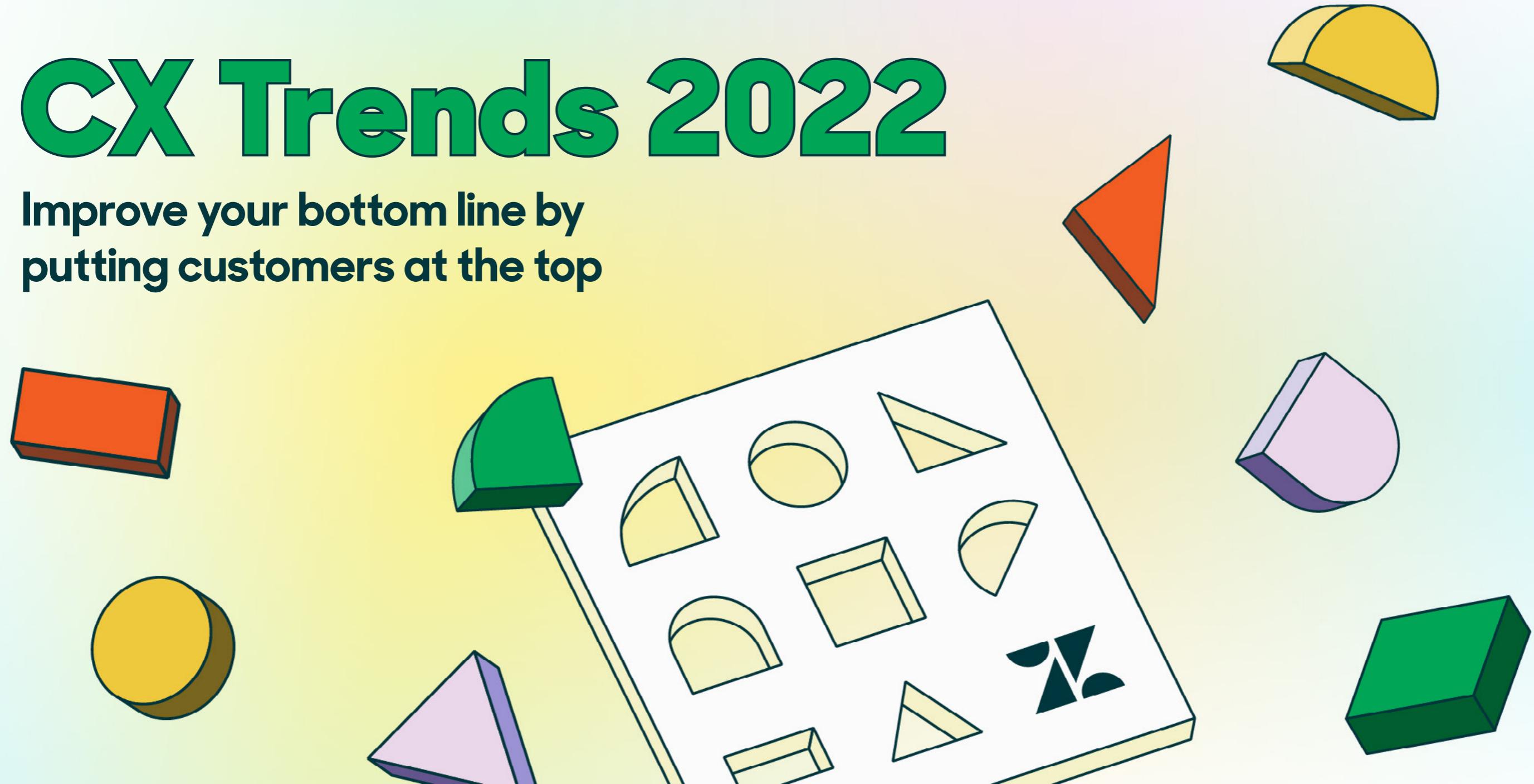


zendesk

CX Trends 2022

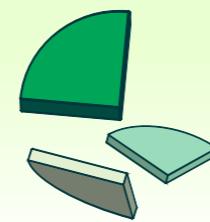
Improve your bottom line by
putting customers at the top



Report chapters

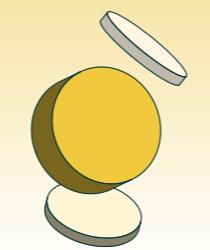
CHAPTER 1

Introduction



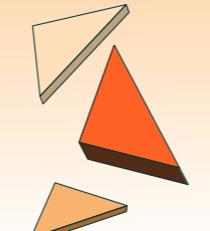
CHAPTER 2

Unlock the benefits of customer service-led growth



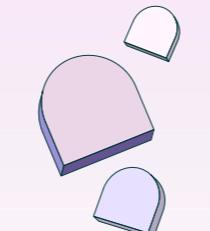
CHAPTER 3

Five customer service traps that could derail growth



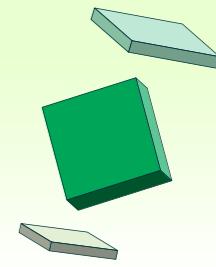
CHAPTER 4

How high performers drive growth with customer service



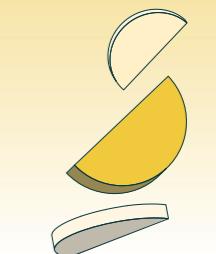
CHAPTER 5

Future success hinges on two emerging growth areas



CHAPTER 6

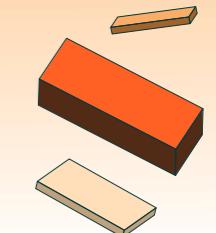
Focus on service quality above all else



CHAPTER 7

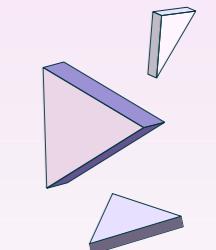
Industry and market insights

COMING
FEB

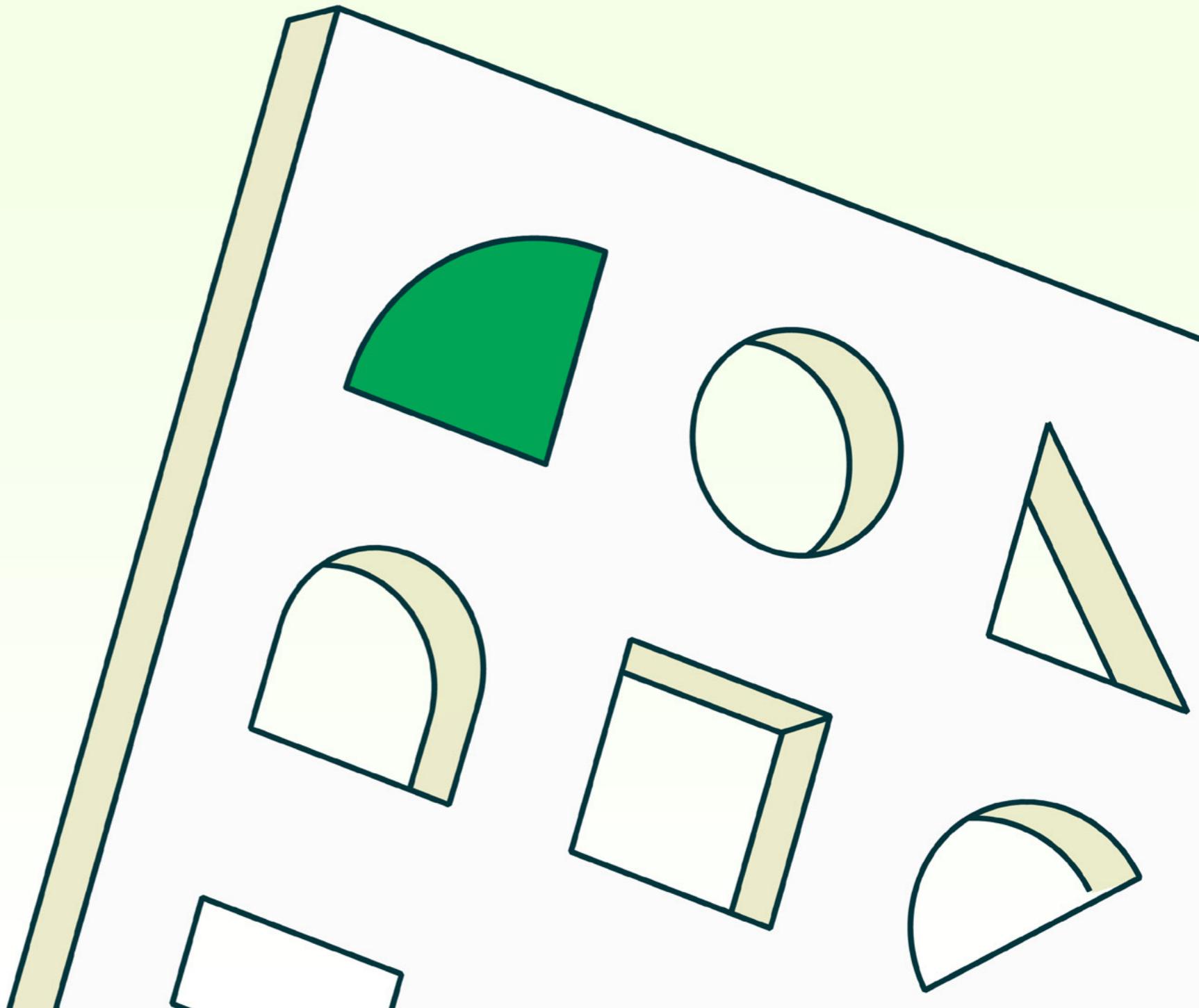


CHAPTER 8

Prioritize customer service like your growth depends on it

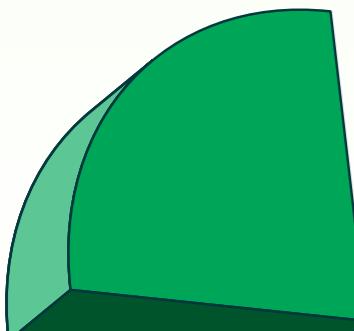


Introduction



It's finally time for companies to think about what comes next. And after almost two years of adapting, transforming, and responding to unprecedented change, they're looking ahead with an eye for growth.

To build a stronger, more successful business in this new environment, leaders need only look to their own customers. Customer service is now a key differentiator between companies, a top consideration for customers, and a profit-generating force in its own right.

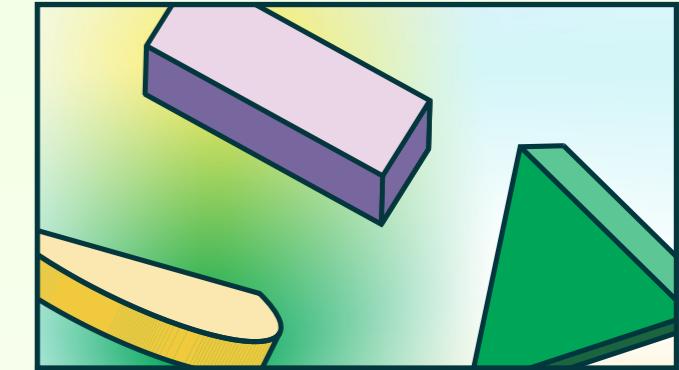


Whether you're a well-established firm or just starting to scale and grow, a successful customer service team can help attract new business, boost retention, and increase sales among your existing customer base.

With so much on the line, customer service teams face increased pressure to deliver—both from customers and company leadership. Impressing customers can help businesses stand out or even kickstart growth, but inefficient workflows and burned-out agents are just a few of the things that can undermine long-term success. To promote a meaningful, institution-wide shift, leaders must get customer service buy-in at every level. And much-needed changes to tools, processes, and mindset, however difficult, must start now.

Why? Research shows that customers are increasingly reluctant to give second chances if their expectations aren't met.

It's impossible to overstate the important role that customer service will play in this next chapter. To help companies avoid common pitfalls and realize opportunities to grow the business and the bottom line, we surveyed customers, agents, customer service leaders, and business leaders from 21 countries. We also gathered global data from nearly 97,500 Zendesk customers who participate in our Benchmark program.



METHODOLOGY

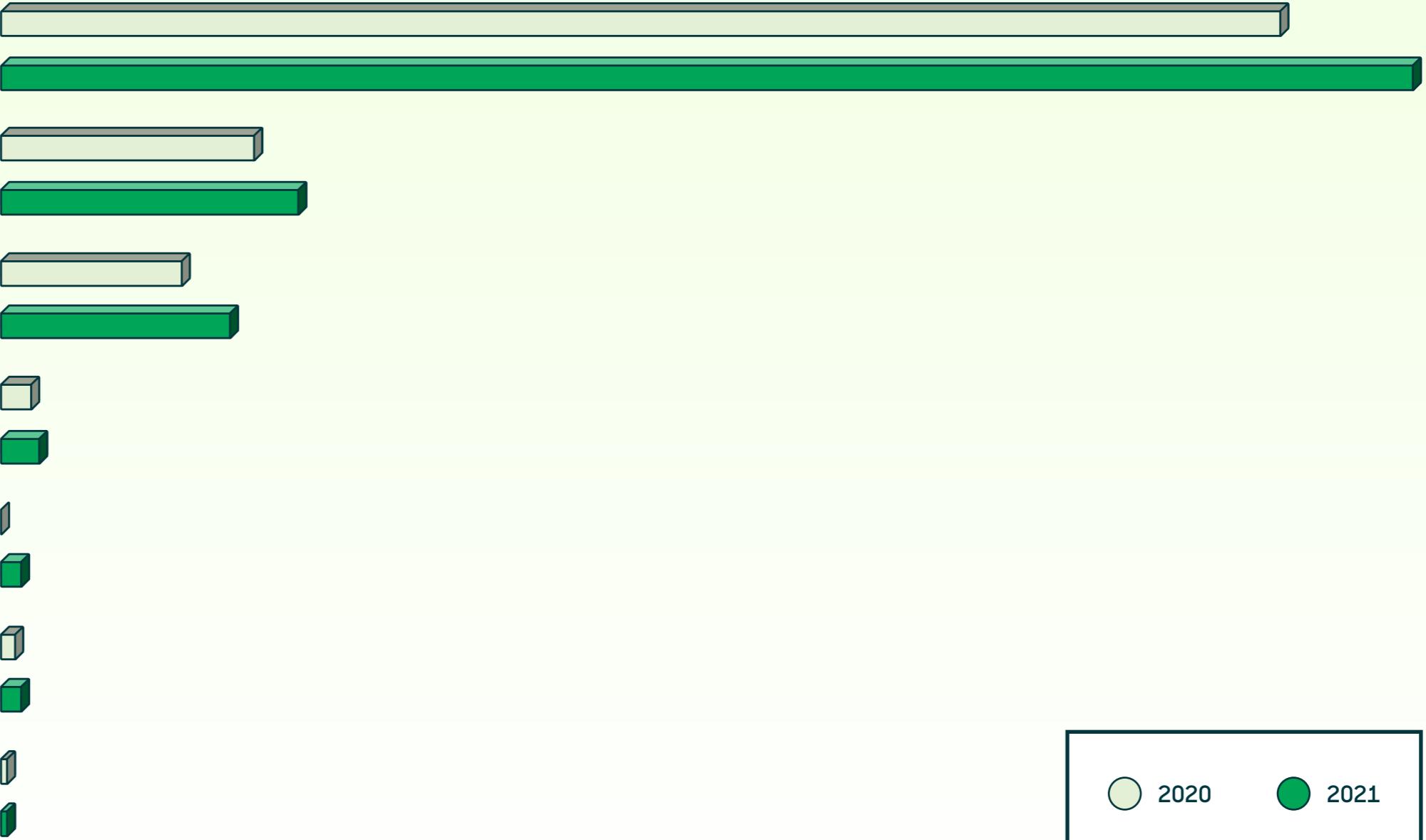
How we ran the research

Data in this report comes from three sources: One global survey of 3,500 consumers, one global survey of 4,600 business respondents, and Zendesk Benchmark product usage data from more than 97,500 companies.

[Read in the appendix](#)

Ticket volume has increased across all channels

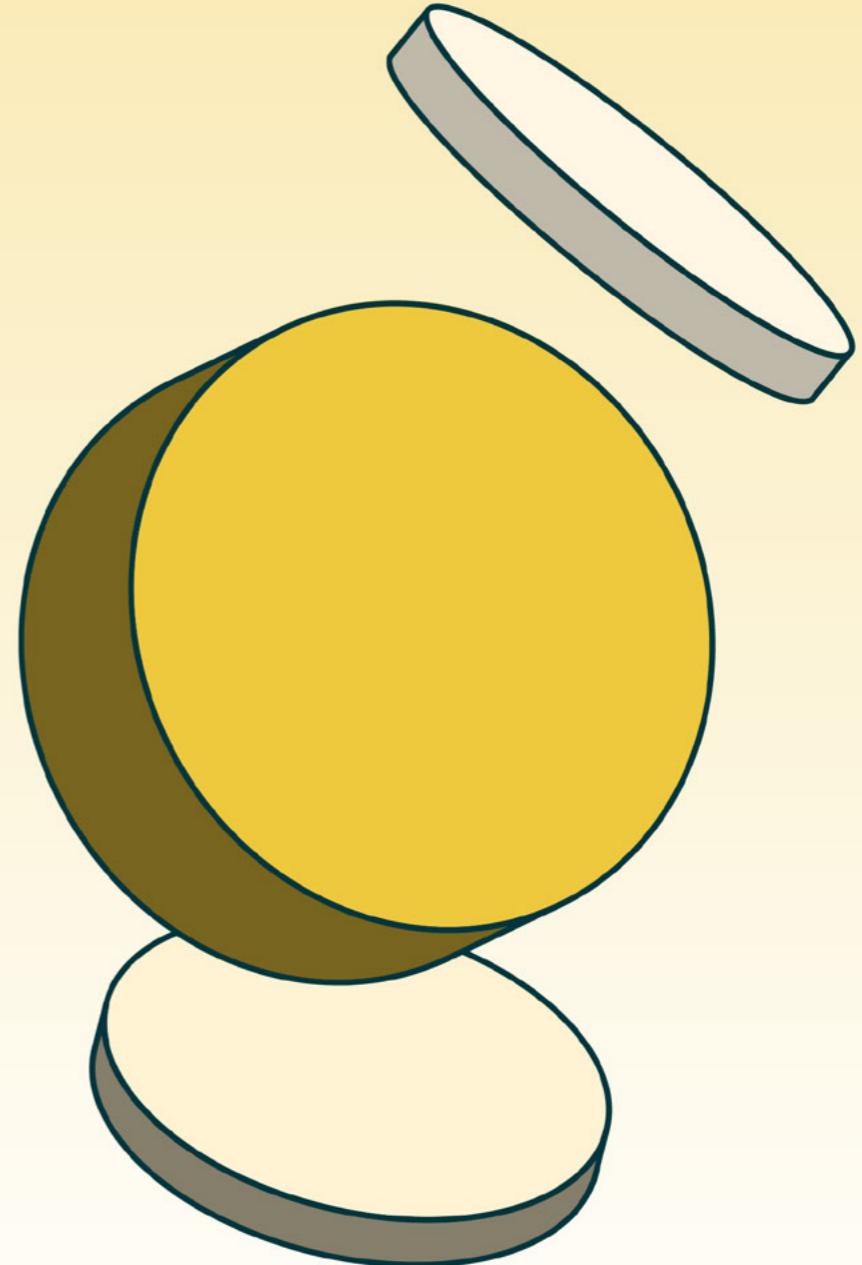
Webform/ email	+10%
Chat	+17%
Phone	+24%
Social messaging <small>INCLUDES WHATSAPP</small>	+32%
WhatsApp	+370%
Social media	+20%
SMS	+28%



2020

2021

Unlock the benefits of customer service-led growth



Customer service isn't just about finding a quick solution to any one customer problem.

It's about building a long-term relationship, one where each customer interaction offers opportunities for deeper, more valuable engagement.

With more people buying online than ever before, customer service is now a key differentiator in the eyes of customers and companies alike.

Customers expect quick, easy, and effective service, and they're willing to look elsewhere if they don't get it.

In fact, more than 60 percent report that they now have higher customer service standards after the past year's crisis.

It's a trend likely to continue, with 73 percent of business leaders reporting a direct link between their customer service and business performance.

In this new business reality, customer service agents play an increasingly important role. And whether a company exceeds or falls short of customer expectations is often directly tied to business success. It's a high-stakes game—61 percent of customers would now defect to a competitor after just one bad experience. That's a 22-percent jump from the previous year. Make it two negative experiences, and 76 percent of customers are out the door.

+14%

Customer engagement is up 14% compared to last year, which means more work, but also more opportunities to upsell or cross-sell in ways that better serve customers.



Quality customer service can drive sales

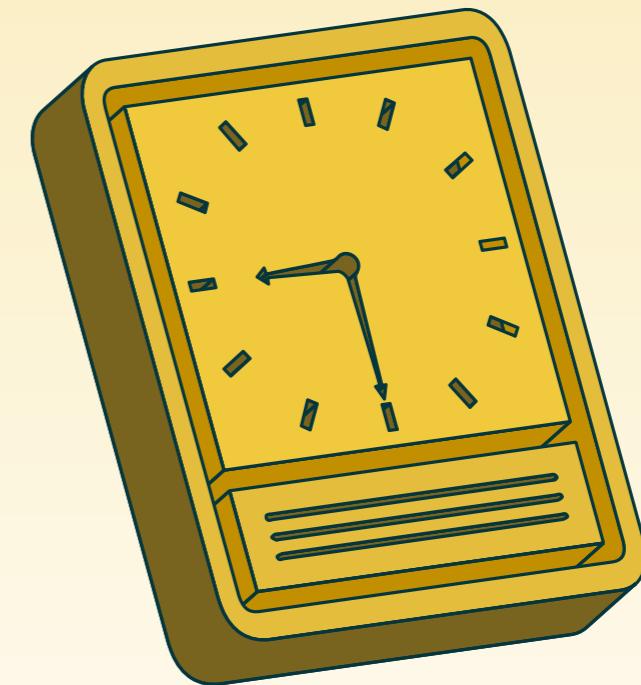
93%	will spend more with companies that offer their preferred option to reach customer service (ex: chat).	92%	will spend more with companies that ensure they won't need to repeat information.
90%	will spend more with companies that personalize the customer service they offer them.	89%	will spend more with companies that allow them to find answers online without having to contact anyone.

As the saying goes: no risk, no reward. For companies that succeed at wowing customers, the opportunities for growth are immense.

Not only will they lay claim to the growing number of customers that shop with a service-first mindset, but they will also have a real shot at expanding, retaining, and deepening their customer base:

64%	of business leaders say that customer service has a positive impact on their company's growth.
60%	say it improves customer retention.
47%	report an increase in their ability to cross-sell.
60%	More than 60% of customers say they now have higher customer service standards.

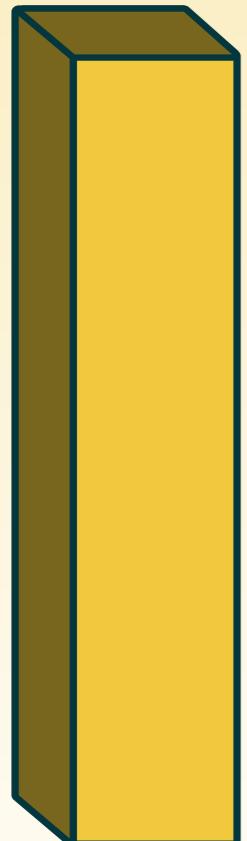
There are real consequences of inaction, which means that companies only have a short window of time to get it right.



And while many have already placed customer service at the top of their wish lists for 2022, not everyone is primed to realize their growth ambitions. We identified five customer service traps that may ultimately impede a company's chances of success, as well as insights and strategies to overcome these challenges.

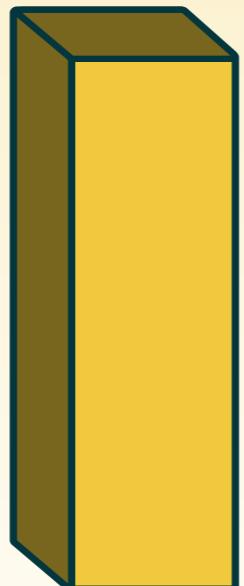
Business priorities for the next 12 months are service-related

56%



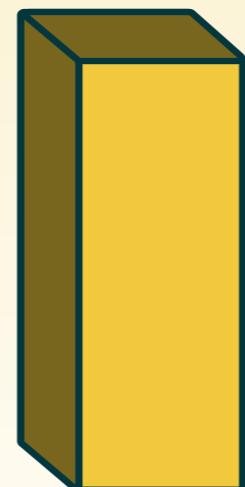
Drive better
customer
experiences

37%



Improve
efficiency

31%



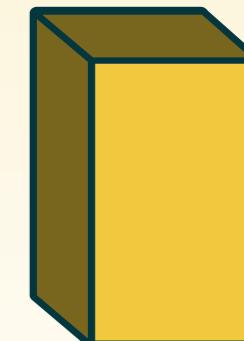
Drive stronger
customer
relationships

23%



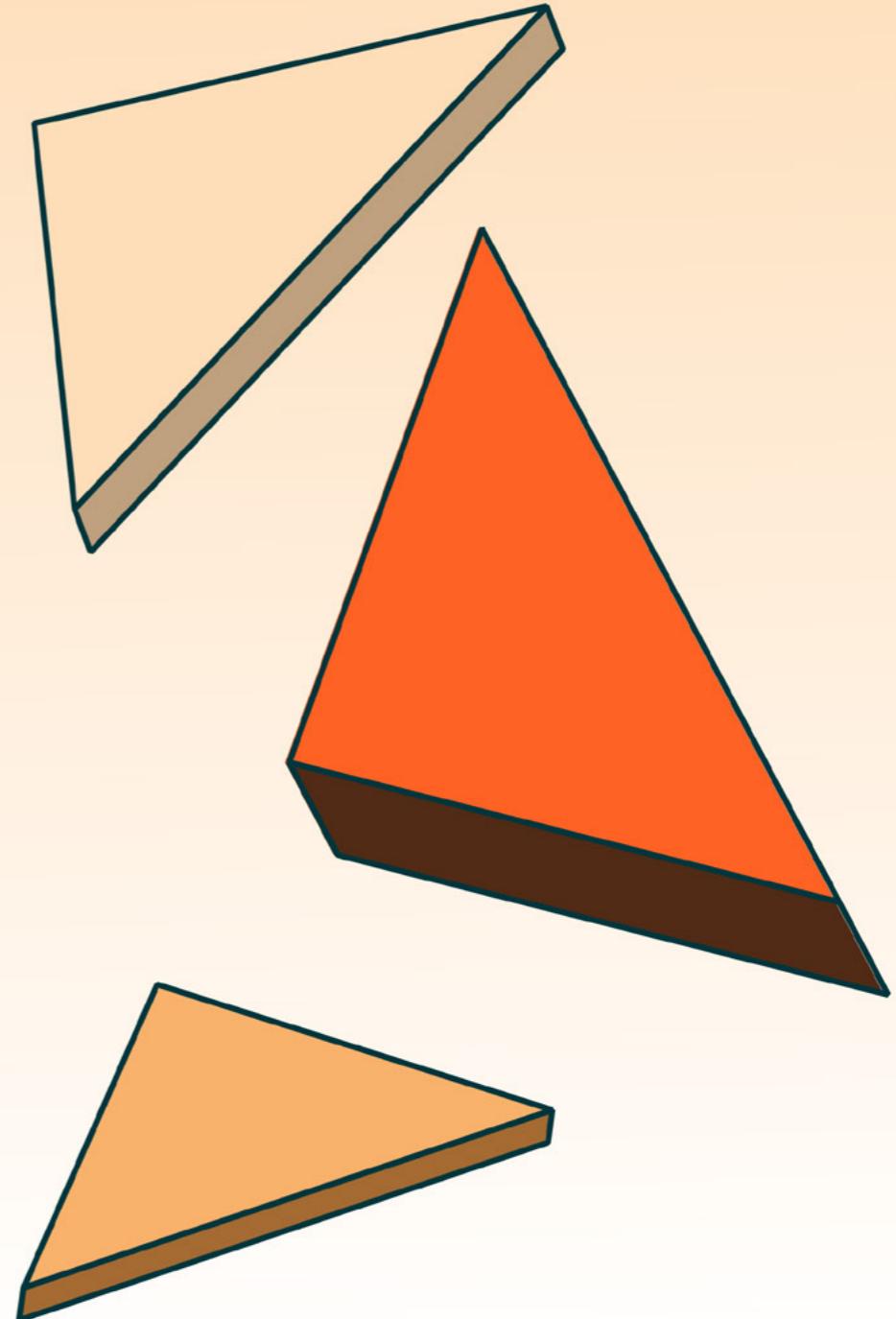
Increase
customer
satisfaction

21%



Increase
sustainability

Five customer service traps that could derail growth



1

Customer service isn't wowing customers

What does it mean to offer great customer service?

Depends on who you ask—and research shows that how businesses define it might not be matching up with what customers expect. While 60 percent of companies surveyed gave themselves high marks for service, 68 percent of customers say there's room for improvement. In fact, 54 percent of customers report that customer service feels like an afterthought for most of the businesses they buy from.

Impressing younger customers is an even harder task. Millennials and GenZers tend to have much stronger opinions about what a good customer experience should look like, and they are more critical of companies that don't measure up.

68%	say it feels like most businesses need to improve the training of their customer service agents.	54%	say it feels like customer service is an afterthought for most businesses they interact with.
64%	of customers under age 40 report that customer service feels like an afterthought for most of the businesses they buy from.		

Customer expectations have changed rapidly in recent years, leaving many companies struggling to keep pace. What do customers want?

Customers are also looking for helpful and empathetic agents, always-on support, and streamlined conversational experiences—no matter who they're talking to, be it a human or bot.

Despite companies giving themselves a high grade overall, a deeper dive into the data paints a far less rosy picture. Only 18 percent, for example, say they're extremely satisfied with the number of channels they're offering customers. Similarly, less than 20 percent rated their resolution speeds as extremely strong, while only 21 percent could say the same for the ease with which customers can interact with their business.

Now is not the time to settle for mediocre—especially when the quality of your customer service may earn you repeat customers or be the reason you lose out to competitors. By taking the time needed to understand what great customer service means to your unique customer base, you can make the changes necessary to ensure that middle-of-the-road experiences don't hold you back.

KLOOK

CUSTOMER STORY

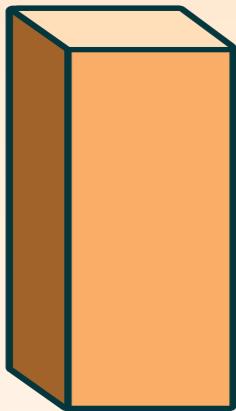
A world-class business, built by putting customer needs first

In a crowded industry, online travel agency Klook uses best-in-class customer service to stand out. “Customer experience is key,” said Colin Au, vice president of Klook’s Customer Experience Group.

[Learn from Klook](#)

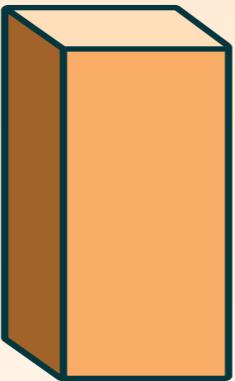
Organizations admit that their customer service needs improvement

22%



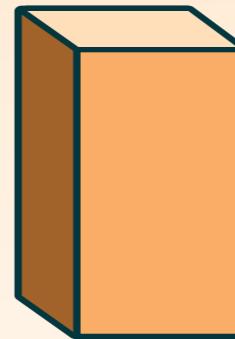
The overall quality of our customer service is extremely strong

21%



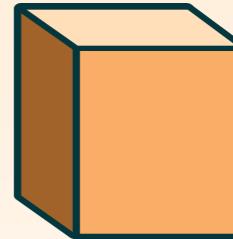
The ease with which customers interact with our business is extremely strong

20%



Our speed at resolving customer engagements is extremely strong

16%



Our ability to adapt customer service technology solutions to change is extremely strong

Leadership talks the talk but doesn't walk the walk

Going all in on customer service is easy to say but hard to do. And while leaders may be betting big on customer service as an untapped gold mine of growth, many have yet to actually implement the changes necessary to make it happen. Case in point: 72 percent of business leaders say that their organization views customer service as a critical business priority, but a surprising 40 percent say customer service is not owned by a C-suite executive at their organization.

Without a clear commitment at the very top, companies risk missing opportunities to weave customer insights into their larger strategic framework. Customer inquiries serve as a vital feedback tool for highlighting what's working or not working with products or services—in real time. But it's no longer enough to simply close a ticket and move on. When taken together, tickets can reveal critical problem areas or spotlight new opportunities for growth.

73%	say there is a direct link between their customer service and business performance.	72%	say their organization views customer service as a critical business priority.
46%	say their organization does not have a three-year strategic plan for customer service.	40%	say customer service is not owned by a C-suite executive at their organization.

Company leaders must be actively engaged in reviewing, disseminating, and acting on these insights to more closely align with customer wants and needs.

And though they seem to understand the potential value of doing so, only 20 percent report viewing customer service metrics on a daily basis. 40 percent say they only view data once a month, or even less frequently.

Tapping into growth opportunities with customer service requires firm action from top to bottom. Companies that don't move quickly to make much-needed changes within their organization risk falling behind those who already are. 54 percent of companies report having a three-year strategic plan for customer service, which means that a little under half still don't. For those without a long-term plan, the time to act is now.



SIEMENS

CUSTOMER STORY

Support and leadership in lockstep

"We've become a source of feedback for the rest of the business in terms of what our customers want, trends in the marketplace, and really key innovations—whether that's moving to paperless, responding to the [COVID-19] lockdown, or improving the service we provide," said **Steven Franklin**, global head of customer service.

[Learn from Siemens](#)



Current investments aren't enough to support a standout team

It's no secret that customers are engaging more with service teams. Support requests—everything from technical questions to help finding the right sweater size—are up 14 percent compared to last year.

And companies expect this trend to continue. In the next two years, just over a third of companies predict that they'll see a 25-percent increase in customer engagement: no small feat for overworked and overstretched support teams.

Increasing funding to hire more agents, improving training programs, or acquiring the latest and greatest technology could help ease the burden, but budget forecasts are largely missing the mark. For the 34 percent of companies that predict a 25-percent increase in engagement, only 14 percent plan to raise their budgets by a similar margin. And while ticket and budget increases shouldn't be thought of as a simple 1:1 ratio, it's clear that many teams are going to have to figure out how to do more with much less.



Some good news:

Despite the lag, budgets on the whole are on the rise. Nearly half of companies expect funding for their customer service teams to increase by up to 25 percent in the next year and then again in the following year. But many could and should be doing more. In fact, only 27 percent of business respondents strongly agree that their organization is adequately investing in support initiatives.

Part of the problem is that many companies still view customer service as a cost center rather than what it should be: a revenue-generating engine for growth. In fact, a near equal split between the two camps suggests that companies may be heading down divergent paths. Those not putting their money where their mouth is, so to speak, will need to become more efficient just to keep up.

chupi

CUSTOMER STORY

€1 million in customer service-generated sales... and counting

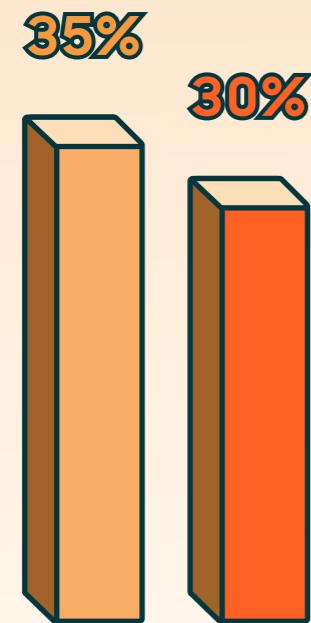
"When we had an outsourced call service, there were customers ringing up saying, 'Can I get that in size X? How much is this? Is there a discount on this wedding ring?' But they were going to a call center that had no idea about our product," said **Brian Durney**, now Chupi's chief technology officer. "So, my big sell for the customer care team was these guys will sell. They'll sell quietly, and they'll sell with kindness."

[Learn from Chupi](#)

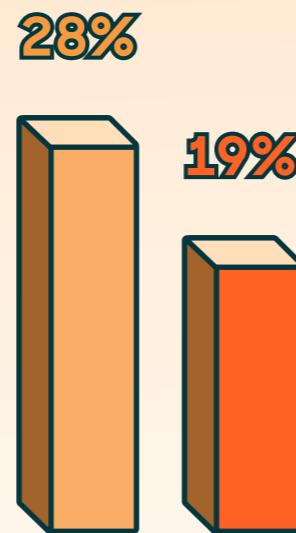
Current customer service investments can't keep up with rising ticket volumes

● Expected increase in ticket volume in the next 12 months

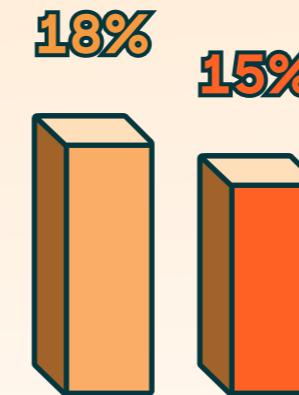
● Expected increased investment in the next 12 months



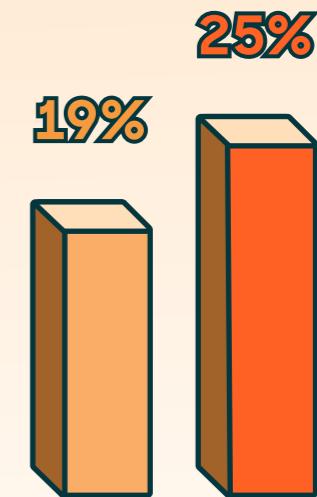
We believe it will increase by 9% or less



We believe it will increase by 10% to 24%



We believe it will increase by 25% or more



We don't think there will be a change

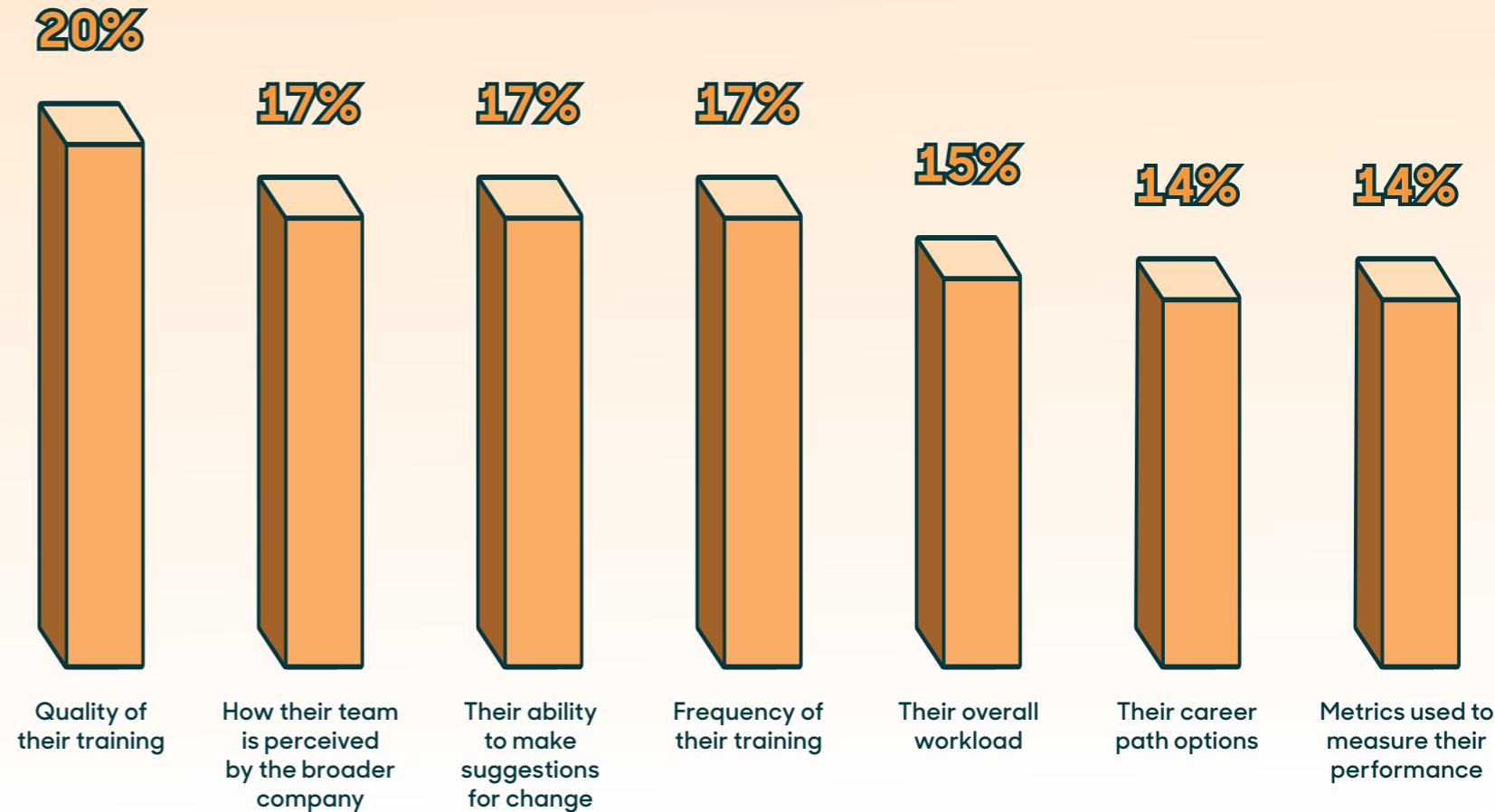
Agents are burned out and feel undervalued

No longer just assisting when things go wrong, service agents are stepping in across the entire customer journey—from product discovery to purchase, and well beyond.

As the primary—and often the only—human connection that customers have with brands, agents have grabbed the attention of senior leadership: 78 percent agree that service agents play a vital role in customer retention. And agents say their work has only become more important and strategic.

Despite the increased visibility, the risk of burnout is high. Heavier workloads, more responsibility, inadequate training, and mixed signals from leaders have many agents feeling overwhelmed and underappreciated. Only 15 percent of agents are extremely satisfied with their workloads, while a mere 20 percent report feeling the same way about the quality of training they receive. Taking all factors together, less than 30 percent feel empowered to do their jobs well.

Few agents are extremely satisfied with:



What agents actually need

A company's fortunes are increasingly tied to the success of its agents, but many don't feel like they're set up to thrive in this new business reality. Here's what they say is critical to a job well done:

Manageable workloads:

Only 15 percent are extremely satisfied with the amount of work on their plate.

More training:

Only 1 in 5 express a high level of satisfaction with the quality of training available, and 62 percent report that more skills-based training would improve their performance.

Better performance metrics:

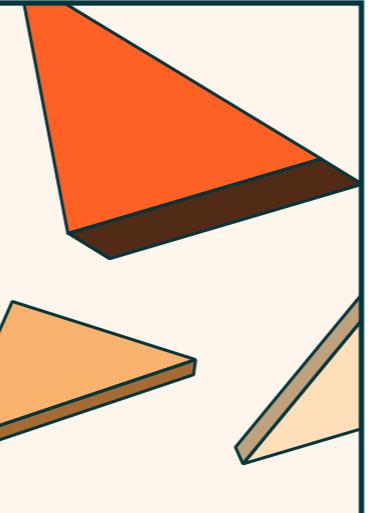
A mere 14 percent report being happy with the metrics used to evaluate their work.

Clear advancement opportunities:

Only 14 percent are extremely satisfied with the career paths open to them.

More respect:

A sizable 38 percent say that the customer service team is not treated as well as others in the organization.



Companies looking to grow their business with customer service would be wise to take note.

Studies have shown that [happier humans make better employees](#). For support teams, this means better experiences for customers, too. But despite widespread support for agent well-being at the uppermost levels, nearly 40 percent of agents feel like they aren't treated as well as others in the organization. That should have everyone paying attention. Unhappy agents are a slippery slope toward higher churn rates and, ultimately, dissatisfied customers.

Customers are already noticing; 68 percent feel that businesses need to improve agent training. And luckily, it's a top priority for the year ahead: 53 percent of company leaders expect some increase in the amount of training offered to agents, while 28 percent of leaders plan to undertake major changes to their program. Focus areas for the next 12 months include training on upselling and cross-selling (53 percent), boosting flexibility to solve specialized problems (52 percent), and servicing multiple channels (48 percent).



CUSTOMER STORY

Invest in agents, invest in the business

"Agents have the opportunity to save accounts, or to upsell accounts, or to connect a customer with a customer service manager for training," said Chief Customer Officer **Jonathan Bolton**. "If you think about your support organization only as a cost center, you're not thinking big enough."

[Learn from BombBomb](#)

Disjointed systems confuse customers and halt growth

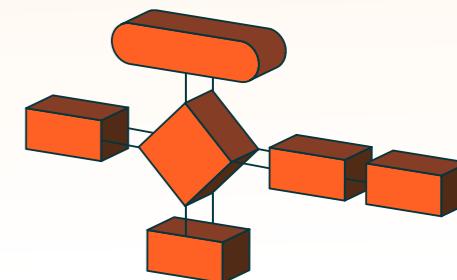
Having a best-in-class customer service team isn't possible without the right tools in place.

And if the right hand isn't talking to the left hand—or anyone else, for that matter—it's going to mean more frustration for customers.

81%	say a positive customer service experience increases the likelihood they'll make another purchase.	70%	say they have made purchase decisions based on the quality of customer service.
76%	say they would switch to a company's competitor due to multiple bad customer service experiences.	70%	say they expect a company to have a self-service portal or content available to them.
76%	say they expect to engage with someone immediately when contacting a company.	68%	say they expect all experiences to be personalized.
74%	say they will forgive a company for its mistake after receiving excellent service.	61%	say they would switch to a company's competitor after just one bad customer service experience.
71%	say they expect a company to share information so they don't have to repeat themselves.	61%	say this past year's crisis has raised their customer service standards.

Expectations like these are hard to meet without a streamlined workflow operating behind the scenes. And when it comes to optimizing on the backend, companies have some catching up to do.

Efforts to optimize internal operations have largely taken a back seat to more visible, customer-facing priorities, such as revamping the website or increasing the number of support channels. What companies didn't realize is that backend inefficiencies directly affect customers, too, and the cracks are beginning to show.

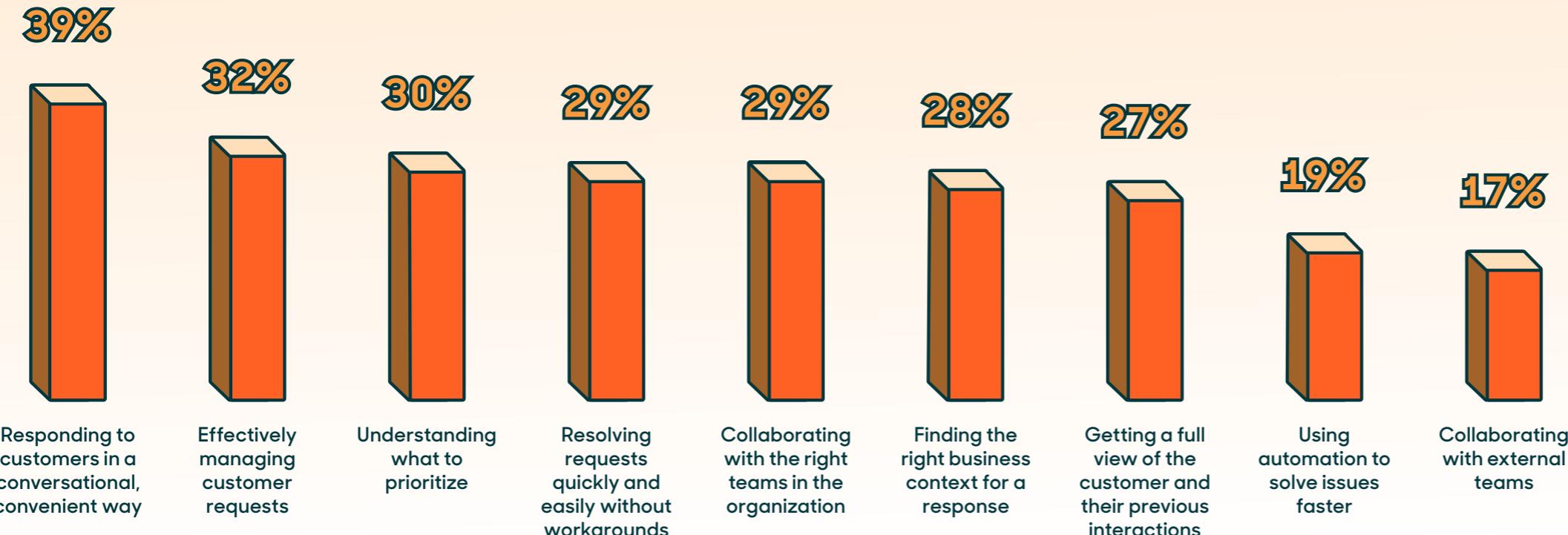


When agents and admins have to juggle multiple tools, it's incredibly difficult to get the right information, collaborate across teams, or capture a single view of the customer.

In short, there are fewer opportunities to personalize and anticipate customer needs, and more time is spent getting up to speed while the customer waits. Only 29 percent of agents say they are very effective at collaborating with other departments, and even fewer (28 percent) say the same about their ability to find the information needed to respond to customers.

What customers want and what they're getting from service teams isn't matching up. To get there, 26 percent of companies say that they'll need to design new internal workflows and processes, but there's an upside for those that are serious about change. Over 90 percent of customers are likely to spend more money with companies that can offer the personalization and streamlined experiences they're looking for.

Few agents believe they are very effective at:



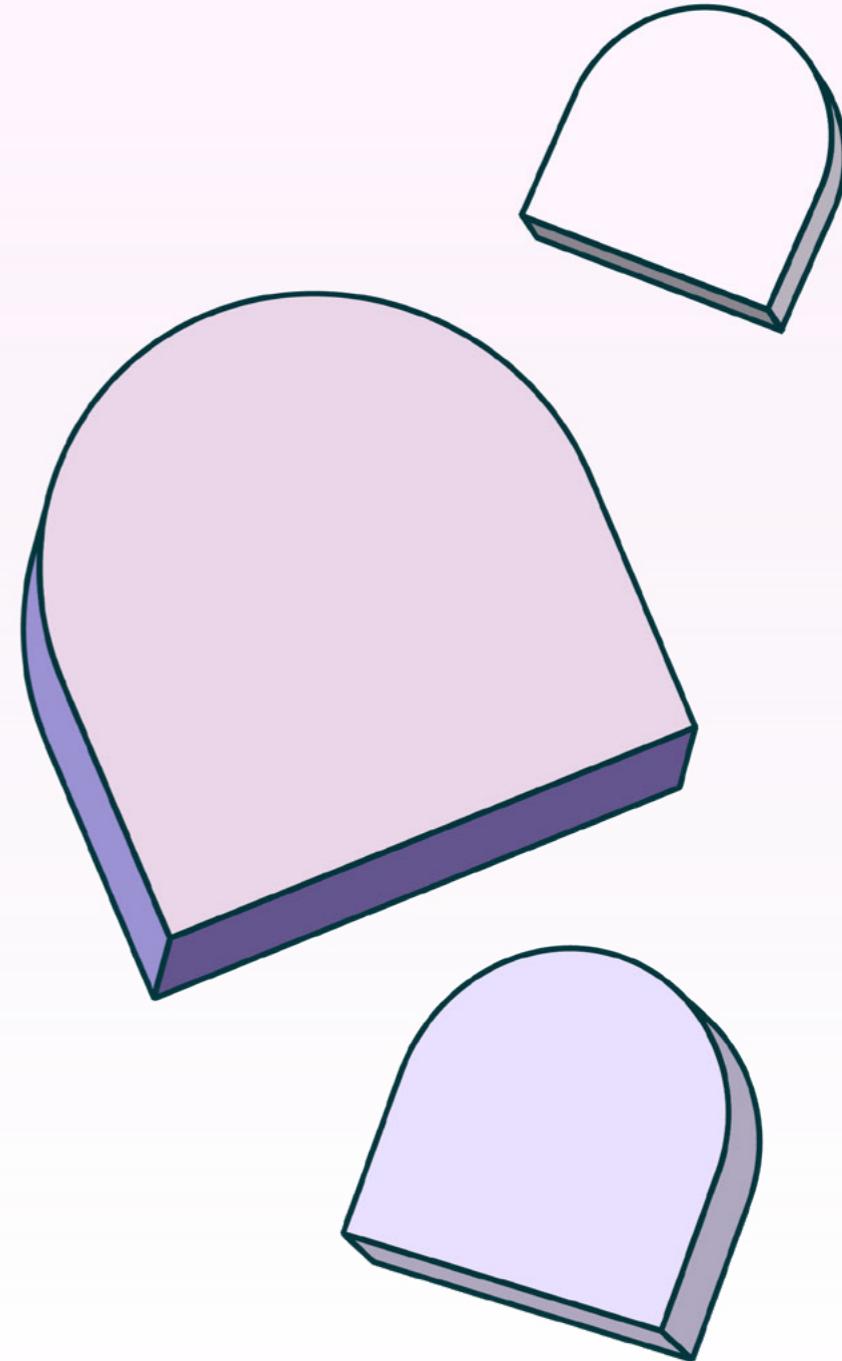
CUSTOMER STORY

Connecting the dots for best-in-class service

"The return on investment in Customer Experience is not only about the license fee, but all the tangential costs associated with poor customer relationships," said Denielle Booth, Udacity's global manager of student support. "With Zendesk, we can align rich customer service data with broader business insights." The result? A 75-percent drop in response times, a quarter of a million dollars in headcount savings, and happier customers.

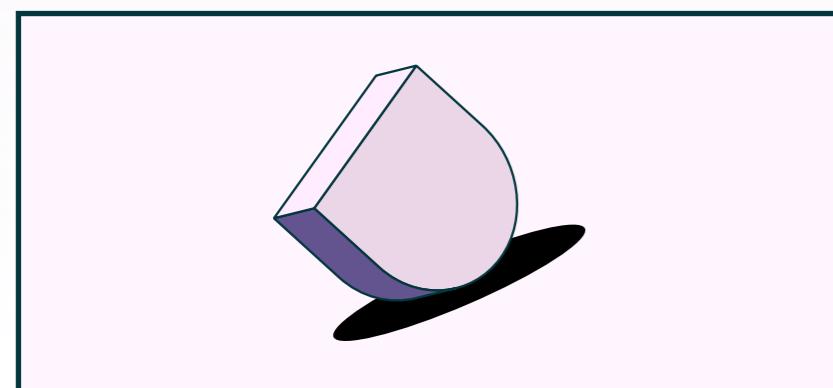
[Learn from Udacity](#)

How high performers drive growth with customer service



Not everyone has fallen into these common customer service traps. In fact, some companies are standing head and shoulders above the rest. How? By drawing clear links between service teams and the rest of their business.

The result is a well-oiled customer service machine capable of collecting, tracking, and implementing feedback that improves experiences and grows the business.



We defined "high performers" as survey respondents who self-rated their organizations as having top marks against several key customer experience characteristics, such as:

1

Ability to act on customer feedback to improve products and services

2

Amount of training provided to customer service staff

3

Comprehensive and timely measurement of customer service performance

This represented 5 percent of our total survey sample.

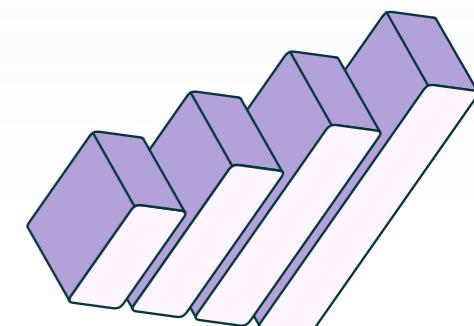
Here's how these companies have adopted a best-in-class mindset.

Doubling down on customer service as an engine for growth

High performers understand the inherent value of their customer service teams. Not only are they more likely to prioritize funding of customer service initiatives, but they're also more likely to keep a close eye on the business impact and make necessary changes along the way.

High performers are:

7.6x	more likely to strongly agree that they view customer service primarily as a revenue driver.
6.7x	more likely to track profit and loss for their customer service team.
6.2x	more likely to strongly agree that customer service funding has kept pace with company growth.
5.2x	more likely to strongly agree that their organization adequately funds customer service.
3.4x	more likely to have plans to increase customer service investment by 25 percent or more in the next year.

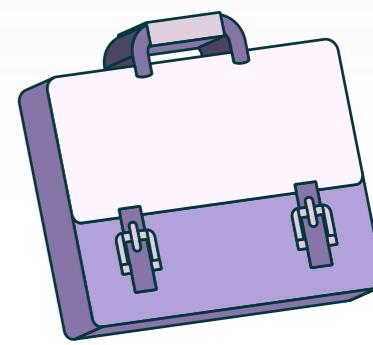


Getting strategic buy-in at the top

Companies that are leading in customer service have buy-in from top to bottom. Instead of a siloed customer service team, leadership takes an active role in monitoring performance and impact. And in many cases, compensation of senior executives is directly tied to customer satisfaction.

High performers are:

9.2x	more likely to report that senior leaders view customer service metrics on a daily basis.
7.7x	more likely to strongly agree that senior leaders immerse themselves in customer service.
6.2x	more likely have customer service owned by a C-suite executive.
5.7x	more likely to have a three-year strategic plan for customer service.
4.2x	more likely to report that senior leadership compensation is directly linked to Net Promoter Score (NPS).



Tapping the full potential of agents

Agents are the beating heart of any customer service team, but it's a tough job and burnout is real. In the last few years, agents have adapted to new tools, channels, and processes—all while managing rising expectations and inquiries from customers. High-performing companies understand the need for more training, more empathy, and more investment to reduce churn and empower their people.

High performers are:

9.9x

more likely to strongly agree that their agents are of the highest caliber.

6.4x

more likely to have plans to greatly extend education and training opportunities.

4.3x

more likely to recognize that their agents are overworked.

As a result, their agents are:

9.9x

more likely to be extremely satisfied with their workflows with AI-powered tools.

8.3x

more likely to be extremely satisfied with the frequency of training.

Integrating emerging capabilities across the business

Companies that are ahead of the customer service curve have their fingers on the pulse when it comes to the latest trends and technologies. For their customers, this means more channel options, fewer headaches, and better experiences overall.

High performers are:

6.8x	more likely to have already implemented conversational customer service capabilities, including adding messaging channels or making it possible to switch between channels for a single ticket.
3.7x	more likely to have the ability to start and pause a conversation with an agent.

2.9x

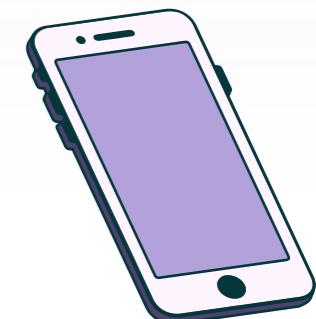
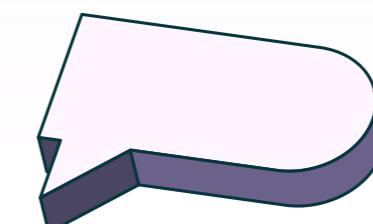
more likely to use AI-powered chatbots to help with agent workflow.

Looking ahead, they are:

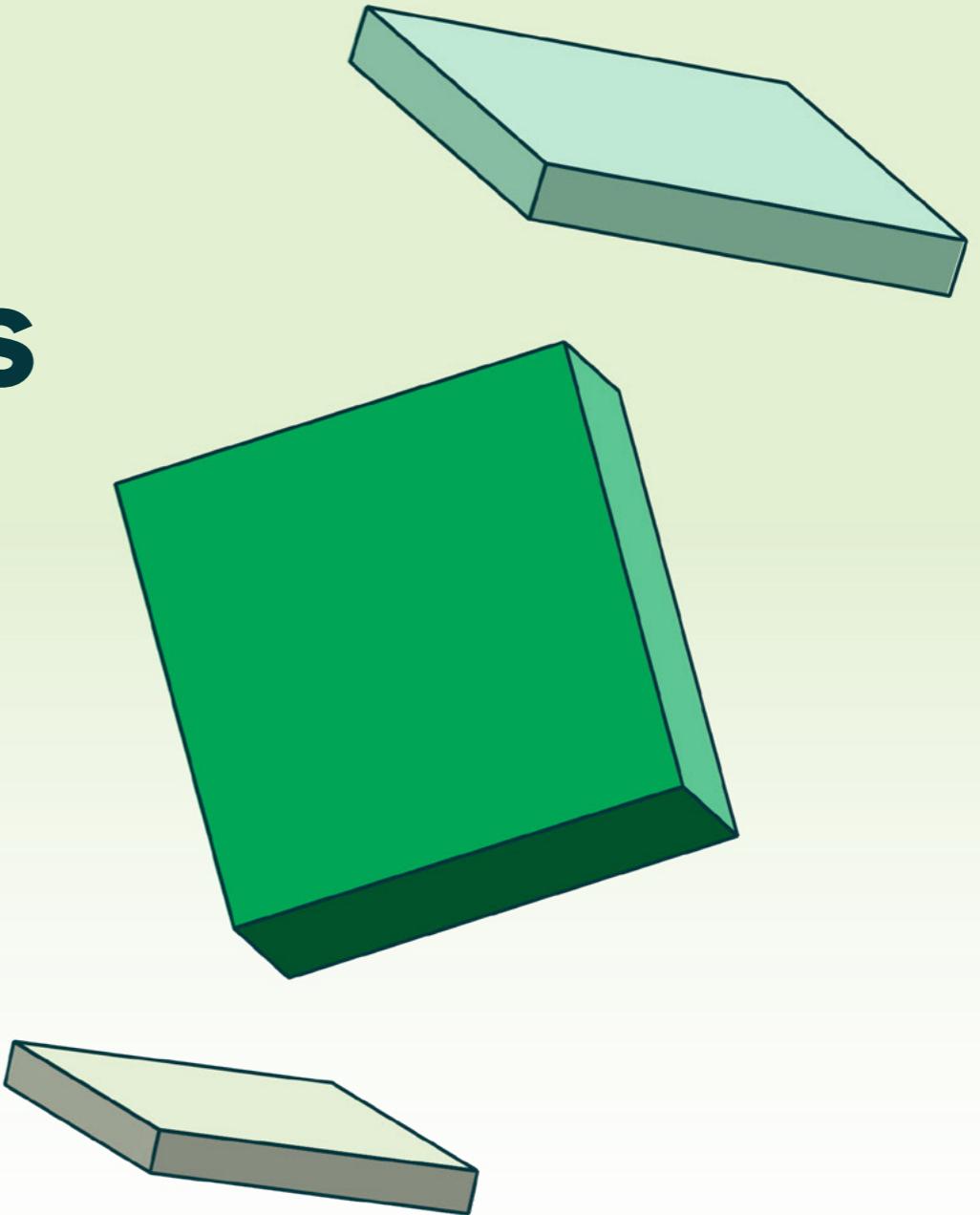
4.8x	more likely to be extremely interested in verifying customer identity and commerce history without needing to involve an agent.
4.1x	more likely to be extremely interested in revamping their metrics around the quality of customer experiences.

3.7x

more likely to be extremely interested in giving agents a full view of customer data.



Future success hinges on two emerging growth areas

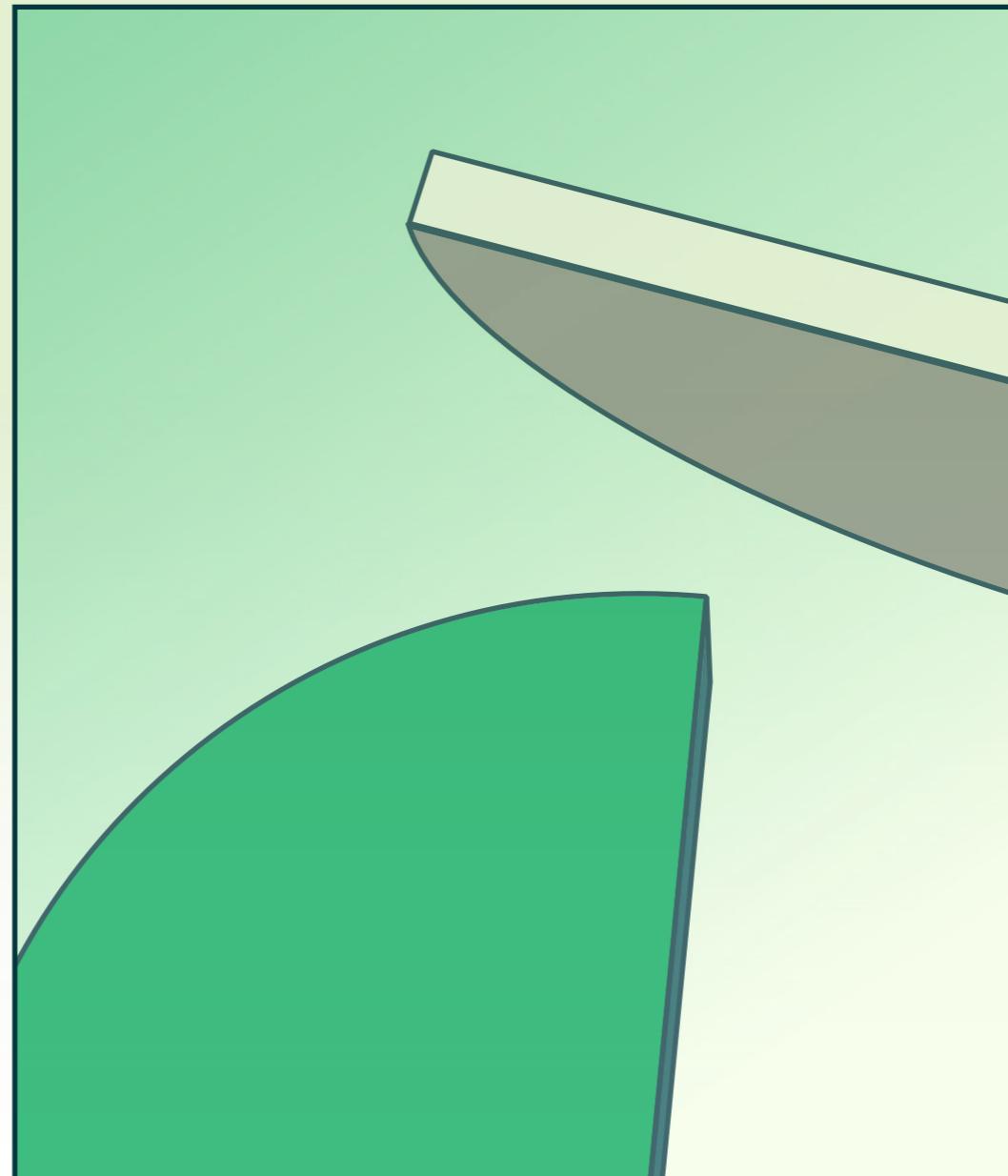


Even the most successful customer service teams are only as good as what's in their toolkit.

And while having the best people can help, there's only so much they can do without the right technologies in place.

Customers want on-demand service that's available when they need it. They want to have the freedom to communicate over whatever channel they choose and don't want to waste valuable time getting agents up to speed on their order or issue. This means that businesses looking to drive and sustain growth—both now and in the future—need to focus on **two emerging customer service capabilities: artificial intelligence (AI) and automation, and conversational customer service.**

More than half of businesses surveyed (56 percent) are making better customer experiences the top business priority in the coming year. That's great news.



Unfortunately, many are struggling to implement new capabilities in ways that benefit their customers and their balance sheets.

With this research, we're helping companies of all stripes get on the right track by explaining where these technologies currently stand, how customers really feel about them, and why they're a key ingredient in any customer service growth strategy.

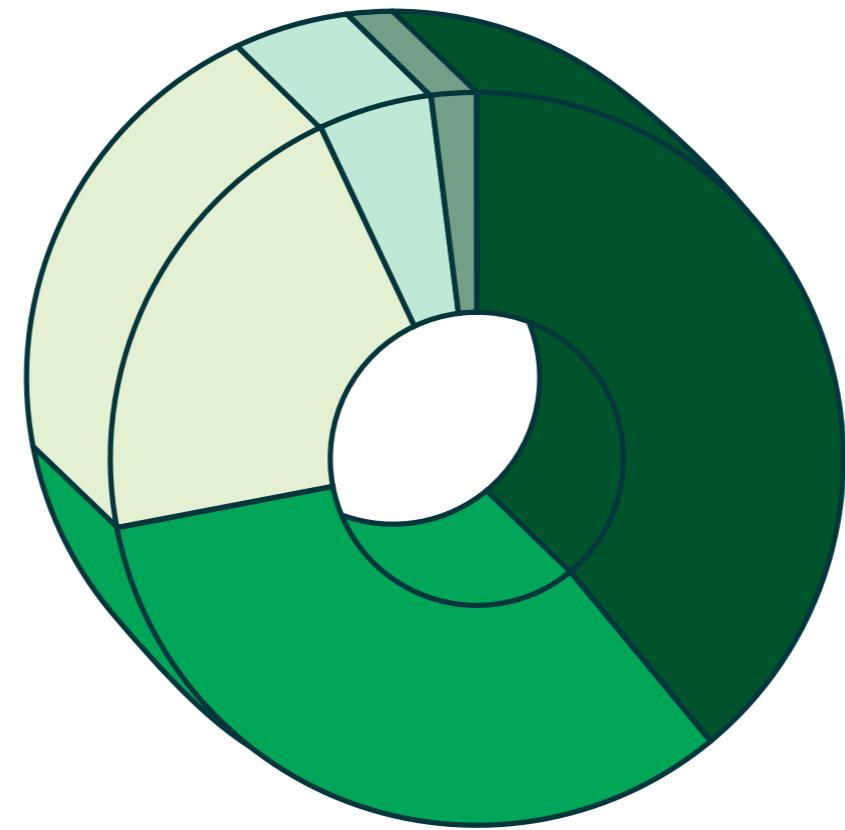
AI and automation

A far cry from the feared sentient robots in movies like *Blade Runner*, AI today is being welcomed with open arms by both customers and companies.

So much so that seven out of 10 consumers now strongly agree that AI is good for society. And its impact on customer service has certainly not gone unnoticed. 66 percent of customers give AI a thumbs up for making their lives easier, while similar margins applaud it for saving them time and effort and improving their overall experience.



Many people believe artificial intelligence is good for society



- **39%** strongly agree
- **33%** somewhat agree
- **21%** neither agree nor disagree
- **5%** somewhat disagree
- **3%** strongly disagree

In business circles, companies large and small are fanning the AI flames:

- 26 percent have allocated a quarter or more of their customer service tech budget to AI.**
- 43 percent plan to spend up to a quarter more in the next year.**

But that doesn't mean that everyone knows what to do with it. 26 percent of companies surveyed currently offer AI and chatbot-guided self-service, while 25 percent plan to add this capability in the near future. Despite the optimism, half of businesses agree that chatbot performance has been, to date, disappointing.

69%

of customers say they're willing to interact with a bot on simple issues, a 23% increase from the previous year.

Technological limitations bear some responsibility here, but 57 percent of companies blame their ad hoc approach to AI integration.

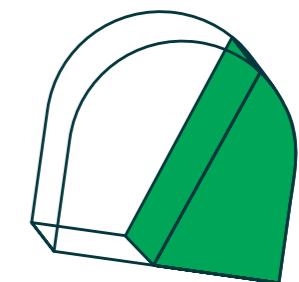
Without an overarching strategy or a clear understanding of the potential benefits or pitfalls of the technology, businesses are standing in their own way of realizing the full benefits of AI.

To start, customers are increasingly willing to turn to chatbots for simple problems. More tickets solved by bots means more time for agents to focus on complex problems. But customers expect a smooth handoff: if a bot isn't solving their issue, they want a quick transfer to a human agent.

The potential gain for companies is massive: nearly one in five business leaders say they get a "very high" return on investment (ROI) from using AI or automation. And it makes sense. Bots can respond to customers at all hours, even creating a ticket for a human to pick up once they're back in the office. They can also guide customers to relevant information in a help or FAQ center, saving customers and agents valuable time.

54%

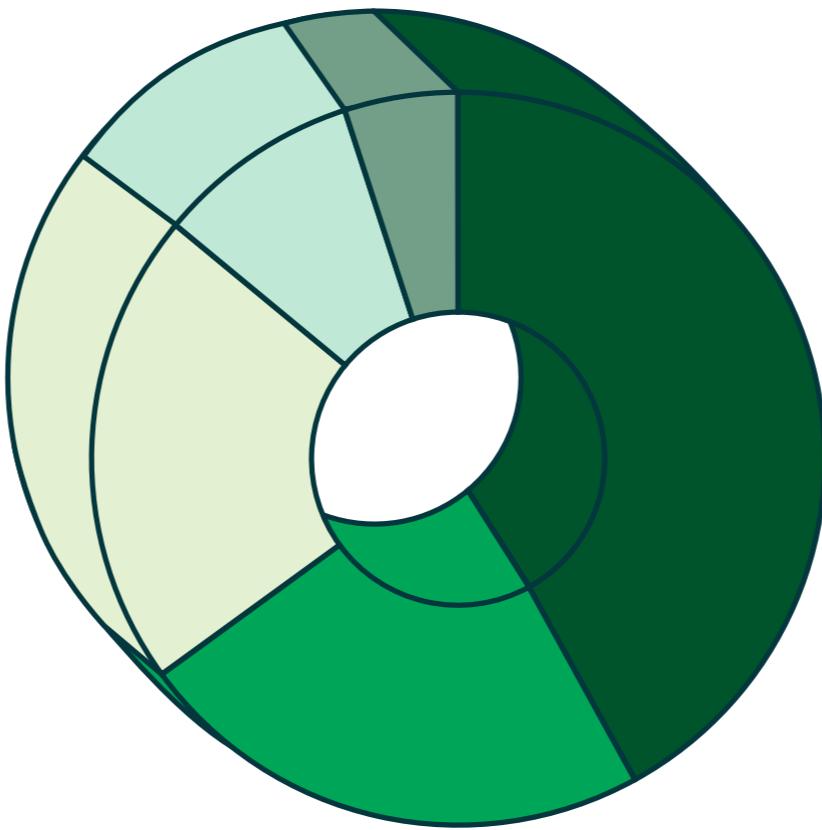
of customers say that their biggest frustration with chatbots is the number of questions they must answer before being transferred to a human agent.



Get more information

Later this year, we'll take a deeper look at the capabilities most important to customers so companies can better align their strategies for growth.

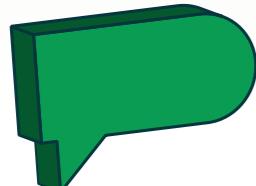
Companies are allocating more of their customer service technology budgets to AI



- **32%** 10% to 24% of budget
- **23%** less than 10% of budget
- **21%** 25% to 50% of budget
- **9%** don't know/not sure
- **5%** more than 50% of budget

Conversational customer service

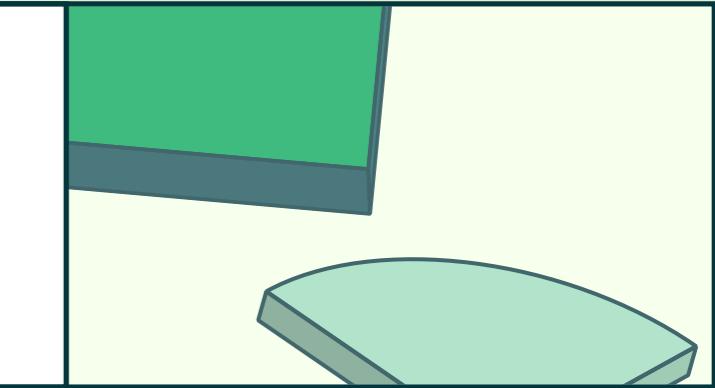
Customers hate repeating themselves, and they certainly don't want to wait on hold while an agent hunts around for information that should be readily available. Enter **conversational customer service—the ability to offer fast, personalized, uninterrupted service across web, mobile, and social apps.**



Instead of siloed chats that start and stop each time a customer reaches out (or switches channels), each interaction becomes part of a larger conversation that carries over a lifetime of interactions with the company. The result is a seamless experience for customers and agents alike.

Let's get conversational

Customers are increasingly turning to social messaging apps when they connect with companies. Inquiries over WhatsApp, Facebook Messenger, and regional favorites like WeChat or Line jumped 36% last year—higher than any other channel.



More than a third of companies have already integrated conversational customer service capabilities. And another 37 percent say they're actively on their way to making their plans for conversational customer service a reality.

While the focus is currently on adding and integrating with other messaging channels (namely Apple Business Chat, Google Business Messages, and other social messaging options like WhatsApp, Instagram, and Facebook Messenger), companies are already looking ahead.

Seven out of 10 say their top priorities include:

Digital verifying customer identity and history without the need to involve a live agent.

Switching between channels to resolve a single customer issue, if needed.

Giving agents a full view of customer data to inform the conversation.

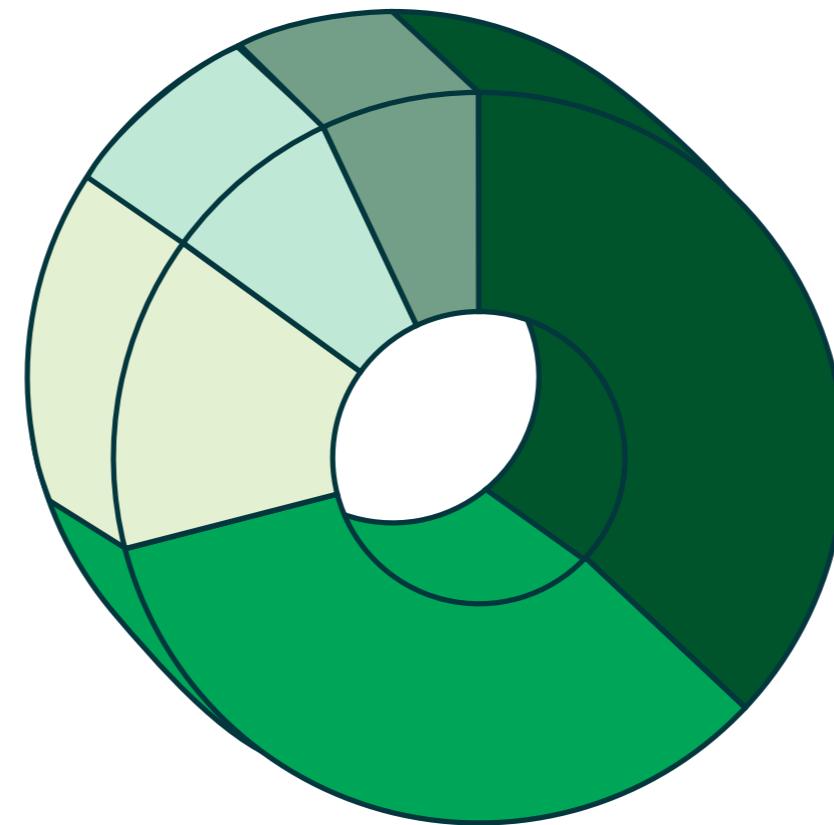
It's a good time to get on board.

More than 70 percent of customers expect conversational care experiences when they engage with companies, and it's not just Gen Z or Millennials that are driving the trend. In fact, more than two-thirds of customers over the age of 40 are also seeking seamless, conversational engagement with companies. Only a third of companies are omnichannel, so that means there are still opportunities to offer the channels and experiences that are driving greater loyalty and lifetime value. Even so, only 17 percent of companies are set up with one platform that connects all service channels.

There's reason for optimism: among those not currently using a single platform, 69 percent have plans to consolidate their existing point systems.

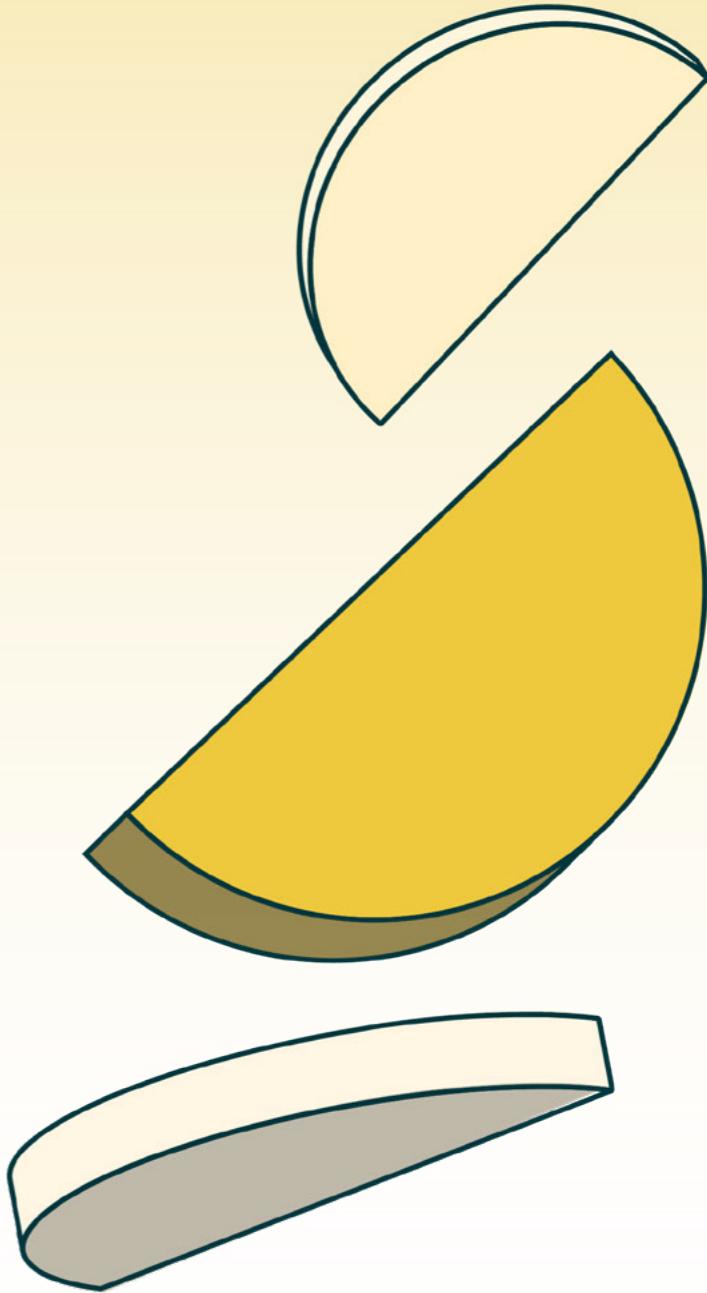
Check back in later this year as we take a deep dive into what's needed to be truly conversational and the changes to systems and processes required for success.

Conversational customer service is on the rise



- **37%** are in the process of implementing conversational customer service
- **32%** have already implemented conversational customer service
- **14%** are planning on implementing conversational customer service this year
- **8%** are not interested in implementing conversational customer service
- **9%** would like to implement but don't have concrete plans to

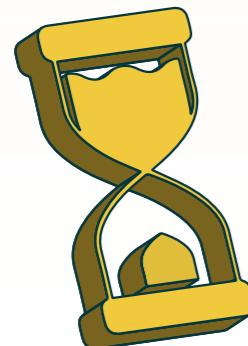
Focus on service quality above all else



Whether you're building a service team from scratch or you already consider yourself a pro, we've identified some key steps that you can take to drive better customer experiences and maximize growth—starting today.

Customers have signaled loud and clear that they want more from the companies they buy from.

And while customer service leaders have long prioritized speedy responses and quick answers, in reality it must go far beyond that. To truly deliver great service, businesses must shift not only their mindset and priorities, but also their approach.



"Where human interactions are concerned, it's quality, not quantity that ultimately matters most. Quality customer service interactions are essential and what ultimately impact a customer relationship most, regardless of how many tickets you process in a given day."

**ADRIAN MCDERMOTT,
CHIEF TECHNOLOGY OFFICER, ZENDESK**



With so much at stake, companies must act quickly to deliver the quality experiences that customers want and expect.

Why? Research shows that you may only have a few chances to impress customers before they're gone, perhaps for good.

So where to start and what to prioritize?

Here's how to create quality customer experiences, every time.

1

Get senior leadership on board, immediately

For too long, customer service initiatives have remained buried within organizations and behind the scenes instead of front and center with leadership teams. This, stresses McDermott, is a major problem. “Customer service should live in every nook and cranny of your company, your product, and the experience you provide to your customers,” he says.

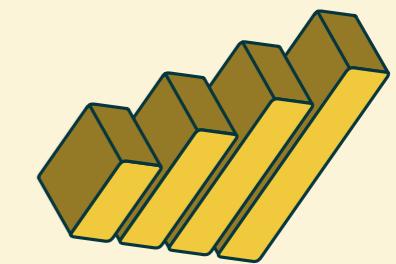
To bring customer service to the forefront, businesses must:

Hold leaders accountable: Establish a core team and assign a senior leader focused on weaving customer service into the company's strategic roadmap and business objectives.

Incentivize quality improvements: Advocate that compensation of senior leaders be directly tied to customer service performance to ensure buy-in at the highest levels.

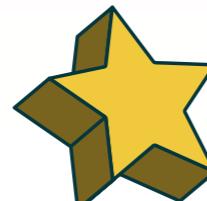
Benchmark performance: Track customer service performance relative to others in the industry to get a baseline (which can easily be done by using the [Zendesk Benchmark](#)), define goals for improving customer service quality, and frequently monitor performance to make adjustments, as needed, in real time.

Keep leadership in the loop: Ensure the core team provides regular updates to leadership so they're aware of evolving customer service plans and metrics. Create opportunities for customer service insights to play a greater role in larger company policy and strategy.



Make the business case for quality customer service

When measuring customer service performance, companies tend to take a narrow view by focusing solely on metrics like customer satisfaction (CSAT). By widening the scope to focus on things like customer retention and loyalty, they can better understand the impact of customer service on the bottom line.



To make the business case for quality service, companies should:

Focus on business impact: Create opportunities for agents to drive profits through upselling and cross-selling, informed by a deep understanding of the customer's immediate needs. Establish a separate profit and loss statement that captures revenue generated by agents so the link between customer service and business growth is more tangible.

Track data beyond CSAT: Identify and track key metrics associated with quality customer service. Most organizations start with CSAT, but fostering an organization-wide understanding of the importance of indicators like first response time, average handle time, Net Promoter Score (NPS), and Customer Effort Score (CES) creates multiple lenses for viewing the quality and progress of your customer experience efforts.

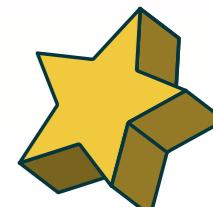
Integrate systems: Integrate customer service and CRM platforms to monitor changes in customers and their lifetime value. Sharing data between these platforms can lead to the discovery of personalized, relevant solutions to customer issues that otherwise wouldn't be considered.

Review performance frequently: Conduct weekly reviews of key performance metrics and corresponding revenue projections that reveal low-hanging fruit and other opportunities to iterate on ways to improve customer service quality.



"Being able to tie customer service to business growth is incredibly valuable and often what is needed to get leadership backing and the investment in customer service that they don't have today."

**ADRIAN MCDERMOTT,
CHIEF TECHNOLOGY
OFFICER, ZENDESK**





Take actions that will directly boost quality and business results

It's impossible for companies to offer high-quality customer experiences if their agents are bogged down by cumbersome workflows or inefficient processes. What's more, they can't deliver on promises of personalized, tailored service if they have to spend valuable time hunting around for data that they should already have.

To promote high-quality experiences for agents and customers alike, companies should focus on:

Automating repetitive tasks: Identify and automate the most repetitive tasks to free up agents' time and improve performance.

Education and training: Make agent training a priority; consider developing a tiered training plan that starts with basic technical skills, including product knowledge, and then advances agent knowledge at regular intervals.

Personalization: Give agents access to valuable customer information—beyond just the customer's name—that they can use to improve experiences.

Customization: Actively solicit feedback from agents and managers about the quality of tools used and the overall process to personalize the customer service experience.

Evaluating existing channels: Ensure that you have satisfaction metrics linked to each and every channel. Actively track and benchmark performance across channels to check for continuous improvement.

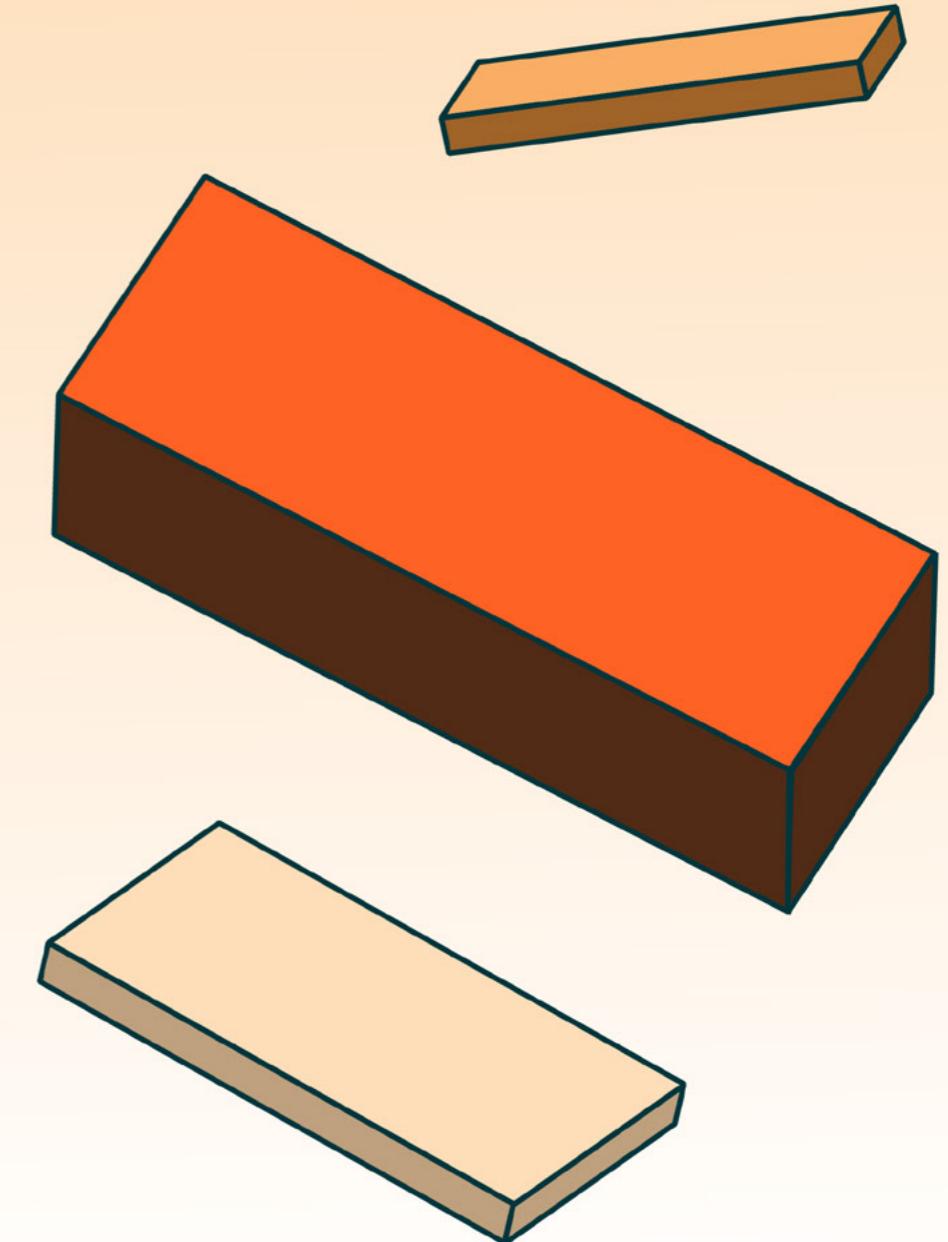
"To have the context they need to create a high-quality experience, agents need to know who the customer is, where they're coming from, and what their issue might be. Having this information at their fingertips makes this possible."

**ADRIAN MCDERMOTT,
CHIEF TECHNOLOGY
OFFICER, ZENDESK**

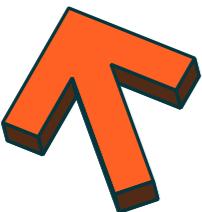


CHAPTER 7

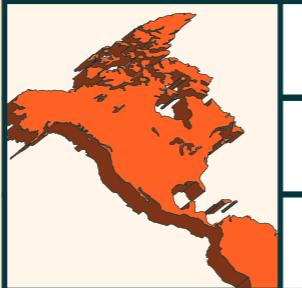
Industry and market insights



**Market and
Industry insights
will be coming
soon, via one-
pagers. Head to
the interactive
report and
select from the
options available
to customize
your report.**



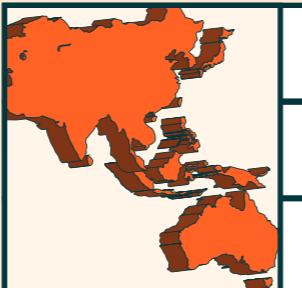
Market insights



Small businesses in AMER

Midsized businesses in AMER

Large businesses in AMER



Small businesses in APAC

Midsized businesses in APAC

Large businesses in APAC



Small businesses in EMEA

Midsized businesses in EMEA

Large businesses in EMEA



Small businesses in LATAM

Midsized businesses in LATAM

Large businesses in LATAM

Industry insights



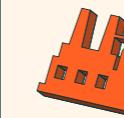
Financial Services



Government



Healthcare



Manufacturing



Retail

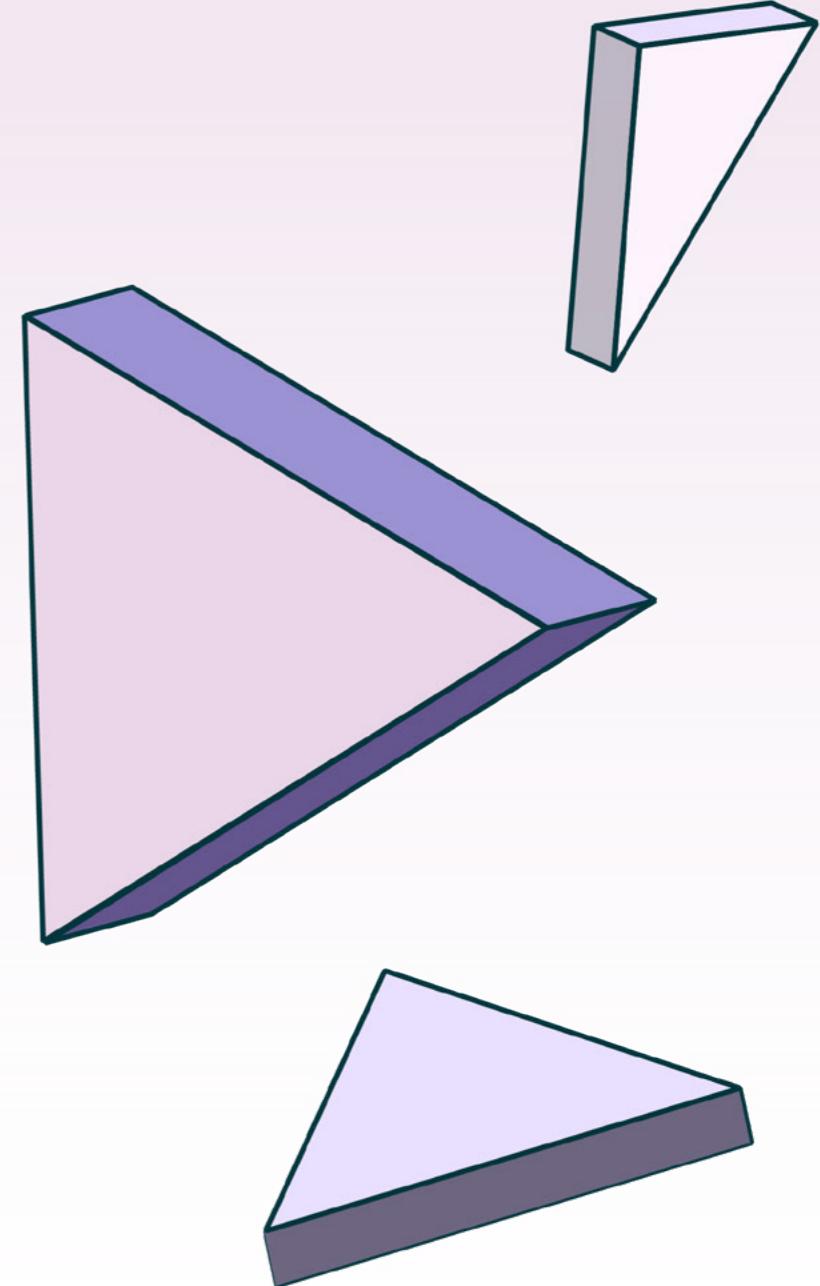


Tech



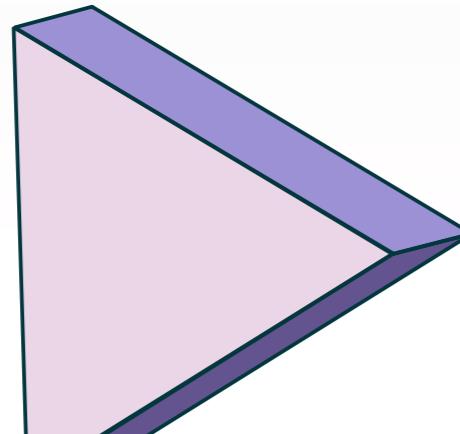
Travel and Hospitality

**Prioritize
customer service
like your growth
depends on it**



What businesses do now charts their course for the future. And where they place their bets, what they choose to prioritize, and how they adapt to changing customer expectations will determine their growth trajectory in the years ahead.

Customers have made it abundantly clear that they want and expect great service at every turn, but it's a high bar.

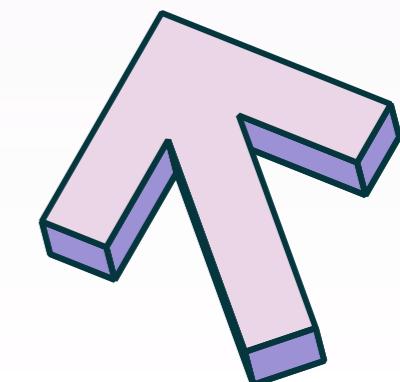


Personalized experiences, service over their favorite channels, and seamless processes from start to finish are just a few things on the must-have list.

Deliver on these expectations, and companies large and small have a chance to attract a growing customer base that prioritizes customer service with every purchase. Fall short, and businesses may lose the chance to try again.

Change is never easy, but it is possible and worthwhile. By embracing new technologies and making strategic investments in both people and process, companies can infuse a service-first mindset into all levels of the business.

The window for action is small—and closing. But companies have the opportunity to drive bottom-line growth and create better experiences, just by letting their customer service teams lead the way.



Methodology

Data in this report comes from two sources: surveys (one survey of consumers and one survey of business respondents) and Zendesk Benchmark product usage data.

We surveyed more than 3,511 consumers and 4,670 customer service leaders, agents, and technology buyers from 21 countries and organizations ranging from small business to enterprise during July and August 2021. Results from each survey were weighted to remove bias from the survey samples.

Countries surveyed include: Australia, Brazil, France, Germany, Japan, Mexico, United Kingdom, India, Singapore, South Korea, Benelux (Belgium, Netherlands, Luxembourg), Nordic (Denmark, Norway, Finland, Sweden), United States, Spain, Italy, and Canada.

Zendesk Benchmark product usage data came from over 97,500 Zendesk customers worldwide who participate in the Zendesk Benchmark. Account activity criteria were applied to filter out data from inactive accounts. Zendesk Benchmark data is based on product usage from July 2020 to July 2021.

We also explored what separates companies that excel at CX from everyone else. These High Performers were recognized in our surveys based on their selecting the top choice across a range of customer service criteria. Their performance is contrasted with those who selected no top options across the same criteria.

Business survey median length: 14:53 minutes

Business survey countries:

- United States (**35.4%**)
- Canada (**2.9%**)
- France (**4.6%**)
- Germany (**6.7%**)
- United Kingdom (**4.9%**)
- Benelux (**5.5%**)
 - Belgium (**2.7%**)
 - Netherlands (**2.3%**)
 - Luxembourg (**0.5%**)
- Nordic (**11.2%**)
 - Denmark (**1.8%**)
 - Norway (**1.6%**)
 - Finland (**4.1%**)
 - Sweden (**3.7%**)
- Spain (**2.3%**)
- Italy (**3.3%**)
- Australia (**2.5%**)
- Japan (**8.4%**)
- India (**4.8%**)
- Singapore (**0.6%**)
- South Korea (**2.8%**)
- Brazil (**2.3%**)
- Mexico (**1.9%**)

Business survey roles:

- Business leaders (**38.8%**)
- Agents (**25.8%**)
- Managers (**35.4%**)

Consumer survey median length: 9:31 minutes

Consumer survey countries:

- United States (**18.5%**)
- Canada (**2.3%**)
- France (**3.6%**)
- Germany (**5.0%**)
- United Kingdom (**4.2%**)
- Benelux (**1.8%**)
 - Belgium (**0.8%**)
 - Netherlands (**0.6%**)
 - Luxembourg (**0.4%**)
- Nordic (**1.6%**)
 - Denmark (**0.4%**)
 - Norway (**0.4%**)
 - Finland (**0.4%**)
 - Sweden (**0.4%**)
- Spain (**2.9%**)
- Italy (**3.1%**)
- Australia (**1.5%**)
- Japan (**8.1%**)
- India (**28.6%**)
- Singapore (**0.4%**)
- South Korea (**3.4%**)
- Brazil (**10.2%**)
- Mexico (**4.9%**)

Consumer survey age groups:

- 18-24 (**11.8%**)
- 25-39 (**41.7%**)
- 40-54 (**24.3%**)
- 55+ (**22.2%**)



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