5 points (placing them in the ‘riser’ category); and 22% earned 6–7 points (placing them in the ‘champion’ category).

The following figures outline the scoring questions that ESG asked respondents, the overall distribution of responses and the responses aligned to the maximum number of maturity points per question.

Figure 29. Training of agents

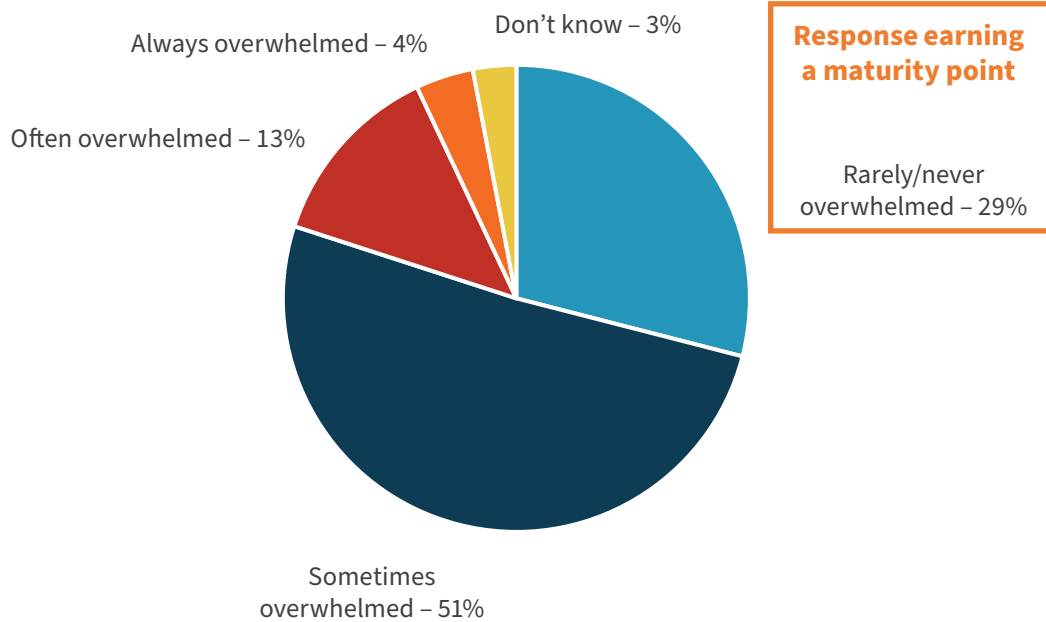
How would you rate the amount of formal training and education received by the typical customer service employee in your organisation? (Percentage of respondents, N=500)



Source: Enterprise Strategy Group

Figure 30. Matching the staffing level to requirements

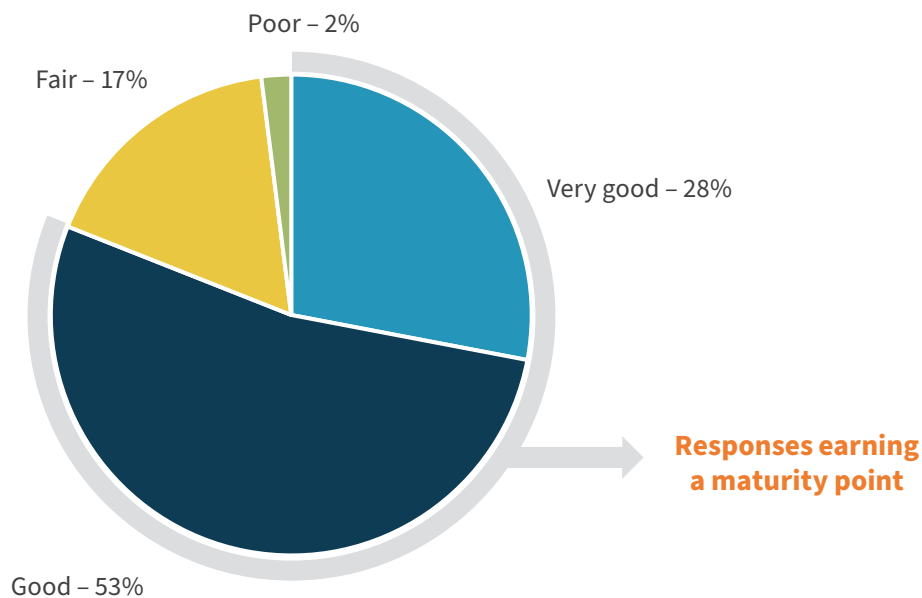
**Which of the following best describes the workload of your organisation’s customer service and support personnel?
(Percentage of respondents, N=500)**



Source: Enterprise Strategy Group

Figure 31. Ability to implement customer feedback

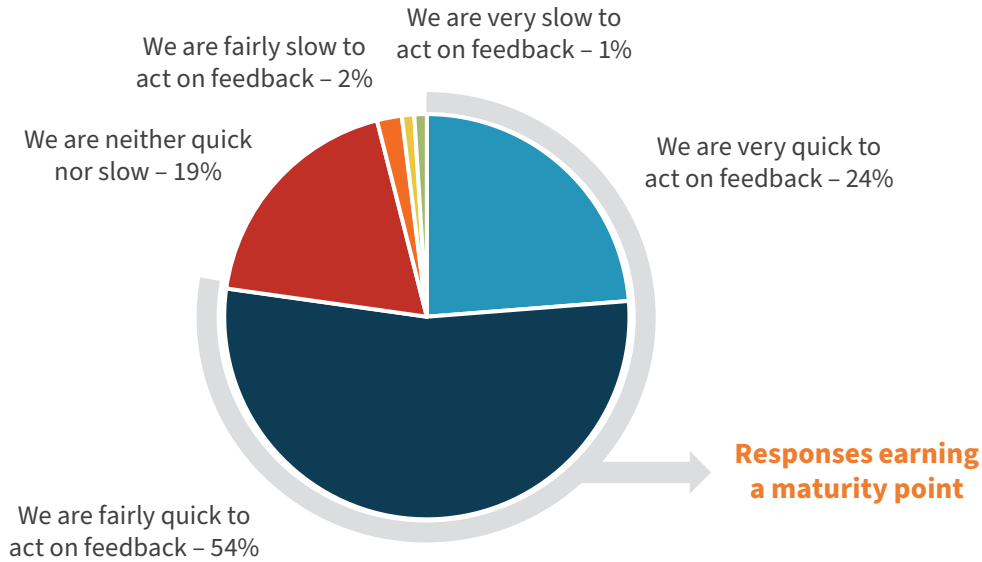
How would you rate your organisation on its ability to act on customer feedback to change its products, services and/or business processes for the better? (Percentage of respondents, N=389)



Source: Enterprise Strategy Group

Figure 32. Speed in implementing customer feedback

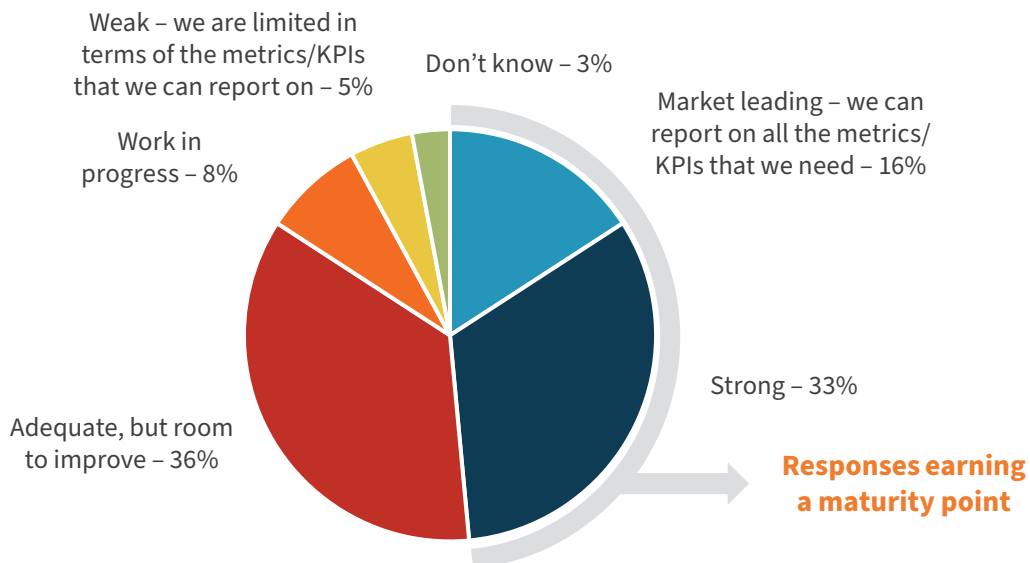
How would you rate how quickly your organisation can turn customer feedback into a change in its products, services and/or business processes? (Percentage of respondents, N=389)



Source: Enterprise Strategy Group

Figure 33. Comprehensiveness of service and support data

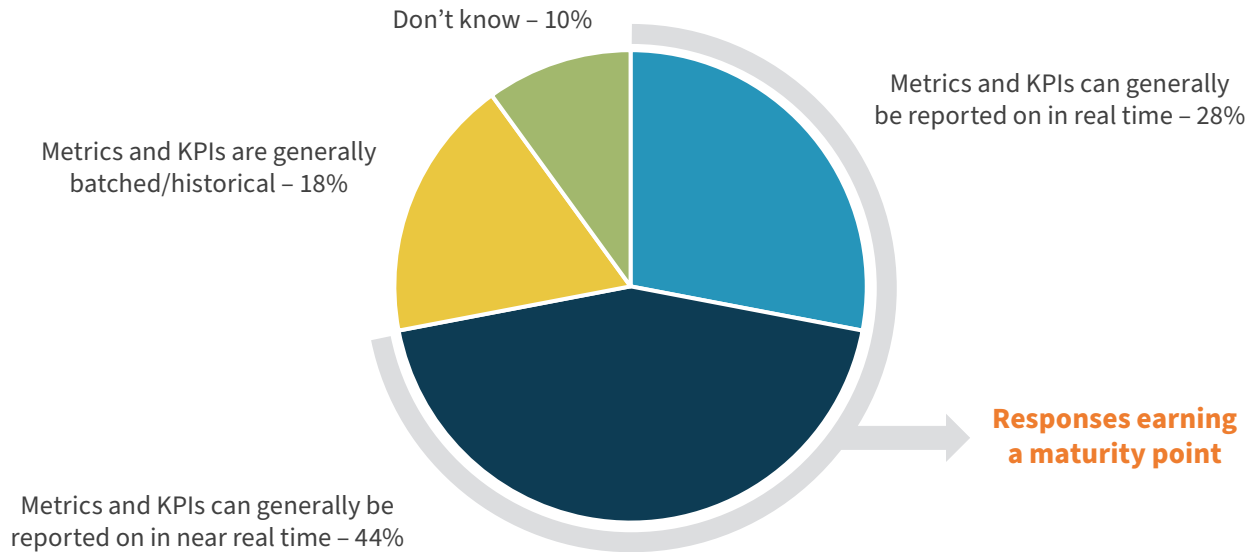
How would you rate the comprehensiveness of your organisation’s customer service and support metrics, and key performance indicators (i.e. does the organisation have access to all the information that you would like it to)? (Percentage of respondents, N=500)



Source: Enterprise Strategy Group

Figure 34. Timeliness of service and support data

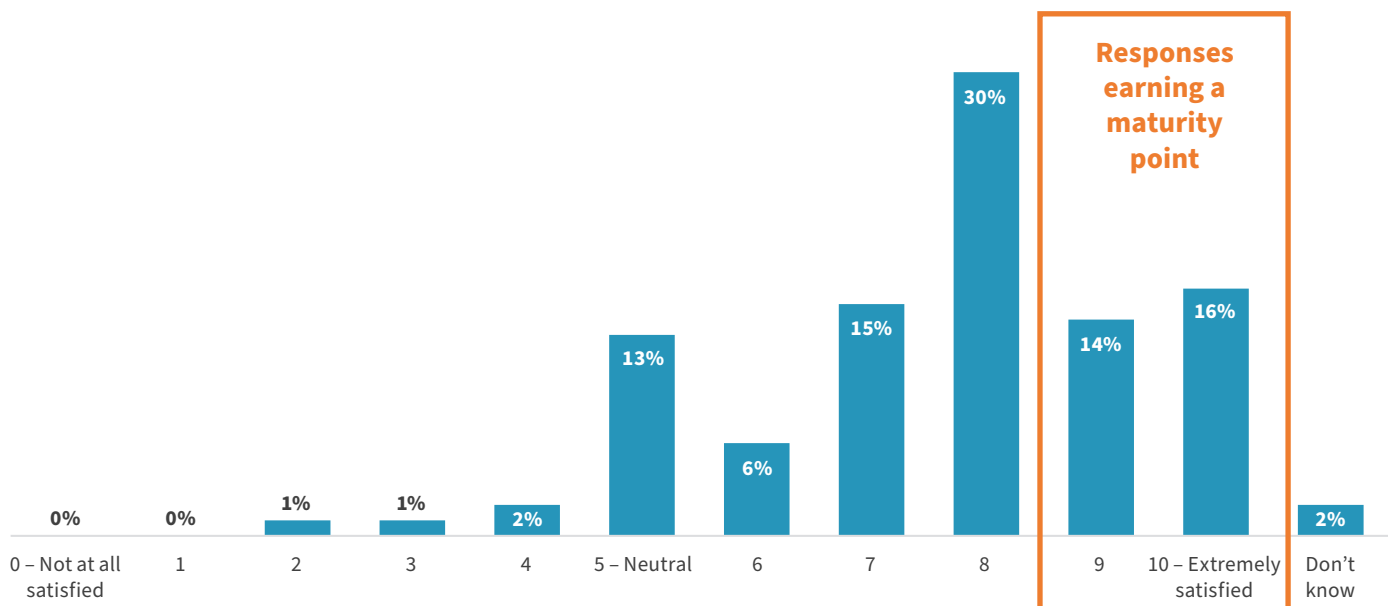
Which best describes how up to date your organisation’s customer service and support metrics, and KPIs are? (Percentage of respondents, N=500)



Source: Enterprise Strategy Group

Figure 35. The importance of security capabilities

Generally speaking, how satisfied are your customer service and support staff with the technology and tools that they use to do their jobs? (Percentage of respondents, N=500)



Source: Enterprise Strategy Group

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