

# The State of Customer Service

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2017



In a marketplace dominated by empowered consumers, customer service can be a key differentiator. Your customers now expect service on the platform of their choice—and platforms continue to proliferate. Tying together web, chat, call, portal and social is the challenge that all businesses must meet.

How do your customer service strategy and execution stack up against those of your peers? Incite Group's State of Customer Service Survey 2017 can provide the answer, letting you benchmark your strategy and implementation against others.

In July 2017, Incite Group surveyed over 100 customer service leaders. Survey respondents represented a swath of different industries, both B2C and B2B, regulated and non-regulated. Their roles extended to newer digital channels like social and messenger, as well as traditional channels like call center and email. Their regions of responsibility spanned the United States and Canada, the United Kingdom, EMEA, South and Central America, and Australasia.

We wanted to understand how they're responding to the rise of social media as a customer-service channel, as well as how well their efforts in traditional channels are working.

This survey will give you valuable insight into the state of customer service today and where you should focus your efforts in the year to come.

## Opportunity to learn more

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## Your peers' view of customer service today



A strong majority of survey respondents are responsible for the full gamut of customer-service department functions. This reflects both a best practice—removing siloes and unifying functions—and the need to connect with consumers across channels.

### How would you rate your customer service delivery?

#### ANALYSIS

Our customer service experts were quite positive about their ability to serve their customers, with 83.72 percent rating themselves as above the industry average.

### Does your leadership appreciate the full value of your customer service delivery?

That above-average service delivery was validated by companies' leadership, with more than two thirds of our respondents reporting that the value of customer services was absolutely or largely valued.

### What is the budget of your customer service department in 2017?



#### ANALYSIS

This is a touchy subject: More than half of those surveyed skipped this question. Among those who did answer, the largest proportion (27.27 percent) had from \$100,000 to \$500,000 to spend on customer service efforts. The wide range of budgets likely reflects diversity in the companies we surveyed.

### Does this budget represent an increase on your 2016 spend?

#### ANALYSIS

Customer service department budgets have remained close to flat this year, with 64.28 percent spending the same or no more than 10 percent more than last year. This could reflect lower costs due to automation; but it also could indicate a need for the customer service department to better validate its worth, as we see from the next two questions.

## Share best practice with your corporate peers

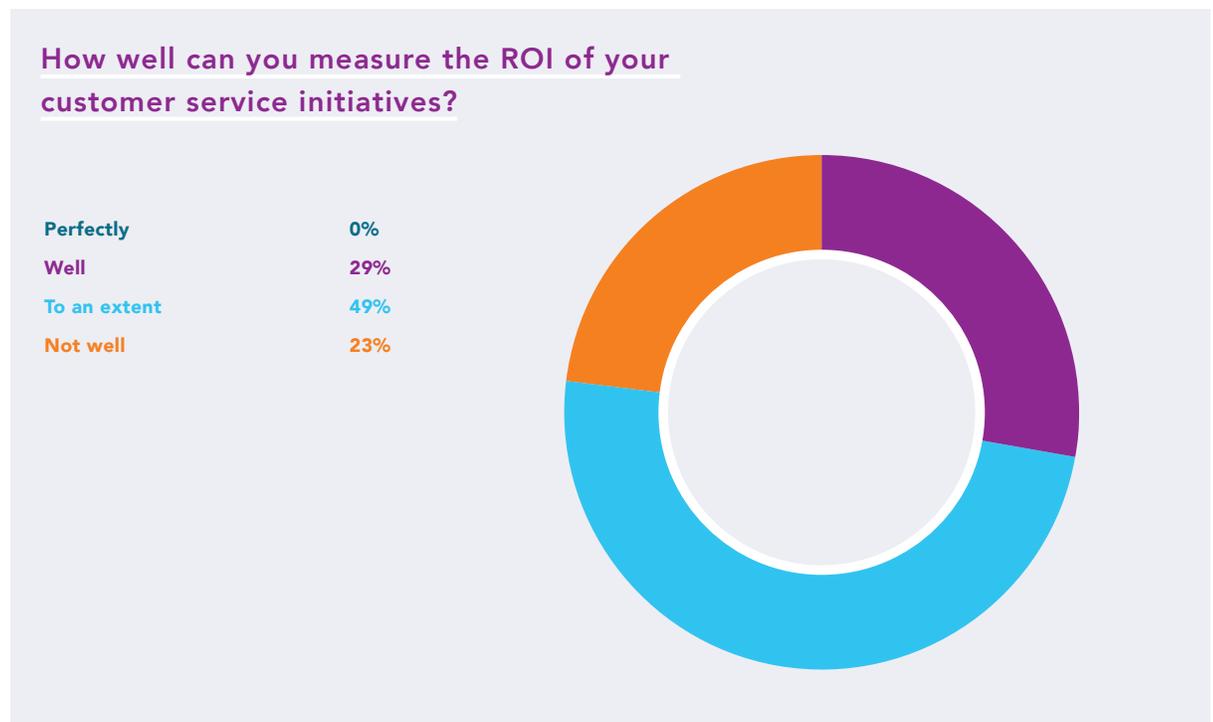
The **Customer Service Summit** is returning to New York. The two-day summit welcomes senior customer service executives from the world's biggest brand's. No guru's... no evangelists... just 200+ corporate leaders, sharing their tried-and-tested experiences.

[To discover what they'll be discussing, click here.](#)

## What main KPIs do you use to measure your customer service performance?

### ANALYSIS

This was an open-ended question, and we received a wide variety of responses. While customer service executives use different combinations of KPIs to track performance, the Net Promoter Score figured most often in those mixes, along with customer satisfaction (CSAT). While these are standard metrics for customer service and very important, they only indirectly help a company understand how this department contributes to the financial success of the organization. As we see in the next question, the ability to calculate the return on investment from customer care is a weak point.

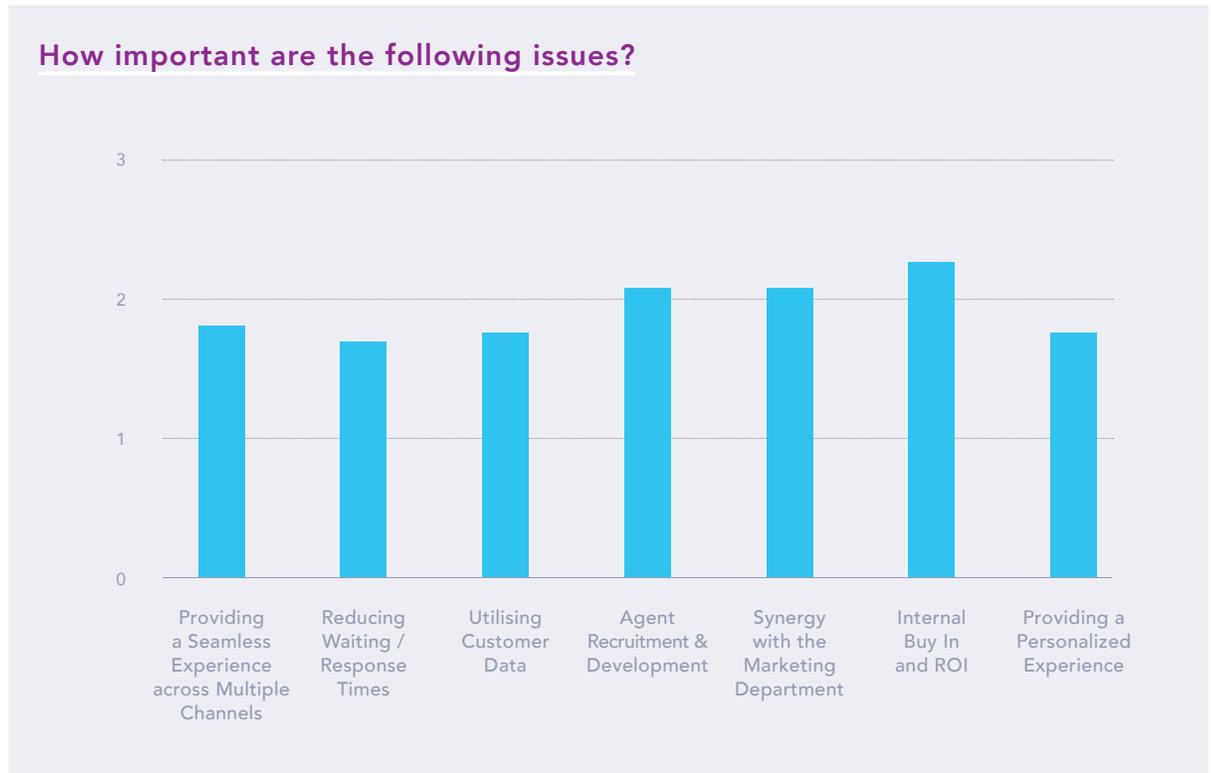


### ANALYSIS

While increased efficiencies could account for flat spending on the customer service department this year, the response to this question could also point to a different issue: It remains difficult for businesses to quantify the results of their customer care efforts. Close to half of all companies in the survey could only measure the return on their investments in customer service “to an extent,” while another 23.26 percent admitted a lack in this area.

Executives in charge of customer service must continue to find solutions to the ROI question if they want to convince the C-Suite that further investment will pay off.

## Burning issues



### ANALYSIS

Getting internal buy-in by showing the return on investment from customer service was top of mind for survey respondents, closely followed by finding synergy with the marketing department. These two things go hand-in-hand. As brand stewards, marketing executives are most likely to understand the importance of customer care and its role in building the brand. The marketing department is also well-placed to help analyze the contribution of customer service to sales.

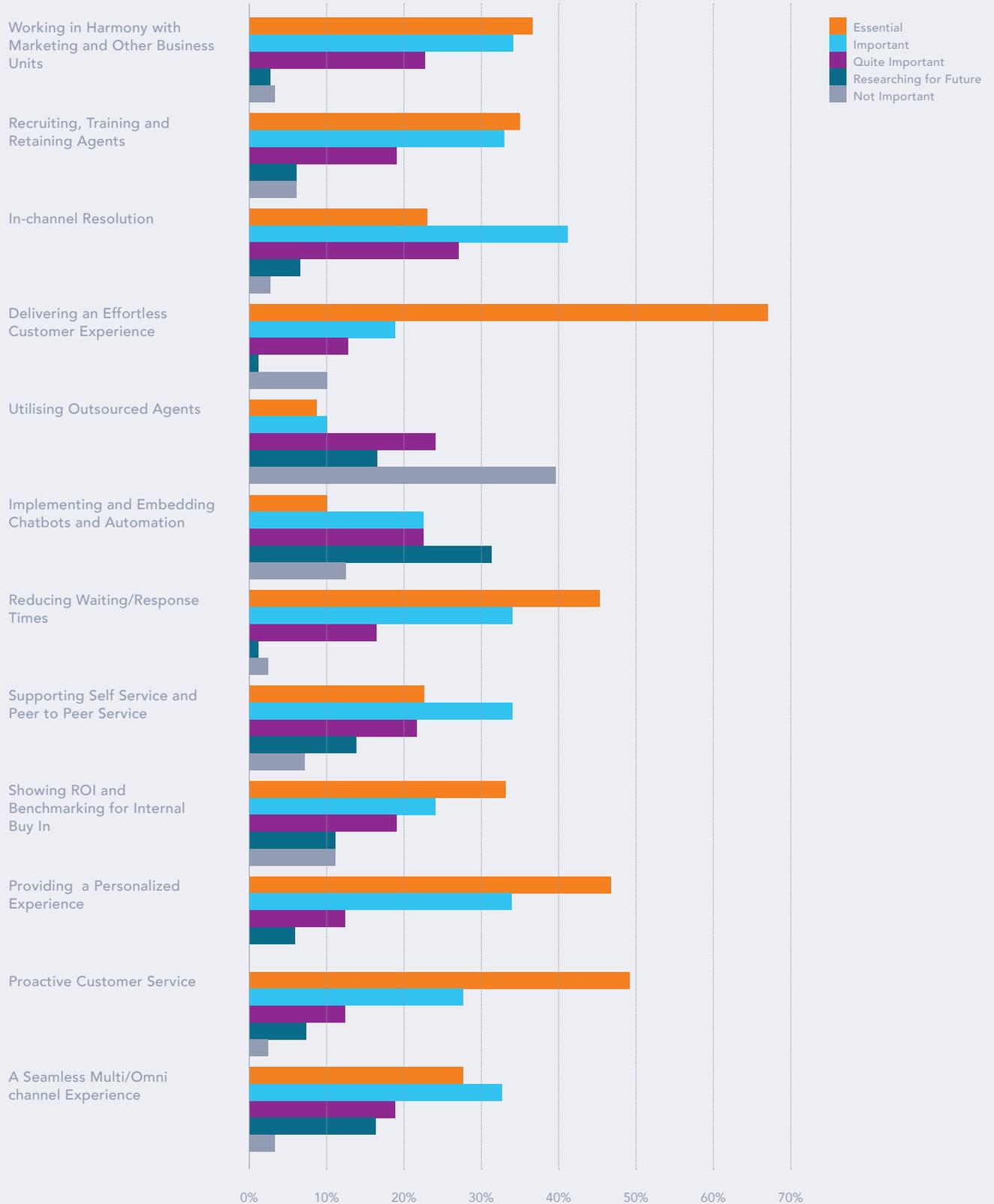
## Take your customer service strategy to the next level

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### Which topics are most important for your Customer Service Department in 2017?



## ANALYSIS

Delivering an effortless customer experience was the prime topic designated by our executives, with a full 98.74 percent ranking it from “important” to “very important” to “essential”.

A seamless multi-channel experience is as critical with 79.75 percent identifying it as important or more. Customer service must be multi-channel to match consumer behavior, with customers hopping among channels and mobile usage surpassing desktop.

Proactive customer service, providing a personalized experience, and reducing customer waiting times and/or response times were considered essential by close to half of respondents. These topics reflect an awareness of today’s landscape, in which 42 percent of customers expect a personal response to a customer-service query via social media within 60 minutes.

Social media can also aid companies in being proactive: By employing social media listening tools and sentiment analysis, they can identify a brewing issue and work quickly to solve it.

Combining the “essential,” “very important,” and “important” rankings of these topics provides a more nuanced view. With this lens, working in harmony with other business units and providing a personalized customer experience were deemed almost equally important and ranked just below being proactive about customer service. Certainly, we see a growing awareness that customer service is an integral part of marketing and central to the brand.

There was much less enthusiasm for utilizing outsourced agents, with a full 39.74 percent saying this was not important at all. While more than half of customer service experts did not consider implementing chatbots important, it’s noteworthy that this was the topic most likely to be in future research mode, with 31.65 percent reporting they’re looking at bots. This indicates that chatbots are likely to grow in importance over the next few years.

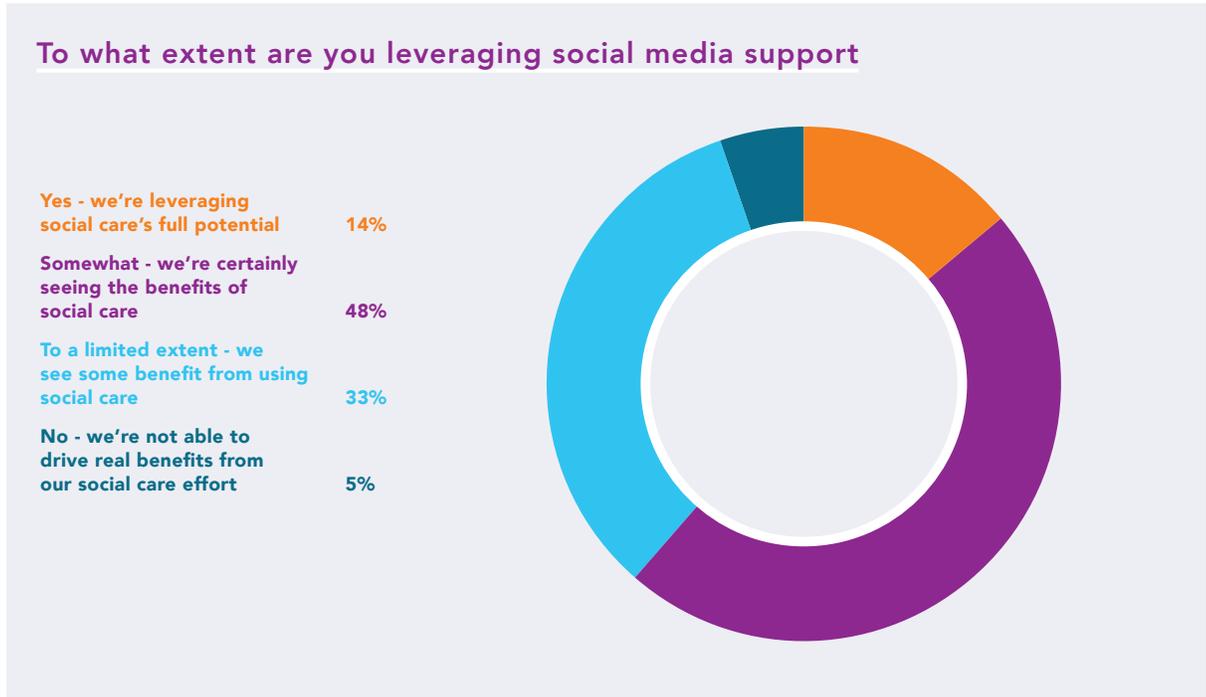
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## Social media: growing in importance



### ANALYSIS

Social media has arrived as a customer care channel. Close to half of executives we surveyed are at least somewhat using social media for customer care. More importantly, they are seeing the benefits. If you add in the 14.29 percent who have achieved social's full potential and the additional third who are using social to a limited extent, 95.34 percent have benefitted from providing their customers with social channels for support.

### In what form are you benefiting?



### ANALYSIS

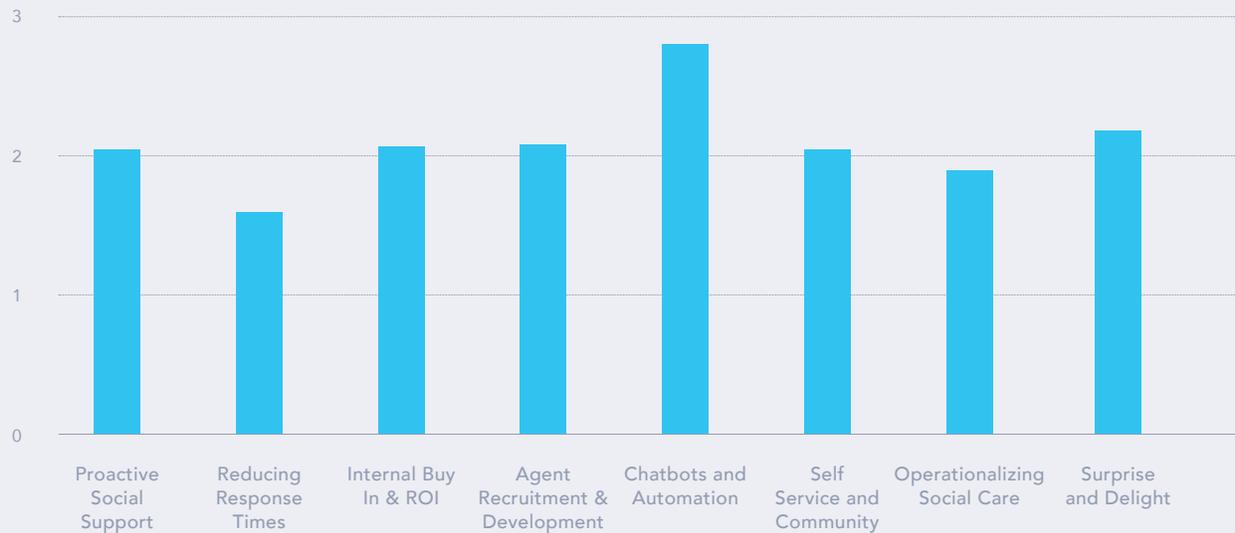
Customer satisfaction is the most important result of social care—and the ultimate goal of all customer service efforts. Social channels are also helping companies deliver on the goals and issues they identified as important: proactive customer service and speedy resolution of issues.

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### How important are the following issues?



#### ANALYSIS

Ask an overwhelmed customer service executive to prioritize her activities and she might reply, “It’s all a priority!” That’s the story told by survey respondents asked to designate their most important issues in providing customer care via social media. Everyone wants to surprise and delight their customers (95.24 percent said it was at least important). But internal buy-in and ROI, along with agent recruitment and development are also crucial.

Chatbots, identified in Question 9 as a strong topic for future research, led the pack of issues when the question referred to social media. In other words, expect chatbots to play a bigger role in the future, as companies figure out the technology and how to make the best use of it.

### What KPIs do you use to measure the success of your social media support?

#### ANALYSIS

Metrics for understanding customer care via social media are even more varied than those used for overall support functions. It’s notable that KPIs for total support are quite different from those used for social media support. Customer care executives must determine whether it makes sense to evaluate social efforts differently from those in conventional channels. A lack of standardized KPIs across channels makes it difficult for business executives to compare performance.

Moreover, out of 20 different KPIs or combinations of KPIs, only two metrics pertain to customer care’s effect on sales: conversion in potential clients and sales growth/incremental sales. This shows that customer service departments need to expand their vision for social care beyond handling customer enquiries and begin to employ metrics that illustrate their contribution to the overall growth of the business.

### What is your budget for social media support in 2017?



#### ANALYSIS

While using social media for customer service requests is rising, budgets for this are not: 40.91 percent of companies have budgeted less than \$100,000 per year for this channel. On the other hand, almost 10 percent will spend a hefty \$1 to \$2 million, and a few have budgeted more than \$5 million.

While it may be that only the largest companies can designate millions for social media customer support, the importance of this channel and its effect on the bottom line cannot be overstated. Consumers whose complaints on social media are ignored are 88 percent less likely to buy from that brand.

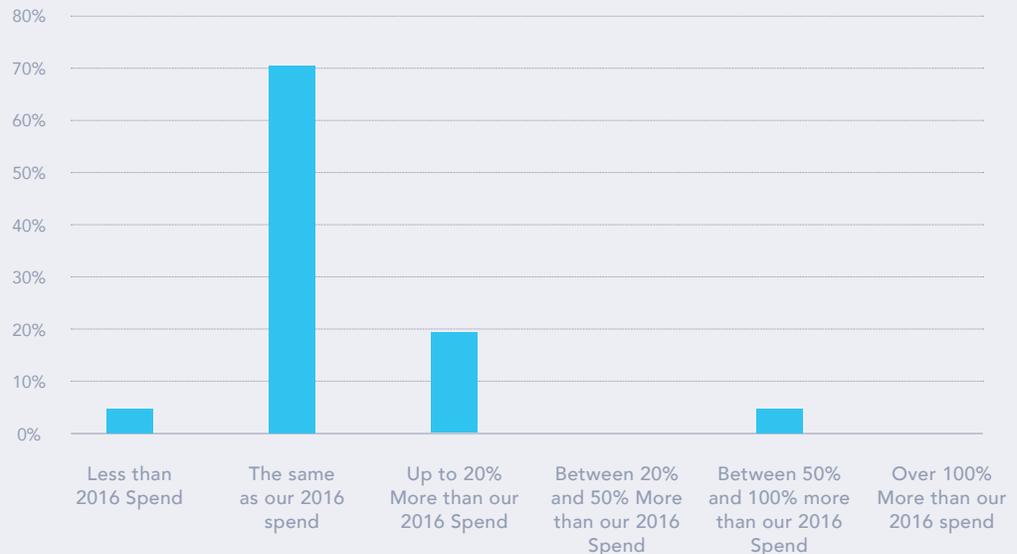
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**Does this budget represent an increase on your 2016 spend on social media support?**



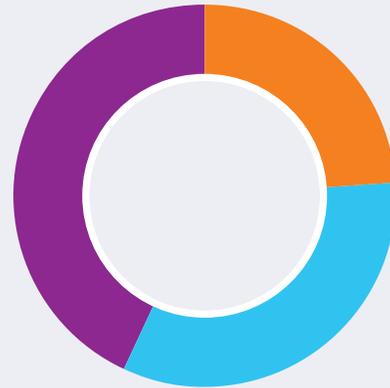
**ANALYSIS**

Despite the demand for social media support among customers, close to three quarters of companies have not increased spending this year, while 19.05 percent have increased budgets by up to 20 percent.

This could be because, while consumer surveys indicate that customer service via social media could make or break the customer relationship, it's difficult for companies to calculate a return on this investment.

### Is your leadership convinced of the value of social media support?

<b>Absolutely</b>	<b>24%</b>
<b>Largely</b>	<b>33%</b>
<b>To a basic extent but they don't see the full potential</b>	<b>43%</b>
<b>No</b>	<b>0%</b>

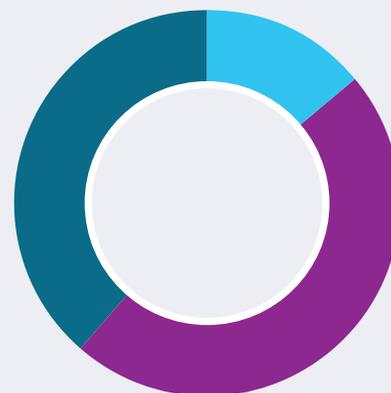


#### ANALYSIS

More than half of business leaders recognize how important social support has become, However 42.86 percent don't see its full potential. To make this case, customer service executives need to be able to show a clear return on investment. This capability is lacking.

### How well can you measure the ROI of your social media support?

<b>Perfectly</b>	<b>0%</b>
<b>Well</b>	<b>14%</b>
<b>To an extent</b>	<b>48%</b>
<b>Not well</b>	<b>38%</b>



A scant 14.9 percent thought that they could well calculate the return on investment from social media support, while more than a third knew their efforts were lacking. Until companies can establish metrics and measure whether their social media customer service achieves results, it will be difficult to convince the C suite to up the budget.

## Conclusion

Customer service continues to move into social channels. While there is huge opportunity for timeliness and efficiency in resolving customer issues via social media, this shift is not without its challenges for customer service departments.

A critical piece of the puzzle is measuring success in customer service overall and within social media. While social media analytics tools are robust and plentiful, they do not necessarily offer insights into traditional customer service KPIs.

While independent surveys have shown that customer service does impact consumer satisfaction, brand loyalty and sales, each company must determine its own metrics for ROI, as well as the most desirable customer service channels for its customers.

One thing is clear: Delighting consumers with personalized and fast customer service is and will remain essential.

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