Q2
2014

THE ZENDESK BENCHMARK

IN FOCUS: BEHAVIORAL CUES OF CUSTOMER SATISFACTION

Contents

The Zendesk Benchmark

Global Customer Satisfaction, Q2 2014
Country and Industry Data

83% ↑ 2 Points*

Q2 TOP COUNTRIES		SINCE Q1 (2014)*	Q2 TOP INDUSTRIES		SINCE Q1 (2014)*
1.	NEW ZEALAND 93%	↑ 1	1.	IT SERVICES & CONSULTANCY 94%	− 0
2.	CANADA 92%	↑ 2	2.	EDUCATION 93%	↑ 1
3.	NORWAY 92%	↑ 2	3.	GOVERNMENT & NON-PROFIT 93%	↓ 2

| Q2 BOTTOM COUNTRIES		SINCE Q1 (2014)*	Q2 BOTTOM INDUSTRIES		SINCE Q1 (2014)*
1.	INDIA 58%	↓ 1	1.	ENTERTAINMENT & GAMING 75%	↑ 1
2.	TURKEY 68%	↑ 6	2.	SOCIAL MEDIA 78%	↑ 9
3.	COLOMBIA 71%	N/A**	3.	TRAVEL, HOSPITALITY, & TOURISM 82%	↑ 2

*change in percentage points
**did not meet minimum response threshold in Q1

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Summary

In Focus: Behavorial Cues of Customer Satisfaction

The Zendesk Benchmark typically focuses on metrics that measure operational efficiency, such as first reply time and average tickets per month, which are indicators of customer satisfaction. Of course, there are many factors beyond the scope of support operations that can impact customer satisfaction. This quarter the Zendesk Benchmark report aims to better understand and measure some frequently overlooked information such as the behavioral cues of customers and agents—including their mannerisms and vocabulary—as well as demographic data pulled from email addresses, and how that information can function as indicators of customer satisfaction.

CUSTOMER SATISFACTION (%)

FIRST REPLY TIME (MINUTES)
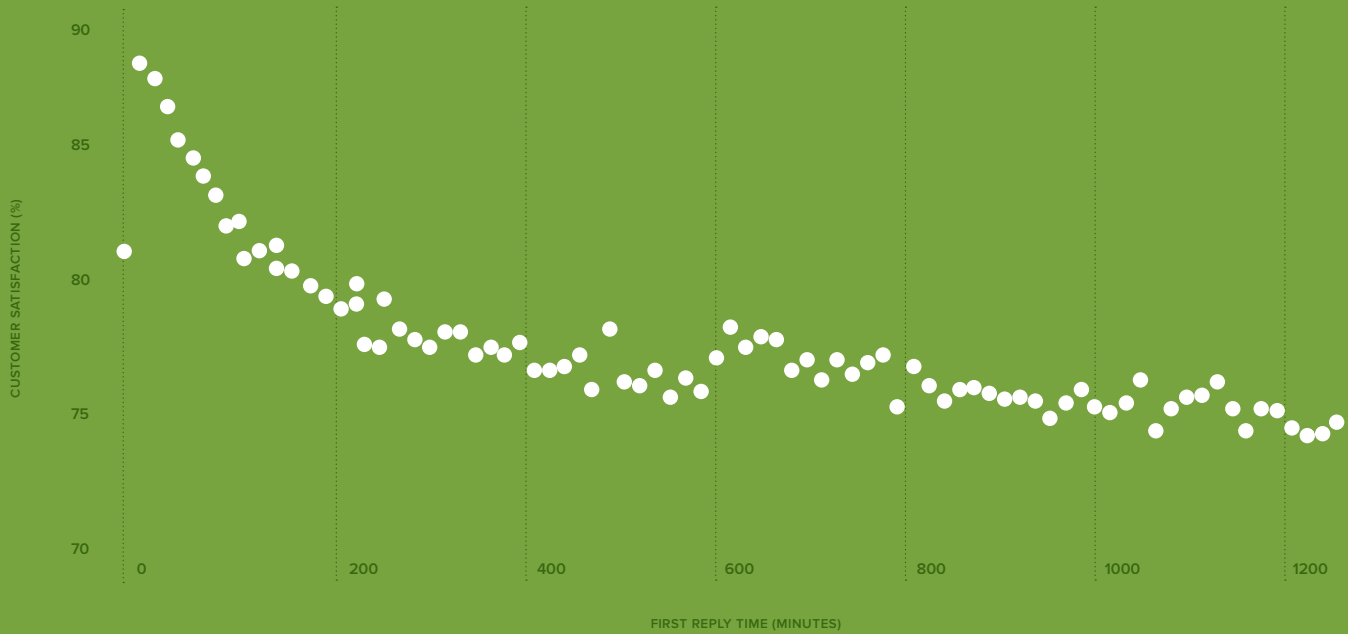
Behavioral Cues of Customer Satisfaction

We have spent a lot of time and energy examining operational support metrics like first reply time and resolution time, and their effect on customer satisfaction. These are some of the most commonly used metrics that businesses rely on to measure their customer service effectiveness, and for good reason: We know that the longer customers are forced to wait to receive a response about their issue, the lower their perception of the quality of the service. As the chart above illustrates, first reply time is an operational metric that has a strong correlation with customer satisfaction.

Clearly, operational metrics are important. But zeroing in on them while ignoring other signals can prevent us from clearly understanding our interactions with customers. We attempt to uncover some of these less common cues in this report. First, we look at the vocabulary used in conversation by both customers and agents to see if being polite improves customer satisfaction, and whether a customer who writes a **War and Peace**-length support request is more or less likely to end up happy with their customer service. Next, we examine the word choices made by agents and what impact they might have on customer satisfaction. Finally, we look at demographic information gleaned from a customer's email address and what that might tell us about that customer.

Customer Behavior

With so much focus on factors like the channel used by a customer to contact a company or what time of day a support request is created, it is easy to overlook something as simple as word choice as a factor that will ultimately impact that customer's satisfaction. As this section indicates, paying attention to the customer, and not just the agent, can help you understand the likelihood of that customer's satisfaction.

Please and Thank You: Are polite customers more likely to be satisfied customers? In this case, "polite" is defined by the use of the words "thank" (to cover both "thank you" and "thanks") and "please."

CUSTOMER SATISFACTION (%)

88

86

84.4

84

82

81.4

80

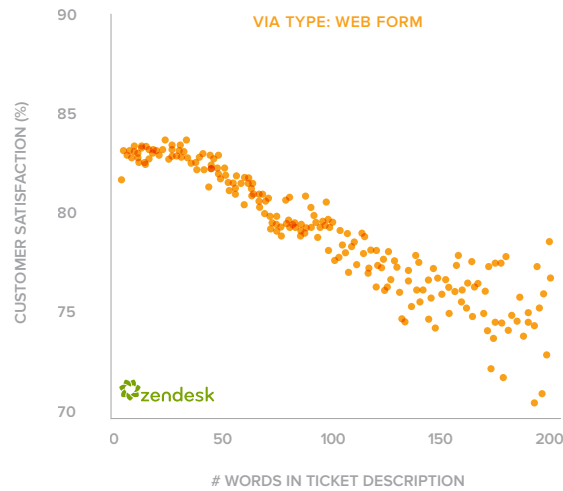DIDN'T USE POLITE WORDS   USED POLITE WORDS
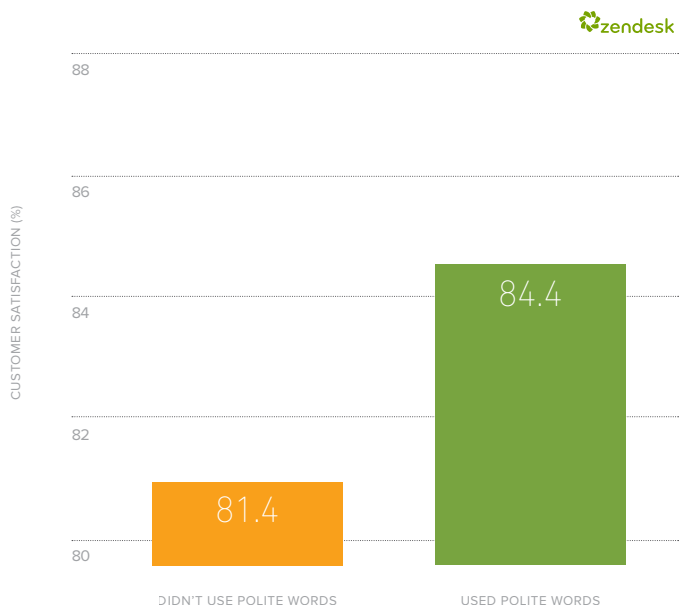
Results: The research indicates that customers who use the phrases "please," "thanks," and "thank you" tend to be more satisfied (see chart on previous page).

Being overbearing, overly stern, or generally rude to support agents is a common strategy for some customers seeking better service. However the data indicates that customers who are polite tend to submit higher customer satisfaction scores than those who aren't.

Tips for the customer: If you want great service, remember that words matter: taking the time to be polite when interacting with customer service might make you happier in the long run.

VIA TYPE: WEB FORM

VIA TYPE: MAIL

Word Count

Perhaps one of the most interesting findings of this research deals with the word count of the initial ticket created by the customer. Will a longer, wordier communication from a customer indicate lower customer satisfaction? As it turns out, the answer depends on the method used by the customer to contact the company.

Results: Word count is a clear indicator of satisfaction when a web form is the method of communication: the more words in the initial ticket, the less satisfied the customer tends to be. This might not be surprising: how often does anyone write a 200-word support request via a web form? The data indicates an inverse correlation between word count and customer satisfaction. When submitted via a web form, it is probably not a love letter to the company. More likely, it's an unhappy customer on a rant. The same correlation does not exist with email, where the length of the communication is not a predictor of that customer's satisfaction. The difference between the two grows even starker at the 200-word count, which can sometimes result in higher satisfaction.
It is difficult to pinpoint the exact reason for this. Email is a widely used communication tool, whereas a web form can be more difficult to find and use.
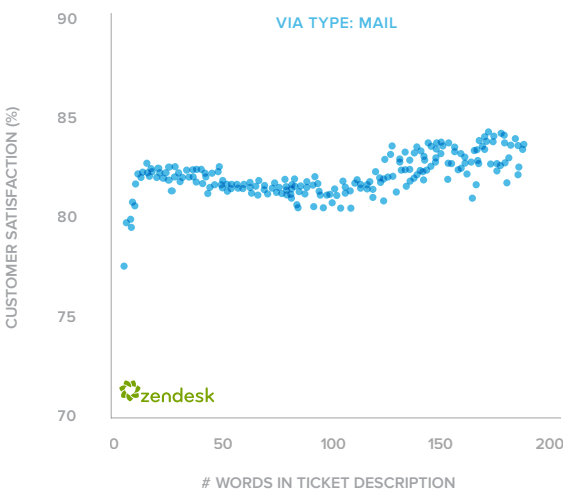
A customer might need to be highly motivated by anger or frustration, more so than with email, to seek out a web form. In which case, a longer communication might equal a larger issue. Another possibility is the lack of a draft option in a web form. Email allows for a draft to be saved, giving its author time to cool down, reflect, and write something more measured. Since a web form lacks this option, customers might be contacting companies while still inflamed over an issue.

Tips for the customer: Though the experience can be quite different, a web form and an email are essentially the same thing: a written communication. Whenever possible, taking the time to cool off and thoroughly explain the issue, regardless of the format, will work to your benefit.

Customer service organizations are becoming increasingly more intelligent in the way they deliver support to their customers. For example, many optimize their workflows based on various conditions and attributes of the customer (e.g., communication channel, type of customer). This allows companies to provide a more tailored experience for their customers.

However, it is also possible to use something as simple as a one-rule algorithm to drive support decisions. If the length of a support request is a potential indicator of a bad customer experience, the support team could set up a one-rule trigger that escalates tickets with higher word count via web form to a higher priority.

Agent Mannerisms

Every support team has its own goals and specific performance metrics, measuring everything from the number of tickets solved by an agent in an hour to ticket v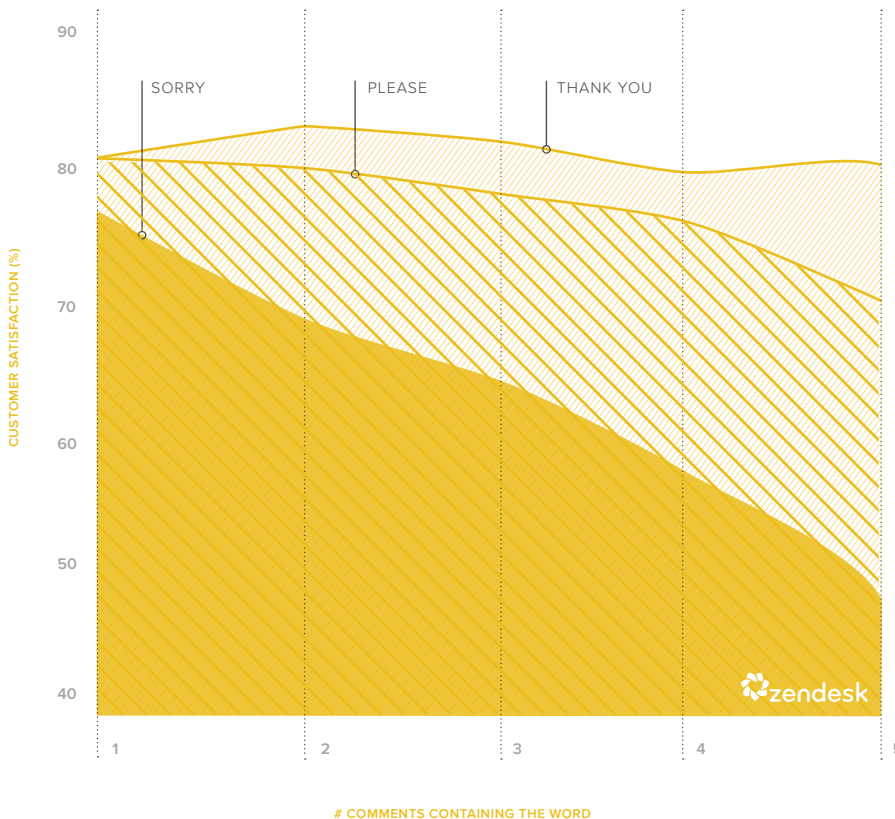olume by channel. Things are simpler from the customer's perspective: they just want great service so they can get back to their lives. This survey conducted by Dimensional Research defines a good customer service interaction as characterized by the customers:

WHAT SPECIFICALLY MADE THESE CUSTOMER INTERACTIONS GOOD?

THE PROBLEM WAS RESOLVED QUICKLY	**69%**
THE PERSON WHO HELPED ME WAS NICE	**65%**
THE PROBLEM WAS RESOLVED IN ONE INTERACTION— NO PASSING AROUND TO MULTIPLE PEOPLE	**63%**
THE OUTCOME WAS WHAT I WAS ORIGINALLY HOPING FOR WHEN I CONTACTED CUSTOMER SERVICE	**47%**

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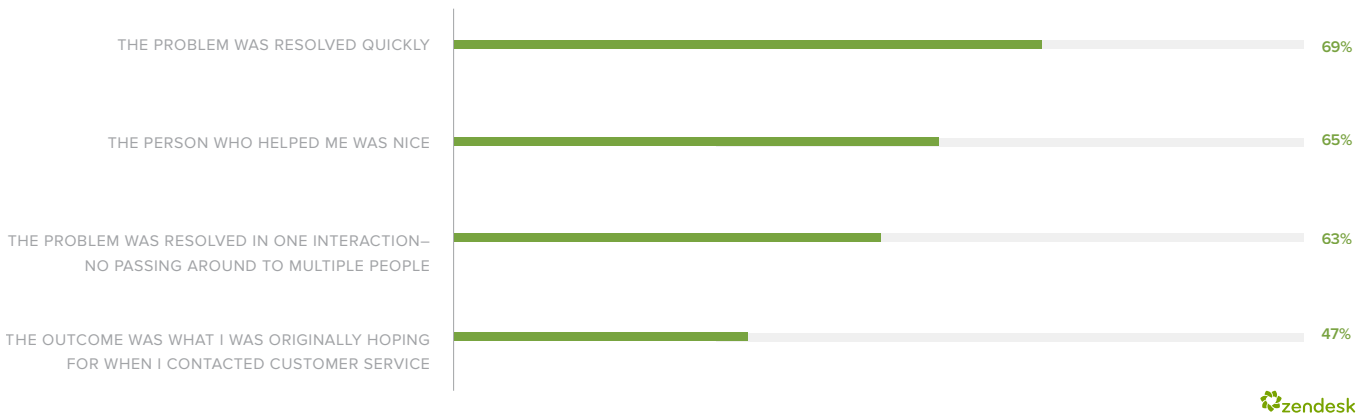
Saying "Sorry" Might Make You Sorry

In an attempt to understand what a customer might mean by "the person who helped me was nice," we investigated the occurrence of "sorry," "please," and "thank" (to cover both "thanks" and "thank you") in public comments by agents, and compared it with customer satisfaction.

CUSTOMER SATISFACTION (%)

90

80 SORRY   PLEASE   THANK YOU

70

60

50

40

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1   2   3   4   5

 # COMMENTS CONTAINING THE WORD

Results: In all three cases, customer satisfaction decreases with increased use of these words. Not surprising, since the increased usage might indicate interactions requiring several interactions between the agent and the customer, as well as longer resolution times. However, for comments with increasing usage of "sorry," satisfaction drops at a much faster rate than comments that include the words 'thank" or "please."

Choosing to only focus on the number of comments from agent to customer, and not on the words within, presents a myopic view of that interaction. If you only measure the number of comments or resolution time, you might miss the most important point: the customer's needs are not being met, and there might be a larger issue that needs to be addressed.
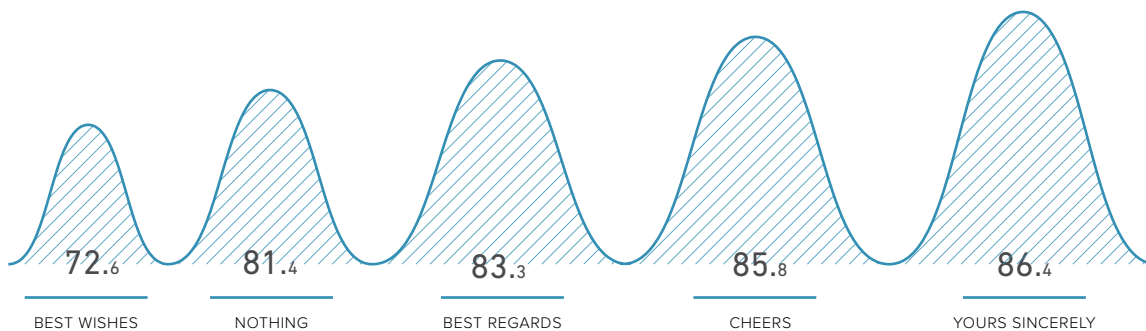
Tips for the customer: If you find yourself in a prolonged customer service interaction and find that the agent is saying "sorry" multiple times, and not actually fixing the issue, you might need to take a step back and help them understand what your issue is. Be polite (see Customer Behavior above) and help them understand the problem you are trying to solve.

Signing-Off

The closing of a letter or email, or valediction, presents customer service agents with an opportunity to provide some personalization to a customer communication. However, not all valedictions will have the same effect. When looking at the sign-off in the last public comment made by an agent to customer, it appears that specific word choices can impact customer satisfaction.

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CUSTOMER SATISFACTION (%) BY AGENT VALEDICTION

72.6	81.4	83.3	85.8	86.4
BEST WISHES	NOTHING	BEST REGARDS	CHEERS	YOURS SINCERELY

Results: The use of a valediction—specifically "Yours sincerely," "Best regards," and "Cheers"—are all better options than other choices, or none at all. Customers want personalization, and a personalized sign-off can be a great reminder to the customer that they are speaking with a human.

However, and perhaps oddly, customers appear to have an aversion to the phrase "Best wishes." It's difficult to draw any conclusive lessons from this. But it is clear that small details like this can have a serious impact. Tracking these details and learning from them—in this case, avoiding "Best wishes"—is more important than you might realize.

Customer Email

An email address is commonplace and mundane, making it easy to overlook how much it can tell you about a person. As a study from MailChimp illustrates, this can include demographic information such as likely age (i.e., the median age of Gmail and Hotmail users is 31; Yahoo: 34; and AOL: 49) and gender (i.e., a person with an email prefix containing "grl" is likely to be female; "moh," male). But what does this mean for customer service?

Companies should consider applying a one-rule trigger based on mentions of "sorry," with tickets containing more than two mentions of "sorry" escalated to a manager to avoid a bad customer interaction and negative satisfaction rating.

Country of Origin

In a global economy, customers are interacting with companies all over of the world. Luckily, many email domains provide the country of origin, making it possible for companies to figure out where their customers are located. This section looks at how satisfied customers are in specific countries.

.us   .nz   .no   .au   .se   .dk
92.0%   89.6%   88.8%   87.8%   85.6%   85.2%

.ru   .de   .br   .uk   .fr   .in
84.7%   83.3%   83.0%   82.8%   76.3%   59.8%
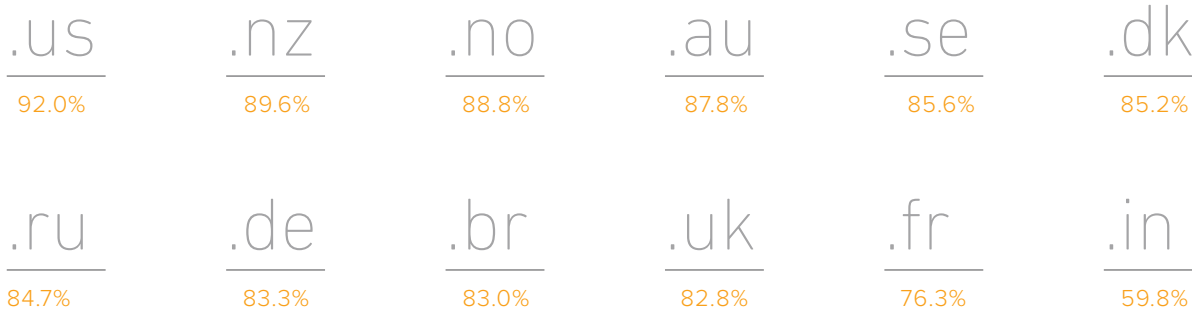
Results: Customers in New Zealand are highly satisfied, consistent with the high level of satisfaction earned by companies in New Zealand. Similarly, customers from India provide the lowest customer satisfaction ratings, and India consistently receives the lowest customer satisfaction rating.

This data might indicate that geographic and cultural dispositions to customer service may impact which countries have higher or lower satisfaction. Do companies in New Zealand provide the best service in the world, or are customers in New Zealand less willing to provide a negative rating, even when they receive poor service? Are Indian companies giving the worst service in the world, or are Indian customers the most demanding? It is difficult to say. As data from this study indicates, cultural differences in customers can impact a customer's expectations of customer service, as well as a customer's willingness to provide a bad rating for service.
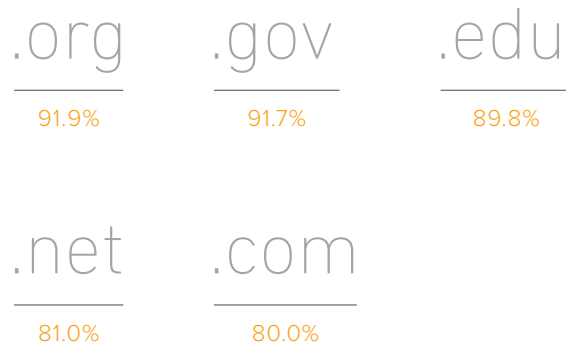
Tips for the customer: Customer service varies around the world. For example, France tends to score in the lower third of the Benchmark report. But that doesn't necessarily mean that French companies provide inferior service. It could simply be the case that their customers have higher expectations of customer service, and tend to give lower satisfaction ratings.

Industry

In addition to the country of origin, an email suffix can provide some contextual information about the end-user, specifically if they are corporate (.com and .net) or non-corporate (.edu, .org, and .gov).

Results

Every quarter the Zendesk Benchmark report publishes satisfaction ratings by industry. Education and Government & Non-profit are consistently in the top three. This is consistent with the high-level of customer satisfaction ratings provided via non-corporate email addresses, which tend to originate from educational institutions, nonprofits, and governmental organizations.

.org   .gov   .edu
91.9%   91.7%   89.8%

.net   .com
81.0%   80.0%

@MAC.COM   84.7%

@MAIL.RU   84.2%

@WEB.DE   83.3%

@GMAIL.COM   78.1%

@HOTMAIL.COM   77.0%

@AOL.COM   76.0%

@YAHOO.COM   75.4%

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Email Provider

Finally, the study looked at how different email providers (e.g., yahoo.com, gmail.com) rank as indicators of end-user customer satisfaction.

> *Results:* Users of Yahoo email provide the lowest customer satisfaction scores at 75.4%, significantly lower than .Mac users at 84.7%. Armed with this information, companies could decide to prioritize and even escalate tickets from users depending on their email domain.

Country and Industry Data

The most striking update to this quarter's Benchmark report is the addition of nine countries which had not previously met the threshold for inclusion in the report. Perhaps most notable of the new additions is Italy, which earned fourth place, less than a percentage point below Norway, which came in just behind runner-up, Canada.

Q2 (2014) COUNTRY		SINCE Q1 (2014)*		Q2 (2014) COUNTRY		SINCE Q1 (2014)*		Q2 (2014) COUNTRY		SINCE Q1 (2014)*
1.	NEW ZEALAND 93%	↑ 1		14.	UNITED STATES 85%	↑ 3		27.	INDONESIA 77%	N/A**
2.	CANADA 92%	↑ 2		15.	UNITED KINGDOM 85%	↑ 2		28.	SPAIN 76%	⊖ 0
3.	NORWAY 92%	↑ 2		16.	RUSSIA 84%	↑ 1		29.	IRELAND 76%	N/A**
4.	ITALY 92%	N/A**		17.	NETHERLANDS 84%	↑ 2		30.	COLOMBIA 71%	N/A**
5.	SWITZERLAND 90%	N/A**		18.	BELGIUM 84%	↑ 10		31.	TURKEY 68%	↑ 6
6.	SINGAPORE 90%	N/A**		19.	SOUTH AFRICA 84%	N/A**		32.	INDIA 58%	↓ 1
7.	AUSTRALIA 88%	↓ 1		20.	BRAZIL 83%	⊖ 0				
8.	DENMARK 88%	↓ 1		21.	FRANCE 81%	↑ 3				
9.	MEXICO 88%	⊖ 0		22.	CHILE 80%	↓ 2				
10.	CZECH REPUBLIC 87%	N/A**		23.	GERMANY 80%	↑ 1				
11.	ISRAEL 86%	↑ 2		24.	PHILIPPINES 80%	↑ 2				
12.	SWEDEN 86%	↑ 3		25.	MALAYSIA 77%	↑ 8				
13.	UNITED ARAB EMIRATES 85%	↑ 1		26.	POLAND 77%	N/A**				

*change in percentage points
**did not meet minimum response threshold in Q4

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Q2 (2014) INDUSTRY	SINCE Q1 (2014)*	Q2 (2014) INDUSTRY	SINCE Q1 (2014)*	Q2 (2014) INDUSTRY	SINCE Q1 (2014)*
1. IT SERVICES & CONSULTANCY 94%	⊖ 0	7. MANUFACTURING & COMPUTING 89%	↑ 2	13. WEB APPLICATIONS 83%	⊖ 0
2. EDUCATION 93%	↑ 1	8. PROFESSIONAL & BUSINESS SUPPORT SERVICES 88%	↑ 2	14. MARKETING & ADVERTISING 82%	↑ 2
3. GOVERNMENT & NON-PROFIT 93%	↓ 2	9. SOFTWARE 86%	↑ 3	15. TRAVEL, HOSPITALITY & TOURISM 82%	↑ 2
4. HEALTHCARE 92%	↑ 3	10. FINANCIAL & INSURANCE SERVICES 84%	⊖ 0	16. SOCIAL MEDIA 78%	↑ 9
5. WEB HOSTING 92%	↑ 1	11. MEDIA & TELECOMMUNICATIONS 84%	↑ 1	17. ENTERTAINMENT & GAMING 75%	↑ 1
6. REAL ESTATE 92%	↑ 1	12. RETAIL 83%	↑ 4		

*change in percentage points
**did not meet minimum response threshold in Q4

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IT Services & Consultancy, Education, and Government & Non-profit have once again taken the top three spots on the Benchmark report. Despite being in the bottom three, Social Media distinguished itself this quarter, improving nine percentage points despite experiencing a slightly higher average of tickets per month. Similarly, customer satisfaction in the Software industry improved by three percentage points while fielding 45% more average tickets per month than last quarter.

Background on the Zendesk Benchmark

The Zendesk Benchmark was initially introduced in March 2012 as a way for companies to compare their support performance against their industry peers. Rather than a survey or expert opinion, the Zendesk Benchmark is based on actual support and customer service interactions from more than 25,000 companies across 140 countries that have chosen to participate. They are drawn from the more than 45,000 companies that use Zendesk. It measures key metrics around customer support efficiency, customer self-service behavior, and levels of customer engagement.

The Zendesk Benchmark reports on the health of customer service and identifies trends in how companies provide support and consumers receive it. The quarterly report tracks overall customer satisfaction, based on the aggregated responses of real customers to the question of whether they were satisfied with a support interaction.

Benchmark metrics are reported by industry, country, and other measures that reach a minimum threshold of responses. In order for a country to be included, there must have been a minimum of 10,000 customer satisfaction responses from at least ten companies in that country for the quarter, and as a result, not every country will appear in every quarterly report. In other words, some countries that appeared in a previous quarterly report might not appear in this quarter's report. And countries that appear in this report might not have appeared in past reports, and may not meet the requirements to appear in next quarter's report or other reports in the future.