ESG RESEARCH INSIGHTS PAPER

CX Champions: How CX Leaders Who Raise Their Game Are Driving Business Success

Strategies for Midsize and Enterprise Organizations to Build Agility, Resilience, and Confidence in Your Customer Support

October 2020

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Executive Summary

Research Goal

In today’s 24/7 business environment, organizations are under pressure to continuously optimize customer experience (CX). Additionally, our research shows that the current pandemic has further emphasized organizations’ need to be responsive to customer desires: 78% of respondents said 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, organizations 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 organizations 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 at their organizations participated. This report focuses on the 512 respondents that worked at organizations with 100 or more 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 maturity scale that segments respondents (and the organizations 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 organizations, 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 optimize the team’s performance.

By comparing customer service performance, agent experience and operations, and 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

Organizations in the Champion category are clearly outperforming their counterparts in ways that impact business results:

Customer Service Performance

- Champions reduce average total resolution time by 34%, or nearly 3 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 two more channels of engagement than Starters.
Agent Experience

- Agents at Champion organizations handle nearly double the requests (92% more) over the same amount of time as agents at Starter organizations.
- Champions stated turnover is “not at all problematic,” at 6.7x the incidence of Starters (40% versus 6%).

Business Outcomes

- Champions are 6.1x more likely than Starters to exceed formal customer satisfaction (CSAT) goals.
- Champions are 4.9x more likely to have had a very smooth pivot to remote work scenarios necessitated by the COVID-19 outbreak.
- Champions are 3.3x more likely than Starters to have grown their customer bases over the past six months.
- Champions are 8.7x 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 organizations in several important ways:

- Becoming a Champion requires a culture focused on CX, driven from the top down: 81% strongly agree that CX is considered a critical business priority at their organizations.
- Champions use their data: 97% describe the comprehensiveness of their support metrics and KPIs as market-leading or strong.
- Champions invest for success: Nearly three-fifths (57%) of Champions expect their organization to increase investment significantly over the next 12-24 months, versus just 9% of Starters.
Introduction: The CX Mandate

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

While there are numerous touchpoints between a company and its customers throughout the customer journey, one of the primary places CX can take a turn for the worse is when customers run into issues or have questions about your products that are not handled swiftly and effectively. Organizations must be ready to provide the timely and appropriate customer service or support to optimize customer satisfaction, boost repeat business, and maximize 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 wait times for support, ineffectual or irrelevant answers, unresolved issues, or impolite staff.

The research ESG and Zendesk conducted endeavors to validate (or invalidate) the link between an organization’s ability to impart a remarkable service/support experience—and its business results. The research consisted of a survey of 512 individuals familiar with their organization’s CX capabilities, priorities, and current initiatives. Respondents all have managerial responsibility, with 28% at VP- or C-level, and 45% holding senior manager or director titles. These individuals were all employed at organizations with 100 or more employees and in customer-facing functions, such as sales, marketing, service and support, eCommerce, or a CX center 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 customers have a low tolerance for subpar CX and will actively seek out alternatives based on poor interactions. When asked to agree or disagree with the statement that their organization will lose business to more customer-centric competitors if CX is not continually improved, 89% of respondents agreed (see Figure 1).
Clearly, CX capabilities matter—but on what factors are organizations 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 organizations grappled with the uncertainty and macroeconomic impact of the COVID-19 pandemic, respondents report their organizations are focused on improving their ability to serve customers rather than reducing costs associated with CX. In particular, organizations are focused on providing better information to customers in an increasing number of ways—meeting customers where they are in their journeys, with the information they need (see Figure 2).

Figure 2. CX Priorities of Organizations

Over the next 12 months, what aspects of CX are the biggest priority for your organization to improve? (Percent of respondents, organizations with 100+ employees, N=512)

- Providing higher quality information to customers: 45%
- Providing customers with additional ways to interact with us: 44%
- Providing information to customers faster: 33%
- Improving visibility and use of customer data: 30%
- Lowering costs: 21%

Adding value trumps lowering costs.
The remainder of this report will discuss the various ways in which organizations service and support their customers, and the results these organizations achieve. 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 organizations do not place equal importance on CX. We asked respondents to agree or disagree with the following statement: “My organization views CX as a critical business priority.” Of the organizations that have implemented holistic customer service and support best practices—named “Customer Service and Support Champions” for the purposes of this report—81% strongly agreed. In contrast, of the organizations with the fewest CX best practices in place—named “Customer Service and Support Starters” for the purposes of this report—only 41% strongly agreed. Clearly, the importance that an organization places on CX is directly linked to its ability to more broadly implement CX best practices.

Similarly, it is worth noting that larger organizations appear to be placing more emphasis on CX improvement. Of the organizations with 100 or more employees, 57% strongly agreed. In contrast, of the organizations with fewer than 100 employees, 49% strongly agreed.

What’s more, we observed that more customer-centric organizations are succeeding in growing their customer base at the expense of those less equipped to excel at CX. We asked respondents if their organization has increased or decreased their market share over the past six months. More than three-quarters (76%) of Champions reported a net increase in customers relative to competitors, while nearly the same proportion of Starters (73%) reported flat or declining customer growth.

What Makes a Customer Service and Support Champion?

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

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

We employed a binary scoring system to evaluate organizations, meaning that organizations 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 organizations having at least six of these characteristics in place. Risers are defined as organizations 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 these inputs as a roadmap to improve capabilities. Our research strongly suggests that understanding and reinforcing your organization’s strengths, while working to improve weaknesses, will allow your organization to not only improve its service and support performance, but also improve overall business outcomes.
While the data makes it clear that most organizations have significant room to improve, it is worth noting that larger organizations are outpacing SMBs in terms of maturity. While 29% of organizations with 100+ employees are designated Champions, just 22% of SMBs are designated Champions. SMBs are more apt to be Starters (47%) compared to larger organizations (36%).
Champions Meet and Exceed Customer Expectations

In addition to the inputs 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 out 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 summarize our findings with respect to service and support excellence.

Delivering Market-leading Customer Responsiveness

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

Qualitatively, it is clear that Champions believe they are doing a good job with respect to agility. ESG asked respondents to rate their organization’s agility generally—its ability to adapt and quickly respond to customer needs. The majority (55%) of respondents representing Champions gave their organization the best rating possible, a “5 - extremely agile.” Only 9% of Starters rated themselves this highly. Said another way, Champions are 6.1x more likely than Starters to be extremely agile when it comes to responding to customer needs.

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 goes by between the time a customer submits an inquiry or ticket and the time a customer service representative responds to the customer. When a customer reaches out 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 disgruntled. The data shows that as a group, Champions are significantly more responsive: They were nearly 2x as likely to say their average first response time is less than 1 hour (27% versus 16%), and the mean average first response time of the group is an hour faster than that of Starters (see Figure 4).
In addition to measuring first response times, we measured average total resolution time—the amount of time that goes by from initial inquiry 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 2.1x likelier to say their average total resolution time is less than 1 hour** (21% versus 10%) and the mean total resolution time of this group is 34% faster than that of Starters (see Figure 5).

Clearly, Champions have good reason to award themselves high marks on agility. Based on the fact that 86% of all commercial and enterprise organizations surveyed feel agility is critical or important to their organization, Starters have a clear mandate to improve.

**Figure 5. Measuring Average Total Resolution Time**

On average, from the time a customer makes an inquiry, submits a support request, or submits a help ticket, how much time goes by before a successful resolution is reached (i.e., average resolution time)? (Mean among organizations with 100+ employees)
Speed Plus Effectiveness Equals the Winning Service and Support Formula

When it comes to service and support, speed matters—but a fast 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 you deliver both speed and efficacy when supporting customers.

Qualitatively, we see that Champions believe they are delivering on efficacy. We asked respondents to rate their customer service organizations on their ability to provide customers with the information and solutions they need. Champions were 3.2x more likely than Starters to rate their teams as market-leading or strong (77% versus 24%). 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 issues. While there will always be some number of customer issues that cannot be successfully resolved, organizations possessing the best positioned teams, using the best tools, and making the most intelligent use of their data should be able to minimize this number—and this is exactly what we observe in the data: Champions are 3.2x more likely than Starters to report that less than 1% of all customer issues go unresolved (29% versus 9%).

Another quantitative measure of service and support team effectiveness is the percentage of issues the team is able to resolve in a single interaction (i.e., the percent of one-touch tickets). Once again, Champions lead the pack in terms of their ability to solve customer issues on the spot. On average, Champions reported that 83% of customer issues are resolved in a single interaction. This compared favorably to the 74% reported by Starters.
Helping Customers Help Themselves

One of the most effective ways for service and support to scale is via customer self-service. Consequently, an online help center is a crucial element of an overarching CX strategy. The online help center organizes frequently asked questions (FAQs), product details, policies, etc., empowering customers to find the information they require without having to engage with a support agent. But building an effective help center is not a checklist item; it’s a journey. The information your customers need will change over time as new products are released, software is updated, and company policies are changed. As we would expect, Champions recognize these dynamics. We asked respondents to rate their effectiveness, ensuring help center resources are up to date.

Seven out of ten (70%) Champions rated themselves as very effective, 5.4x the frequency of Starters (13%) (see Figure 8).

Figure 7. One-touch Tickets

What percentage of customer support requests or help tickets are customer support staff able to successfully resolve with a single customer interaction (i.e., percent of one-touch tickets)? (Mean among organizations with 100+ employees)

<table>
<thead>
<tr>
<th></th>
<th>Starters (N=174)</th>
<th>Risers (N=175)</th>
<th>Champions (N=150)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very effective</td>
<td>74%</td>
<td>79%</td>
<td>83%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group

Figure 8. Keeping Online Help Center Resources Current

How effective is your organization at ensuring resources in its online help center are up to date (i.e., new information/articles are regularly posted, out of date information/articles are removed, etc.)? (Percent of respondents, organizations with 100+ employees)

- Champions are 5.4x more likely than Starters to be very effective.

<table>
<thead>
<tr>
<th></th>
<th>Starters (N=133)</th>
<th>Risers (N=150)</th>
<th>Champions (N=138)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very effective</td>
<td>13%</td>
<td>27%</td>
<td>70%</td>
</tr>
<tr>
<td>Effective</td>
<td>61%</td>
<td>67%</td>
<td>30%</td>
</tr>
<tr>
<td>Not effective</td>
<td>26%</td>
<td>6%</td>
<td>1%</td>
</tr>
</tbody>
</table>

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 organizations to meet them where they are, including text, chat, and social engagement (among other nontraditional 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 organizations provide to customers today. While the use of phone and email are nearly ubiquitous, Champion organizations 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 organizations, Champions offer an average of about two more channels of engagement than Starters (7.2 versus 5.3).

**Figure 9. Customer Engagement Channels in Use**

Please indicate if your organization provides customer service through any of the following channels today? (Percent of respondents, organizations with 100+ employees)

- **Phone**: 91% (Starters), 90% (Risers), 90% (Champions)
- **Email**: 90% (Starters), 96% (Risers), 95% (Champions)
- **Online help center**: 72% (Starters), 84% (Risers), 92% (Champions)
- **Messaging apps**: 58% (Starters), 74% (Risers), 89% (Champions)
- **Social media**: 70% (Starters), 80% (Risers), 87% (Champions)
- **Online chat**: 60% (Starters), 76% (Risers), 83% (Champions)
- **Webform**: 64% (Starters), 71% (Risers), 75% (Champions)
- **SMS (text)**: 46% (Starters), 65% (Risers), 72% (Champions)
- **Hosting an online community**: 40% (Starters), 53% (Risers), 68% (Champions)

Source: Enterprise Strategy Group
Bringing It All Together: Service and Support Excellence to Enable Lower Customer Effort

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

In this regard, one measure of an organization’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 issue. On average, Champions believe 85% of customers would agree they are easy to deal with, which is significantly higher than what Starters believe (74% of customers) (see Figure 10).

**Figure 10. Assessing Customer Effort**

What percentage of customers do you think would agree that your company made it easy to handle their issue? (Mean among organizations with 100+ employees)

- Starters (N=133): 74%
- Risers (N=174): 81%
- Champions (N=150): 85%

15% higher

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 practices. Granted, a major part of those 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 they are equipped to delight customers, and 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 an issue 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 issue, and any progress toward a resolution, it is unlikely that the agent chatting with 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 organization’s customer service and support maturity.

In the research, we asked respondents to rate their organization’s ability to build historical, comprehensive customer profiles that span all channels of interaction. The plurality (45%) of Champions rated their organizations as market-leading, saying their customer profiles can be viewed as a “single source of truth” when it comes to service records. By contrast, just 10% of Starters had the same level of faith in the completeness of their customer profiles (see Figure 11).

Going beyond the quality of an organization’s omni-channel visibility, there is the question of how quickly the organization can deliver that intelligence to agents. When we asked respondents to describe how cross-channel customer profiles were built at their organizations, the majority (57%) of Starters said this process was manual and done in regular intervals, while just 19% of Champions reported this to be the case at their organizations. By contrast, 37% of Champions reported that cross-channel profiles are developed in an automated fashion and updated continuously, compared to just 13% of Starters. Organizations with greater service and support maturity are delivering more current cross-channel intelligence to agents.
Provisioning visibility across channels of engagement is one way organizations can break down silos. Another method is providing agents with the ability to switch channels of engagement on the fly 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 issue faster 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: 76% of Champions say service and support agents have the ability to toggle customer support channels seamlessly, 4x the rate of Starters (19%) (see Figure 12).

Figure 11. Delivering Omni-channel Visibility Through Robust Customer Profiles

How would you rate your organization’s ability to build historical, comprehensive (i.e., spanning all channels of interaction) customer profiles? (Percent of respondents, organizations with 100+ employees)

<table>
<thead>
<tr>
<th>Champions (N=146)</th>
<th>Starters (N=115)</th>
<th>Risers (N=157)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market-leading – our customer profiles can be viewed as a &quot;single source of truth&quot; when it comes to service records</td>
<td>10%</td>
<td>27%</td>
</tr>
<tr>
<td>Strong</td>
<td>45%</td>
<td>52%</td>
</tr>
<tr>
<td>Adequate or below</td>
<td>22%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group

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 to better serve customer needs (e.g., toggle the conversation from a phone call to a chat discussion with a customer)? (Percent of respondents, organizations with 100+ employees)

<table>
<thead>
<tr>
<th>Champions (N=139)</th>
<th>Starters (N=170)</th>
<th>Risers (N=171)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, customer service staff can toggle channels seamlessly</td>
<td>19%</td>
<td>39%</td>
</tr>
<tr>
<td>Yes, but the user experience could be improved</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>No</td>
<td>33%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group
Optimizing the Agent Experience Drives Up Efficiency, Helps Drive Down Burnout

One of the core tenets of our maturity scale deals with the technology experience organizations provide 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 seamlessly toggle between channels of 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 they use to perform their jobs. The rating scale went from 0 (not at all satisfied) to 10 (extremely satisfied); and 93% of Champions rated their teams’ satisfaction with their helpdesk solutions as either a 9 or 10. By contrast, just 28% of Risers and 6% of Starters were as complimentary about the tools their teams rely on.

A focus on deploying best-of-breed technologies for service and support staff is a means to many ends. We have already discussed several of those ends, from customer-centric agility to more effectively driving resolutions for customers. 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 four out of five (80%) respondents representing Champions rated their organization as either market-leading or strong. Only 23% of Starters rated themselves this highly. Said another way, Champions are 3.5x 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 inquiries, 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 nearly double (92% more) the requests per month than Starters (see Figure 13).

Figure 13. Measuring Agent Throughput

Agents at Champion organizations handle nearly double the requests (92% more) over the same amount of time as agents at Starter organizations.
On the flip side, our data reveals an inverse correlation between service and support maturity, and issues with team turnover. We asked respondents to describe the turnover rate within the service and support organization, and the plurality (40%) of Champions stated turnover is not at all problematic, 6.7x the incidence among Starters (6%) (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 Pain Associated with Agent Turnover

How would you rate the turnover rate of customer service and support staff at your organization? (Percent of respondents, organizations with 100+ employees)

Champions are 6.7x less likely to struggle with agent turnover.

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 organization. But correlations are not limited to the service and support organization; 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 organization’s ability to retain customers. The implication is clear: by optimizing their service and support function, organizations are better positioned to delight their customers, which promotes the overall health of the business.

Delighting Customers to Drive Engagement

The opportunity for the service and support team to move beyond the cost center, and toward competitive differentiator, hinges on its ability to improve customer satisfaction. By improving customer satisfaction, support teams help the organization 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 organization’s performance correlates to its customer satisfaction (CSAT) goals. The plurality (43%) of Champions surveyed typically report exceeding their goals, with an additional 35% reporting that they generally meet goals. Said another way, Champions are 6.1x more likely than Starters (7%) to generally exceed their customer satisfaction goals (see Figure 15).

Figure 15. CSAT Performance Relative to Goals

How does your organization generally perform in terms of customer satisfaction (or CSAT)? (Percent of respondents, organizations with 100+ employees)

| Champions are 6.1x more likely than Starters to exceed CSAT goals. |
| --- | --- | --- |
| Scores generally exceed our goals/expectations | Scores are in line with our goals/expectations | Scores are generally below our goals/expectations | We do not formally measure/don’t know |
| 43% | 50% | 37% | 13% |
| 17% | 35% | 26% | 13% |
| 7% | 26% | 13% | 7% |
| 17% | 26% | 13% | 9% |

Source: Enterprise Strategy Group

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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 organization’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. More than three-quarters (76%) of Champions reported an increase in customers, 3.3x the rate of Starters (23%) (see Figure 16).

Figure 16. Change in Market Share

In the past 6 months, which best describes how your organization has performed? (Percent of respondents, organizations with 100+ employees)

- Champions (N=150)
- Starters (N=184)
- Risers (N=178)

Champions are 3.3x more likely than Starters to be growing their customer base

![Bar chart showing the percentage of respondents in each category: 76% Champions, 46% Starters, and 23% Risers.]

Similarly, customer satisfaction is also linked (in theory) to increasing customer spending over time. The thinking is that customers should be more receptive to upsell and cross-sell offers from providers that do a good job meeting their needs. To test this connection, we asked respondents how spending per customer has changed over the past six months. While the majority (52%) of Champions stated that spending has increased significantly, just 6% of Starters did so. By contrast, nearly half (49%) of Starters reported spending per customer as flat or declining, versus just 15% of Champions (see Figure 17).
Finally, the data shows us that past performance leads to confidence in the future: *65% of Champions believe their organization will exceed their customer retention targets over the next 12 months, as opposed to just 11% of Starters.*

**Do Support Teams Get Credit?**

The many correlations between service and support maturity and positive business performance we have observed do not necessarily mean there is causation. While we believe causation is present, in this case, our opinion matters less than the organizations represented in the research; and there is evidence in the data that shows that organizations see causation between the service and support team’s performance and the organization’s business outcomes.

We asked respondents how senior leadership at their organizations view the customer service and support organizations. 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 organization, the more likely the team is to be seen as a competitive differentiator:** 72% of Champions say business leaders would rate them as a 5, compared to just 19% of Starters (see Figure 18).

Senior business leaders at Champions say 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 looking to increase the internal influence of—and esteem for—the service and support team, implementing the best practices of Champions is a worthwhile endeavor.
Performance Under Pressure (and in a Pandemic)

It is worth noting that, due to the time in which this survey was fielded (7/14/20-8/8/20), 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 behavior. 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 those policies their organizations 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 broad-based, the success with which organizations were able to implement them varied considerably. We asked respondents to characterize the process of supporting more customer service and support agents working from home—and saw stark differences between maturity levels. **Almost half (49%) of Champions report the pivot to supporting remote agents is going very smoothly while the majority of Starters (52%) say the transition could be better or has been rough** (see Figure 19).

Whether it was due to their teams being more capable (thanks to increased training and retention), their helpdesk solutions being more flexible (e.g., SaaS-based solutions that only need a connection to the internet to work), their use of data to optimize 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.
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 organization had enacted more flexible remote work policies, 70% reported their organizations were considering making these policy changes permanent.

Moreover, the data indicates that customers still demand responsiveness in a post-pandemic world: 78% of respondents said customer-centric agility has increased in importance as a result of COVID-19, outnumbering respondents that said COVID-19 has diminished the importance of agility by 26 to 1 (see Figure 20). And it is also worth noting that this phenomenon is more pronounced in the midmarket and enterprise market segment; 65% of SMBs reported agility has increased in importance. Remote service teams must be able to deliver fast and effective customer support.
Figure 20. COVID-19’s Impact on the Importance of Customer-centric Agility

As your organization navigates COVID-19, how has the importance of agility (i.e., the ability to adapt and quickly make changes in response to customer needs) changed at your organization? (Percent of respondents, organizations with 100+ employees, N=512)

- It is much more important than pre-COVID-19, 37%
- It is somewhat more important than pre-COVID-19, 41%
- It is no more important than pre-COVID-19, 17%
- It is somewhat less important than pre-COVID-19, 2%
- It is much less important than pre-COVID-19, 1%
- Don’t know, 1%

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, 94% agreed that it is. However, the intensity of agreement varied by the organization’s maturity level: 81% of Champions strongly agreed, compared to 41% of Starters. This higher level of importance is manifested in the behavior of senior business leaders. When we asked respondents how often C-suite executives review CX metrics, 33% of Champions reported this was a daily occurrence, while 63% of Starters reported CX metrics receive C-suite inspection on a monthly basis or less often (see Figure 21).

Service and support are still predominantly a person-to-person endeavor; 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 regular work hours. On average, Champions provide their teams with more than two and one-half more days of training per year than Starters. Investing in training is an area where Champions clearly outperform the competition.
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: 97% describe the comprehensiveness of their support metrics and KPIs as market-leading or strong. Moreover, their data is current, with 63% stating 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.

Automation and artificial intelligence (AI) are making an impact. Collecting, analyzing, 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 (37% versus 13% of Starters). AI is also starting to make a tangible impact on service and support performance. About 9% of respondents reported their organization leverages fully automated chatbots to answer customer questions. On average, those organizations told us approximately 8% of customer inquiries made to those chatbots are successfully resolved without any interaction needed 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 organizations’ spending on CX tools and technologies to change over the next 12 months. Nearly three-fifths (57%) of Champions expect their organization to increase investment significantly, versus just 9% 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 organizations. 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 at lagging organizations to preserve and make the most of their budgets.
The Bigger Truth

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

It’s clear customers today are rewarding companies that can provide a truly elevated customer experience. Organizations seeking to increase their customer service and support capabilities should study the behaviors 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 at their organizations. Organizations represented spanned the globe, including North America (N=256), Europe (N=250), Asia (N=250), and Latin America (N=256). Organizations represented were split between SMBs (those with <100 employees, N=500), midmarket organizations (those with 100-999 employees, N=255), and enterprises (those with 1,000 or more employees, N=257). The survey was fielded between July 14, 2020 and August 8, 2020. All respondents were provided 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 organizations with 100 or more employees.

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

**Figure 24. Location of Respondents**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>26%</td>
</tr>
<tr>
<td>Mexico</td>
<td>11%</td>
</tr>
<tr>
<td>Brazil</td>
<td>10%</td>
</tr>
<tr>
<td>India</td>
<td>9%</td>
</tr>
<tr>
<td>Australia</td>
<td>6%</td>
</tr>
<tr>
<td>Singapore</td>
<td>6%</td>
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<tr>
<td>France</td>
<td>6%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6%</td>
</tr>
<tr>
<td>Germany</td>
<td>5%</td>
</tr>
<tr>
<td>Canada</td>
<td>5%</td>
</tr>
<tr>
<td>Japan</td>
<td>4%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Enterprise Strategy Group
**Figure 25. Respondents’ Job Functions**

Which of the following best describes your current job function? (Percent of respondents, N=512)

- Executive management, 49%
- Sales, 20%
- Customer service, 13%
- Marketing, 6%
- eCommerce, 4%
- Field service & support, 3%
- Which of the following best describes your current job function? (Percent of respondents, N=512)

Source: Enterprise Strategy Group

**Figure 26. Respondents’ Seniority**

Which of the following best describes your current responsibility within your organization? (Percent of respondents, N=512)

- Executive management (e.g., CxO, President, Managing Director, EVP/SVP/VP, etc.), 28%
- Senior management (e.g., Senior Director, Director, Senior Manager, etc.), 45%
- Management, 27%

Source: Enterprise Strategy Group
Figure 27. Company Size (Number of Employees)

How many total employees does your organization have worldwide? (Percent of respondents, N=512)

- 100 to 499: 28%
- 500 to 999: 22%
- 1,000 to 2,499: 19%
- 2,500 to 4,999: 11%
- 5,000 to 9,999: 9%
- 10,000 or more: 11%

Source: Enterprise Strategy Group

Figure 28. Company Industry

What is your organization’s primary industry? (Percent of respondents, N=512, one response accepted)

- Retail, wholesale, and distribution: 16%
- Financial services: 10%
- Computer software and services: 7%
- Education: 7%
- Consumer services: 7%
- Construction and building materials: 7%
- Consumer products: 7%
- Industrial manufacturing and services: 7%
- Healthcare equipment and services: 5%
- Corporate services: 4%
- Government and non-profit: 4%
- Automotive: 3%
- Energy and environmental: 3%
- Media and entertainment: 2%
- Transportation: 2%
- Computer hardware: 2%
- Telecommunications: 2%
- Chemicals, metals, and mining: 2%
- Other: 2%

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 inputs to determine an organization’s maturity score. These seven questions align to the people, process, and data and technology attributes of the service and support organization within represented companies. Based on the answers to these and other questions, respondents’ organizations could earn between 0 and 7 maturity points. At organizations with 100 or more employees, 36% earned 0-3 points (placing them in the “Starter” category); 35% earned 4-5 points (placing them in the “Riser” category); and 21% 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. Agent Training**

How would you rate the amount of formal training and education the typical customer service employee receives at your organization? (Percent of respondents, N=512)

- The amount of training provided is matched to the amount needed, 55%
- The amount of training is less than ideal, more training would be beneficial, 40%
- Don’t know, 2%
- The amount of training is more than is needed, less training would be beneficial, 3%

*Source: Enterprise Strategy Group*
Figure 30. Matching Staffing Level to Need

Which of the following best describes the workload of your organization’s customer service and support personnel? (Percent of respondents, N=512)

- Always overwhelmed, 9%
- Often overwhelmed, 20%
- Sometimes overwhelmed, 52%
- Rarely/never overwhelmed, 19%

Source: Enterprise Strategy Group

Figure 31. Ability to Implement Customer Feedback

How would you rate your organization on its ability to act on customer feedback to change its products, services, and/or business processes for the better? (Percent of respondents, N=461)

- Very good, 33%
- Good, 49%
- Fair, 16%
- Poor, 2%

Source: Enterprise Strategy Group
Figure 32. Speed in Implementing Customer Feedback

How would you rate how quickly your organization can turn customer feedback into a change in its products, services, and/or business processes? (Percent of respondents, N=461)

- We are very quick to act on feedback, 27%
- We are fairly quick to act on feedback, 56%
- We are neither quick nor slow, 13%
- We are fairly slow to act on feedback, 2%
- We are very slow to act on feedback, 1%

Source: Enterprise Strategy Group

Figure 33. Comprehensiveness of Service and Support Data

How would you rate the comprehensiveness of your organization’s customer service and support metrics and key performance indicators (i.e., does the organization have access to all the information you would like it to)? (Percent of respondents, N=512)

- Market-leading – we can report on all the metrics/KPIs we need, 23%
- Strong, 41%
- Adequate, but room to improve, 31%
- Work in progress, 4%
- Weak – we are limited in terms of the metrics/KPIs we can report on, 1%
- Don’t know, 1%

Source: Enterprise Strategy Group
Figure 34. Timeliness of Service and Support Data

Which best describes how up to date your organization’s customer service and support metrics and KPIs are? (Percent of respondents, N=512)

- Metrics and KPIs can generally be reported on in near real time, 53%
- Metrics and KPIs can generally be reported on in real time, 33%
- Metrics and KPIs are generally batched/historical, 11%
- Don't know, 3%

Responses earning a maturity point

Source: Enterprise Strategy Group

Figure 35. Importance of Security Capabilities

Generally speaking, how satisfied are your customer service and support staff with the technology and tools they use to do their jobs? (Percent of respondents, N=512)

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – Not at all satisfied</td>
<td>1%</td>
</tr>
<tr>
<td>1</td>
<td>8%</td>
</tr>
<tr>
<td>2</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>28%</td>
</tr>
<tr>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>5 – Neutral</td>
<td>8%</td>
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<tr>
<td>6</td>
<td>16%</td>
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<tr>
<td>7</td>
<td>20%</td>
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<tr>
<td>8</td>
<td>20%</td>
</tr>
<tr>
<td>9</td>
<td>1%</td>
</tr>
<tr>
<td>10 – Extremely satisfied</td>
<td>Don't know</td>
</tr>
</tbody>
</table>

Responses earning a maturity point

Source: Enterprise Strategy Group

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