Forbes
INSIGHTS

MODERN CUSTOMER SERVICE

ARE YOU OUTPACING YOUR EXECUTIVE PEERS?

IN ASSOCIATION WITH: **ORACLE**®

CONTENTS

OVERVIEW

Across industries and business operating models, companies believe they are generally doing a good job serving their customers and that they are doing better than their competitors. Is executives' optimism based on capabilities or wishful thinking?

For the most part, even companies using sophisticated technology to provide consistent access and answers across channels still view customer service through a traditional lens of serving the needs of the customer—despite its usefulness in marketing, building brand equity, up- and cross-selling and driving loyalty, as well as capturing the voice of the customer for product and service improvement and new product and service ideas. Even when serving customers is seen as a strategic goal for the entire organization, few companies seem to be leveraging customer service as a true organizational strategy. But those that do are reaping the rewards.

As empowered and informed customers increasingly come to expect high-quality customer service anytime, anywhere, from any device, omni-channel capabilities and the ability to gather, store and deploy data effectively to best serve customers will grow in importance, as will the ability to measure success. Indeed, those companies—many in industries such as high technology and employing business models such as hybrid B2B/B2C—who prioritize and deploy customer service as part of their corporate strategy and through the use of data analytics are seeing stronger impact.

Companies are in various stages of maturity in providing advanced, modern customer service, which is defined as going beyond standardizing service across channels to achieving personalized customer engagement at every touchpoint. Whether they are just starting, somewhere in the middle or well down the road, companies need to become aware of where they are on the continuum. Only then can they understand how to adapt to new and emerging trends and take the next steps.
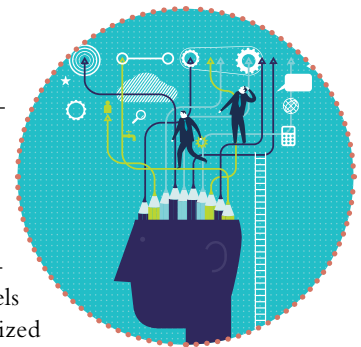
KEY FINDINGS

Modern customer service is entrenched in most companies—and many think they're doing it really well, much better than their peers. Eighty-eight percent of executives say they are making good or excellent progress at offering modern customer service. Indeed, companies are extremely bullish on their capabilities. Seventy-five percent of all executives surveyed believe they are performing better than their industry peers, as do 86% of those who believe they are making excellent progress toward modern customer service. (This may reflect a common cognitive bias known as the Lake Wobegon effect, named after Garrison Keillor's fictional town, where all the children are above average.)

At the same time, serving customers is not given the weight it deserves—organizations may not be grasping its full importance and impact as part of a corporate strategy beyond customer retention. Customer service is an organization-wide strategic goal for just 38% of the companies surveyed. But some sectors are at the forefront. It's the most important strategic goal for 48% of technology companies and 49% of B2B2C businesses; and it's part of corporate culture (42%), customer experience (49%) and/or the mission statement (35%) for communications and telecom companies.

Companies may be reluctant to move outside the customer service comfort zone. While only 11% report that serving customers is primarily or solely the responsibility of the customer service department, only 15% consider it a key component of their marketing message or brand. Many companies see customer service primarily as a post-purchase function. They don't yet recognize its role in informing and converting potential customers at pre-purchase.

Companies are using newer technologies and striving for a seamless omni-channel experience, but still feel most comfortable with traditional channels. A significant barrier to adding new support channels is cost (43%). Integration challenges such as inability to align with existing systems (44%) and fears about implementation (39%) are also barriers.

Knowledge management is the top investment area for the coming year (51%), as only 35% of organizations currently deploy this capability. Yet organizations across industries and business models are investing in improving their knowledge capabilities because they recognize its importance in delivering what customers want: consistent answers, delivered seamlessly.

Even as many companies begin to see customer service through a strategic lens, measures of success remain primarily the traditional efficiency metrics. Forty percent of the companies surveyed track key customer service performance indicators, which focus on efficiency and satisfaction. For example, time to resolution (40%) and customer satisfaction (38%) are key metrics for all companies. But only 20% consider new customer acquisition, and only 28% consider the impact on sales. Reviewing individual metrics shows that uptake on newer measurement tools such as net promoter score (22%) and customer effort score (37%), which are strong predictors of customer retention rates, is uneven. This indicates that companies are struggling to make the connections among retention, revenue and spending, even as they are beginning to recognize the importance of customer effort on loyalty.

CUSTOMER SERVICE:
MIRED IN TRADITION AS A COMMODITY, NOT A STRATEGY

Most of the executives surveyed think they are offering modern customer service. When asked how they would assess current progress toward delivering it, only 11% reported that they were just getting started, i.e., adding new channels, offering self-service and enabling customer forums. The lion's share of respondents (61%) believe they are making good progress, meaning offering standardized service across channels, a single knowledge base of consistent answers and service as a brand differentiator. And one in four (28%) believe they are making excellent progress, with use of centralized customer data, personalized customer service and customer satisfaction scores above 90%.

Excellent is a difficult space to be in. According to Mark Marshall, executive director customer care at MetTel, a B2B communications solutions provider, "Any company that wants to be excellent always thinks they're on the edge of excellence. They are always reassessing what needs to be done and looking for new ways to deliver a better customer experience."

Figure 1 How would you assess your current progress toward delivering advanced customer service?

Industry

Communications and telecom
| 37% | 54% | 9% |

Financial services and insurance
| 30% | 57% | 11% |

Technology
| 30% | 68% | 3% |

Retail
| 28% | 65% | 7% |

Wholesale distribution and Manufacturing, discrete
| 26% | 52% | 21% |

Consumer goods and Manufacturing, process
| 20% | 70% | 10% |
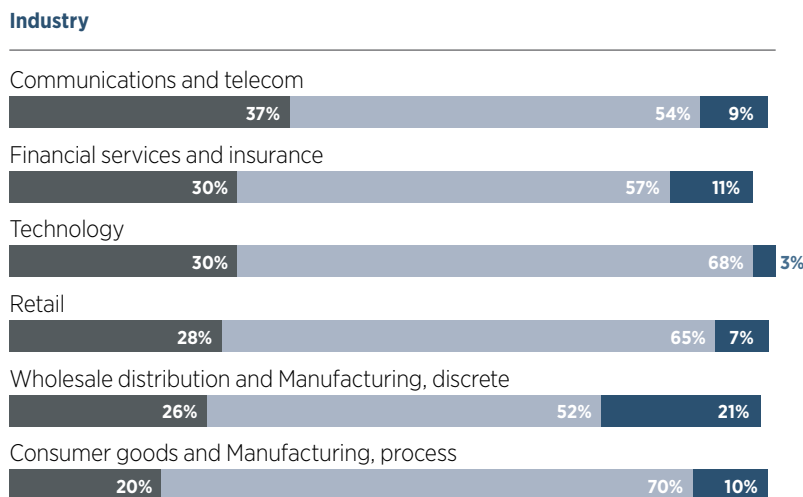
KEY

■ Making excellent progress   ■ Making good progress   ■ Just getting started

Figure 2 How do you believe the customer service in your company performs compared to your peers?

Doing better or significantly better than peers

Wholesale distribution and Manufacturing, discrete
| 80% |

Consumer goods and Manufacturing, process
| 75% |

Financial services and insurance
| 74% |

Retail
| 72% |

Communications and telecom
| 71% |

Technology
| 68% |
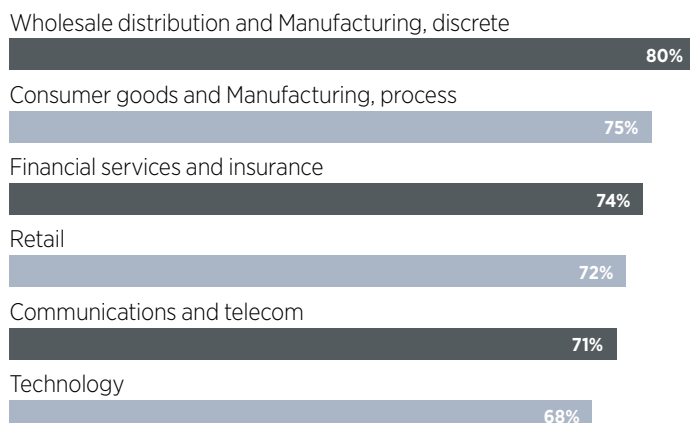
FROM GOOD TO EXCELLENT

A good or excellent customer experience is ultimately defined by the consumer. Companies must always assess where they are—excellent customer service is never an end game.

Consumers define good customer service as being able to provide a consistent engagement over time. They define great customer service as personalization involved in every interaction across any channel.

The jump from good to excellent is a fairly big one. It involves a lot of effort and consultation, but it is exciting to see so many companies that are starting to move in that direction.

—Jeff Lundal,
Group Vice President,
Service Automation,
Oracle

Even with the significant number of companies that believe they are doing it right and doing it better than their competitors, it appears that companies may not be grasping the full importance and impact of customer service as a strategic weapon. Many companies seem to be viewing customer service more through the lens of keeping customers and less as a valuable asset for differentiation, revenue growth, customer loyalty and engagement, as well as new products and services. This lack of vision comes at the expense of other areas such as increasing sales, improving products and services, building brand equity, improving marketing messaging, capturing voice of the customer (VOC) to help drive strategy, etc. Companies that treat customer service as a differentiator and embed it into the company's core being and mission statement grow more, retain more and operate with greater efficiency.

More than half (53%) of executives in the survey cited as a business objective the importance of serving customers for their ability to retain existing customers and reduce turnover, and 40% cited increasing sales from existing customers.

Denise Connors, VP of customer service at Trupanion, a provider of medical insurance for pets, knows the importance of customer service for retention. "Customer service is paramount to our organization. Because we are a monthly recurring revenue business, most of our revenue is generated from the customers that we booked months if not years ago. So we know that to be successful we have to retain our customers. Our whole approach is around having a highly engaged customer base and keeping them happy."

Businesses that say they are making excellent progress toward modern customer service are more likely (57%) than their peers to see retention and reducing turnover as a primary business objective for customer service. They are also much more likely to view customer service through the lens of brand differentiation (36% vs. 30% for all respondents) and improving competitive position or market share (28% vs. 23% for all respondents), and to realize the value of customer service in improving product or service offerings (25% vs. 19%).

With the focus on these broader strategic goals, it's a surprise that seemingly related business objectives are viewed as less important. This group is much less concerned about using customer service to produce more with less effort and cost (18% vs. 25% for all respondents); and they are less concerned about the role of customer service in improving the number of customer

> ## The most successful customer service organizations understand how critical agents are to creating and maintaining the customer experience.

advocates (14% vs. 19% for all respondents), which has a strong impact on differentiating a brand from its competitors. This difference may be due to the fact that B2B (34%) and hybrid B2B/B2C (38%) companies compose the biggest percentage of executives citing excellent progress. B2B companies traditionally have less of a focus on creating brand advocates than their B2C peers.

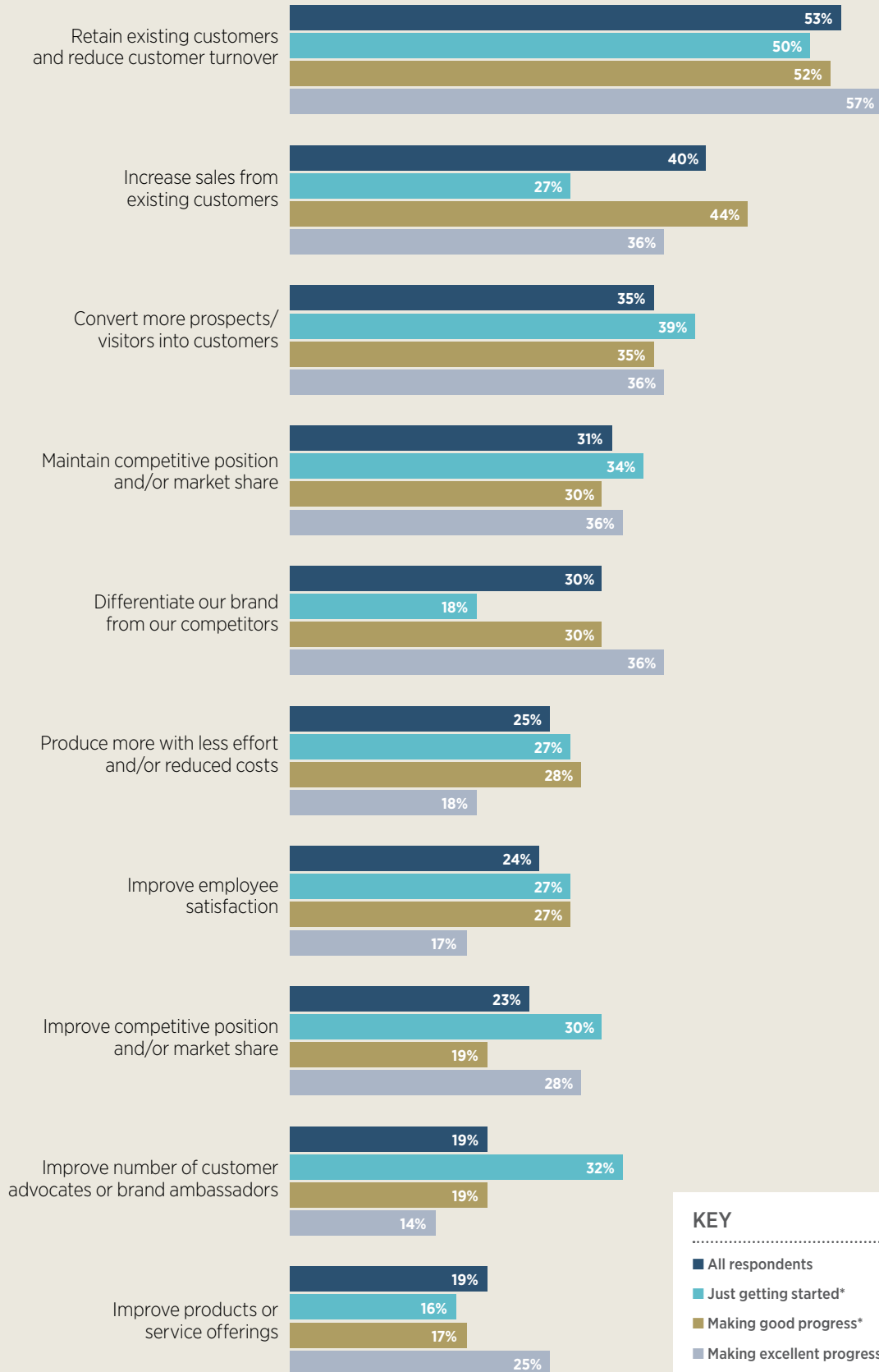It is also a surprise that these companies do not view customer service through the lens of employee satisfaction (17% vs. 24% for all respondents). The most successful customer service organizations understand how critical agents are to creating and maintaining the customer experience. Agents who are frustrated by a lack of good support tools—or who don't feel valued—reflect that in their demeanor, which impacts the customer's perception of the interaction itself and the company as a whole.

Figure 3 What are the primary business objectives for your customer service function?

Customer Service Business Objectives

Retain existing customers and reduce customer turnover
- 53%
- 50%
- 52%
- 57%

Increase sales from existing customers
- 40%
- 27%
- 44%
- 36%

Convert more prospects/ visitors into customers
- 35%
- 39%
- 35%
- 36%

Maintain competitive position and/or market share
- 31%
- 34%
- 30%
- 36%

Differentiate our brand from our competitors
- 30%
- 18%
- 30%
- 36%

Produce more with less effort and/or reduced costs
- 25%
- 27%
- 28%
- 18%

Improve employee satisfaction
- 24%
- 27%
- 27%
- 17%

Improve competitive position and/or market share
- 23%
- 30%
- 19%
- 28%

Improve number of customer advocates or brand ambassadors
- 19%
- 32%
- 19%
- 14%

Improve products or service offerings
- 19%
- 16%
- 17%
- 25%

KEY

- ■ All respondents
- ■ Just getting started*
- ■ Making good progress*
- ■ Making excellent progress*

*How respondents rated themselves.

> "Now in the world of social media, we see two-way communication and, candidly, millennials are expecting that."
>
> —Frank Pettinato,
> SVP and General Manager of
> Consumer Connexions,
> Telerx

Even as customer service is evolving, some companies still see it only as a post-purchase function. They don't yet recognize its role in informing and converting the potential customer at pre-purchase. Just 30% of all respondents see customer service as a brand differentiator, and only 35% see it as an opportunity to convert prospects or visitors into customers.

One thing is sure, no matter where they are on the road to modern customer service, companies no longer see customer service as just the complaint department. Frank Pettinato, SVP and general manager of Consumer Connexions at Telerx, which provides customer support

services to businesses, notes the evolution. "If you look at it from a traditional sense, customer care and consumer relations were really developed to respond to questions and complaints. The trend is moving from responding to customer concerns or questions to building an environment to engage with the consumer. It's now a vehicle to build brand loyalty that hadn't otherwise been available. Simply put, customer service is a differentiator.

"Brands realize that customer service is a great opportunity," he says, "especially in this omni-channel environment, to begin a dialogue with consumers and to engage and interact with them in creative ways. Traditional marketing and public relations was a push. I advertised. I ran a commercial on television. There was no real interaction.

"In the world of social media, we see two-way communication and, candidly, millennials are expecting that," Pettinato notes. "The one-to-many concept of marketing is yielding to the synchronous communication strategy emerging now. And I think we're in the second inning of this. Every day or week or month that goes by, the numbers seem to increase and support this."

Holding Tight to Existing Customers: B2B and Retailers

Interestingly, although it is their most cited business objective (46%), B2C executives overall do not see customer service as a way to retain customers at the same level as B2B businesses do (51%). And hybrid

Customer Service Business Objectives

	All respondents	Communications and telecom	Consumer goods and Manufacturing, process	Financial services and insurance	Retail	Technology	Wholesale distribution and Manufacturing, discrete
Retain existing customers and reduce customer turnover	53%	55%	55%	57%	65%	48%	44%
Increase sales from existing customers	40%	33%	43%	30%	61%	43%	43%
Convert more prospects/visitors into customers	35%	47%	28%	34%	30%	28%	39%
Maintain competitive position and/or market share	31%	29%	38%	26%	30%	38%	26%
Differentiate our brand from our competitors	30%	38%	38%	29%	28%	33%	21%
Produce more with less effort and/or reduced costs	25%	22%	28%	19%	13%	18%	36%
Improve employee satisfaction	24%	17%	18%	29%	28%	20%	28%
Improve competitive position and/or market share	23%	21%	25%	30%	17%	33%	20%
Improve number of customer advocates or brand ambassadors	19%	10%	10%	25%	15%	20%	25%
Improve products or service offerings	19%	28%	18%	17%	11%	23%	18%

KEY

- All respondents
- Communications and telecom
- Consumer goods and Manufacturing, process
- Financial services and insurance
- Retail
- Technology
- Wholesale distribution and Manufacturing, discrete

RETAIL

companies who operate in both the B2B and B2C space are the most likely to cite customer retention as a business objective. At 67%, that is well above the figure for other business models.

"Our customer service is not just a department—it's about positively engaging customers at every single touchpoint," says Christine Nashick, chief customer officer for DHL Express U.S., the global logistics firm that operates in both the B2B and B2C space. "Customer service used to be a lot more transactional. A customer calls and you answer the question. Now it's really focused on going above and beyond and truly delighting the customer. We strive to create such an exceptional experience for our customers that we not only retain them but they refer us to others and become our advocates."

Even though DHL Express specifically works to create brand advocates, other hybrid B2B and B2C companies do not necessarily see the importance. This group was the least likely of all business models to see customer service as an opportunity to increase the number of customer advocates or brand ambassadors (7% vs. 19% for all respondents), which is surprising when viewed in the light of the role brand ambassadors play in building engagement and, thus, retaining customers.

Indeed, with B2B's focus on holding on to existing customers, they were also the least likely of all business models to see serving customers as an opportunity to convert prospects into customers (26% vs. 35% all respondents and 43% B2C), even though they are also much more likely to view customer service as an opportunity to maintain competitive position or market share (38% vs. 31% all respondents and 27% B2C).

A BLIND SPOT

Companies report a contradictory desire to learn about customer needs while at the same time spending as little time with them as possible.

More than any other business model, B2B2C companies reported wanting to spend time to learn about customer needs (90%) but then rated minimizing handle time as the next highest goal (82%).

Among industries, communications and telecom companies reported a strong desire to use time with customers to learn about their needs (81%) and an equally high desire to minimize time to handle customer issues (84%).

Does this mean that companies are handling issues efficiently so they can spend more time on customer experience and learning about a customer's needs?

Or are some companies falling into the trap of telling agents to provide a good experience while at the same time minimizing average handle time and working to maximize the number of calls agents deal with during each shift?

More than the overall respondents or any other industry, the retail industry sees customer service in light of existing customers—65% reported it as a customer retention tool (vs. 53% for overall respondents), and 61% saw it as an agent to increase sales (vs. 40% for overall respondents).

Retail companies did not view customer service as a way to improve internal operational efficiencies such as producing more with less (13% vs. 25% for all respondents) or improving products or services (11% vs. 19%) as much as other industries. Nor did retail see customer service as a way to improve competitive position as much as all respondents (17% vs. 23%) or executives in financial services (30%).

This focus on existing customers to the exclusion of other strategic and operational objectives is not surprising given the role customer service traditionally played as the complaint department. This suggests that retailers must work harder to move down the road toward a truly modern view of customer service.

Customer Service at All Points Along the Journey: B2C and Telecom

B2C companies are more open to the notion of serving customers as a pre-purchase differentiator: 43% of B2C executives cited the purpose of customer service as converting more prospects to customers, compared with 26% of executives in B2B. Conversion was the second most often cited objective for B2C, after customer retention (46%).

B2C companies are also more likely to use customer service as a way to improve employee satisfaction (34% vs. 24% all), and along with retail companies specifically (both 43%) are more likely than overall respondents (33%) to empower employees to make decisions as needed.

Consumer Cellular, a nationwide cell phone and service provider, is one of those companies that knows the important role employees pay in providing excellent customer service. CEO John Marick says, "One thing we've really focused on is building pride in our organization, so our employees understand what we stand for and really feel appreciated for the work that they do. It's a tough job when you're sitting there and taking phone call after phone call. It can be a little daunting. So we've really done a lot of things to help our employees feel that we value them—we have a team atmosphere, we are constantly coaching and listening in on calls to help reps improve, and are identifying areas where we can provide added training or knowledge."

The communications and telecom industry was much more likely than overall respondents to see customer service as a way to convert more prospects or website visitors into customers (43% vs. 35% of all respondents). These companies viewed serving customers as a brand differentiator on roughly equal footing (32%) with all respondents (30%) and technology companies (33%).

"MetTel prides itself on great customer service," says Marshall. "It's part of our corporate culture. We believe it's a differentiator for us in the market space, and we believe we offer great customer service."

Far fewer executives cited objectives like improving their competitive position (23%), improving products or service offerings (19%), or increasing the number of brand advocates or ambassadors (19%).

Goals for customer service specifically amplify the focus on customer service as a tool to serve existing customers. Executives ranked "Leverage time with customer to learn about the customer's needs for the purposes of improving the customer service experience" as a key goal—with 77% saying it is an important or the most important goal, followed by minimizing time to handle customer issues (71%).

Using time with customers to learn about needs for new products or services rounded out the top three goals for customer service interactions, with 64% of executives citing this. This is a surprising statistic given that only 19% of executives cited improving products or services as a primary business objective of their customer service.

Lack of technology, lack of resources and uncertain ROI are all obstacles to delivering the best possible service to customers—but nothing stood out as the single greatest barrier across business models, industries or how companies believe they fare in providing modern customer service.

The top two barriers to adding new service channels are inability to integrate with existing systems (44%) and cost considerations (43%). These were followed closely by fears about implementation (39%) and technological limitations such as lack of support (36%).

DHL Express's Nashick sees integration as a challenge. "The biggest barrier to making changes to existing channels is ensuring the IT infrastructure enables the functionality needed for each channel and maintains visibility to all channels."

The notable exception when discussing barriers is technology companies—they found inability to predict ROI to be their biggest challenge (50% vs. 31% for total respondents) when thinking about adding new channels. This was the highest reported barrier across industries and business models.

Trupanion's Connors understands all these concerns. The biggest challenge she sees? "Proving ROI. It's challenging to be able to prove it's the right thing to do to cater to customer preferences because you may not have any measurable lift in any category for a long time. I believe strongly that giving customers what they want is the right thing to do, even if it doesn't change any of the key metrics. So I have to prove that I can reduce operating expenses. Even if that isn't the main driver for doing it, if I can prove that, we are able to move forward."

Customer service is moving from its traditional place in the corporate hierarchy as a cost center to a profit center. Proving ROI is becoming ever more important for brands that want to be forward-thinking and to build real brand advocacy. And the ability to capture, manage and use data provides a true strategic advantage to those companies who get it right.

Everyone in the organization has to understand the role customer service plays. MetTel's Marshall: "It's critical to have full adoption from within the organization, acceptance at the C-level and board level, of the value that customer service and customer care delivers. Not just the individual care experience, but how customer service builds your brand, how it impacts client retention, how it impacts opportunities for new revenue and how it impacts your opportunity to gain new clients. Since the telecom industry has an element of commoditized perception, care really stands forward in what's important."

Financial companies pointed to silos that prevent information sharing as a relatively larger challenge (29% vs. 23% for all respondents). Retail companies pointed to technology limitations as their largest challenge (41% vs. 33% for all respondents).

OMNI-CHANNEL AND THE EMPOWERED CUSTOMER

In all business models, companies are still working on effectively using newer technologies, such as social media and real-time texting, but are comfortable effectively handling more tried-and-true channels. However, executives are working to correct this gap, even if cost is one of the challenges holding them back. The impact of new customer service channels is clear when executives describe how effective they are in providing customers with certain types of customer service experiences, even if effective real-time support capabilities remain nascent. There is recognition of the advent of immediate gratification— the desire for consumers to get answers as quickly as possible, when they want, on the channel they want.

CONSUMER CELLULAR

Over the phone is by far the biggest touchpoint for us. We're a little bit different from a lot of companies that are trying to reduce calls and push people off to other channels that are maybe more efficient. We actually want to talk to our customers. We think that's one of the things that sets us apart from our competitors, so we're willing to invest in a higher level of employees answering the phones and being available to answer questions quickly.

Our customer base is not necessarily the early adopter of some of these technologies. So we wait for our customers to say, "Hey, I'd like to interact with you this way," before making channels available. We've worked to make our website even more friendly and easier for customers who want self-service via the web or their smartphone.

In the perfect world…however you want to communicate with us, we will have that available. But at the end of the day, a lot of times it's that good old-fashioned phone call that allows us to truly provide exceptional service. Because you can get stuck in this deal where technology sounds easy and efficient, but it becomes harder to truly understand what you're seeing and what you're dealing with on a chat session or an email string.

—John Marick,
CEO,
Consumer Cellular

At the same time, there is still a stronger comfort with and realization of the value of traditional service methods such as telephone support, the area executives expect to increase the most in the coming year.

Trupanion's Connors: "Phone is king for us. It's highly effective, and about 80% of all our contacts come on the phone. The reason is that we offer an emotive product. We are helping to protect people's pets. When they call us, they realize that we've hired people who are absolutely bonkers in love with pets. And they have such a fun, engaging experience they don't hesitate to call instead of text or email when they need help. For the remaining 20%, it's split about half and half between email and chat as equal preferences by customers.

"About a year ago we integrated phone and chat," Connors continues, "so it's a true omni-channel experience, where the customer and employee can move back and forth between either and still have a live session. So customers who have been chatting with us don't have to get frustrated if they can't get their answer. All they have to do is hit the click-to-call-me button and within a few seconds they are having a live call with the same person."

Businesses making excellent progress in their customer service offerings are doing the best at enabling service engagements on multiple channels. Seventy-five percent say they are somewhat or very effective (vs. 58% for all respondents and 55% of companies making good progress). In all other areas, companies are roughly the same no matter how far along they are down the road to modern customer service, with two notable exceptions.

Companies making excellent (37%) and good progress (39%) lag behind companies who are just getting started (50%) in providing social customer service. They also lag behind their peers in presenting the next best action or offer during support interactions (52% vs. 58% overall respondents and 60% of companies making good progress). This finding may be explained by B2C organizations, especially retailers, who may be ahead in these areas due to the nature of their business. And like their overall peers and those who cite that they are making good progress, businesses offering modern customer service are also doing well at empowering customers to help themselves, using any channel or device.

Brad Smith, EVP, customer experience at Sage North America, a supplier of business software and services, says "To make sure there's consistency across all the different customer interaction channels, I have business rules. The first business rule is: Is this a known thing? Do I know it? Can I diagnose it? Or is this something in the gray area? The second business rule is: What's the appropriate treatment?

Figure 5 Organizations consider themselves effective*

How effective is your organization in providing customers with the following customer service experience?

Customer Service Experiences

Empowering customers to help themselves, using any channel or device

| 72% | 75% | 74% | 55% |

Enabling seamless customer service conversations across channels

| 63% | 65% | 65% | 48% |

Using knowledge management to provide relevant and accurate answers

| 63% | 69% | 61% | 59% |

Consistently ensuring that inquiries in any channel are handled within pre-determined timeframes

| 63% | 69% | 64% | 41% |

Enabling service engagement on multiple channels, so the customer can interact with us or reach out for help in any way he/she wants to

| 58% | 75% | 55% | 32% |

Consistently identifying and presenting optimal offers or next-best actions at an individual customer level during service interactions

| 58% | 52% | 60% | 61% |

Providing service and support through mobile devices specifically

| 57% | 57% | 58% | 50% |

Consistently optimizing scheduling and dispatch of field service workforce in real time

| 54% | 58% | 54% | 45% |

Providing real-time online support via chat, text, or self-service

| 48% | 47% | 49% | 45% |

Integrating social media with service processes

| 40% | 37% | 39% | 50% |

KEY
- All respondents
- Making excellent progress
- Making good progress
- Just getting started

Executives who answered "very effective" or "somewhat effective."

"We know, for instance, that most customers who receive the Sage Business Care service plan do not con–tact support in a 12-month period. When it's time to renew the Business Care agreement, the renewal rates hover between 89% and 91%. But we also know that if they do contact us and interact with support within that 12-month period, even if it's just two times, the renewal rate is in the 98 to 99 percentile.

"So, if this is their first interaction in the year," he says, "even if we have an automated means to resolve the issue quickly, the treatment rule may say to route this customer to a superstar agent who not only under–stands the product but also understands the customer's business and segment. And we can provide white glove treatment and create a memorable experience, to opti–mize the risk of churn."

ORACLE

Generally customer service is associated with people and soft skills, and there is truth to that. People make a huge difference. On the other hand, I think a lot can be accomplished with automation. Think of it like this. Maybe 30 years ago if you took your car in for service, the mechanic knocked on the hood, and maybe he put his ear on the engine to determine what was wrong, and then fixed it. In today's world, that's been automated. Now the mechanic connects your car to the computer and collects the diagnostics. It's a lot more accurate and a lot more consistent.

We can only have so many sophisticated mechanics who can put their ear on the engine and diagnose the problem, though. A lot of things can be accomplished with automation to enhance and further the customer experience. Many industries don't yet realize the importance of automation.

We take this seriously at Oracle—both the people element and the technology element. We spend a lot of time training our engineers and putting quality programs in place to help our employees do their best. At the same time, we are also spending enormous resources and time on the back-end automation because we believe both of these go hand-in-hand.

From a customer point of view, however, they don't recognize the investment in automation. If I solved five problems through automation and you never knew you faced those problems, you're never going to appreciate that level of customer service.

—Balaji Bashyam,
VP Global Customer Support, Database, EM, Middleware, and BI Products, Oracle

"Communities are the next stage of self-service, a community of peers you can go to and ask for answers. That creates engagement and loyalty, and even a lot of good product ideas."

—Jeff Lundal,
Group Vice President of Service Automation, Oracle

Executives feel their companies are somewhat or extremely effective at empowering customers to help themselves using any channel or device (72%), consistently ensuring inquiries are handled within pre-determined timeframes (63%), and enabling service engagement on the customer's' channel of choice (58%).

Communications and telecom executives feel they excel at empowering customers to help themselves on their preferred channels (80%), higher than total respondents (72%) or any other industry. They also feel they do better than the respondents as a whole at providing real-time online support via chat, text or self-service (56% vs. 48% total respondents).

MetTel's Marshall notes, "A big piece of the push to self-service is the efficiencies it delivers to the organization. What better way to serve a client than to let those who want to serve themselves? And if you do that in an effective manner, you've introduced an operational efficiency and an opportunity to streamline the human resources. In many instances your customers want to be their own customer service representative. If you can deliver on that request through your systems, you've served both the customer and your own organization."

Jeff Lundal, group vice president of service automation at Oracle, weighs in on the importance of online service in the modern world of customer service: "That's where everyone is going. The empowered consumer wants to self-serve and self-satisfy quickly. The quickest way of doing that is going online, looking at a FAQ page, answering a question through self-service or a chat engagement. Unfortunately, not a lot of companies are doing a great job in online customer support.

"It all revolves around being relevant online, answering questions, and creating a connection with the consumer, creating a community. Communities are the next stage of self-service, a community of peers you can go to and ask for answers. That creates engagement and loyalty, and even a lot of good product ideas."

Despite making customer service available on the customer's preferred channel, executives overall feel they're least effective with newer approaches like providing real-time support via chat or text (48%) and integrating social media (40%).

Technology executives do feel strong about providing real-time online support, with 58% of executives reporting this capability. Retailers fared the worst, with only 39% reporting they were effective or very effective in providing real-time support.

Technology companies are leading the way. Sage North America uses its own products as customer service touchpoints.

Sage's Smith says, "The other thing that we are doing is inserting the support experience into our products. As a customer, I don't want to leave the product experience to get an answer to my question. I want the right knowledge to unfold at the right moment in time. It's like a GPS device. It gives you that just-in-time guidance to tell you to take a left turn in 30 feet. It's not going to explain the entire drive to Pittsburgh up front. It's only going to give you what you need to know when you need to know it, and in the context that's relevant.

Figure 6 How effective is your organization in providing customers with real-time online support via chat, text or self-service?

Level of Effectiveness	Somewhat or very effective
All respondents	48%
Communications and telecom	52%
Consumer goods and Manufacturing, process	38%
Financial services and insurance	46%
Retail	39%
Technology	58%
Wholesale distribution and Manufacturing, discrete	41%
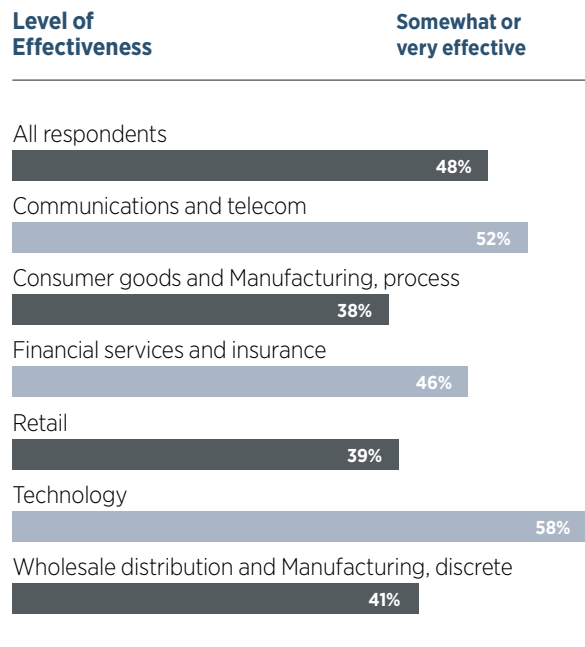
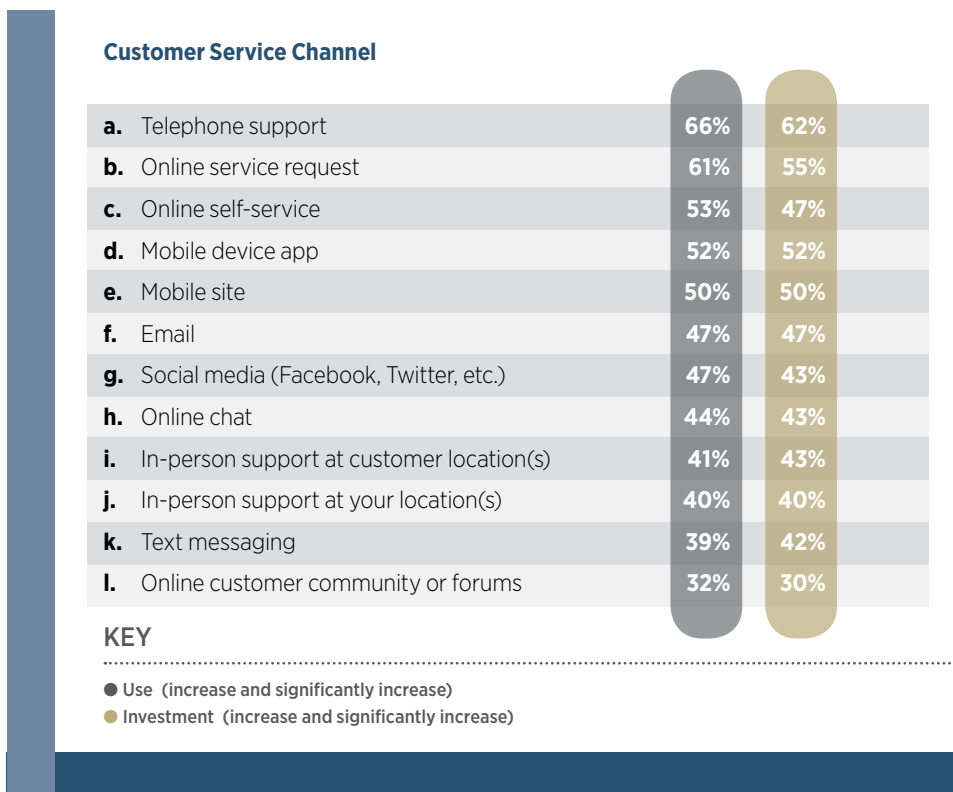## Looking Down the Road to Modern Customer Service

When executives were asked what customer service channels they planned to use most in the next year, most forms of online support ranked near the top of the list. Sixty-one percent of executives plan to somewhat or significantly increase use of online service request/web forms, and 53% plan to increase use of online self-service. Executives indicate plans to invest in those areas too.

All this planned investment is due to the changing nature of customers and the type of support they want. Telerx's Pettinato says, "We are moving to 24/7, like the news networks. Consumers are now expecting to be able to contact their brands anytime, anywhere, through any channel. The more powerful tools we can use to provide self-service will always benefit because people can get a quick answer. That's not going to mitigate and solve all problems. With self-service tools such as FAQs and interactive voice response, our hope is that we can quickly answer simple questions for customers. But as questions become more complex, we do need to engage consumers via phone, email, chat, SMS/texting or social media to make sure that we're responding to those detailed questions."

Executives are putting their money where their mouth is when it comes to newer technologies. Though the channel with the highest reported use (66%) and planned investment (62%) is telephone support, more than half plan to invest in the next 12 months in mobile device apps (52%).

Figure 7 How will your current use of the following customer service channels change in the next 6 to 12 months? AND How will your plans for investment in customer service change in the next 6 to 12 months?

Customer Service Channel

	Channel	Use	Investment
a.	Telephone support	66%	62%
b.	Online service request	61%	55%
c.	Online self-service	53%	47%
d.	Mobile device app	52%	52%
e.	Mobile site	50%	50%
f.	Email	47%	47%
g.	Social media (Facebook, Twitter, etc.)	47%	43%
h.	Online chat	44%	43%
i.	In-person support at customer location(s)	41%	43%
j.	In-person support at your location(s)	40%	40%
k.	Text messaging	39%	42%
l.	Online customer community or forums	32%	30%

KEY

● Use (increase and significantly increase)
● Investment (increase and significantly increase)

Plans for investment in customer service technolo-gies in the next year reflect a lower level of attention to many online channels. Just slightly less than half of executives surveyed plan to increase their investments in email or online self-service (both 47%), social media and online chat (both 43%) or text messaging (42%). Despite the self-service nature of online customer communities and the opportunities this channel offers in building brand advocates, this channel was the least interesting to the executives: only 32% plan to increase use in the next year, and only 30% plan to invest.

Regarding social media, B2C and B2B2C com-panies in particular plan to invest (50% and 51%) in this technology in the next 12 months. The industry that leads the social media charge is retail, with 65% of executives reporting plans to invest in this channel within the next year. Communications and telecom companies lag behind on this front, with only 29% reporting plans to invest.

Figure 8 Companies who plan to somewhat or significantly increase investment in the next 6 to 12 months. By business model:

Customer Service Channel

	All respondents	B2B	B2C	B2B2C	B2B and B2C
Telephone support	62%	51%	61%	46%	74%
Online service request/web form	55%	44%	57%	59%	59%
Mobile device app	52%	45%	57%	56%	50%
Mobile site	50%	33%	56%	64%	50%
Online self-service	47%	42%	48%	41%	52%
Email	47%	48%	48%	56%	43%
In-person support at customer location(s)	43%	40%	46%	59%	38%
Online chat	43%	35%	57%	62%	29%
Social media (Facebook, Twitter, etc.)	43%	39%	50%	51%	38%
Text messaging	42%	39%	57%	54%	27%
In-person support at your location(s)	40%	39%	26%	8%	66%
Online customer community or forums	30%	27%	34%	41%	26%

KEY

- All respondents
- B2B
- B2C
- B2B2C
- B2B and B2C

How are companies well along the road to providing modern customer service planning to invest funds in the next year? Companies who report excellent progress plan to invest more than all others in traditional areas: telephone and in-person support. They also plan to invest more in newer technologies. Sixty-two percent plan to invest in online service requests (vs. 55% for all companies) and 58% plan to invest in email (vs. 47% for all and comparable to those who are just getting started at 59%).

The fact that they plan to invest at a slightly lower rate than overall respondents in online chat (38% vs. 43% overall) and text messaging (38% vs. 42% overall) might suggest they are already well invested in those areas and feel they are doing well. These investments may represent a plan to build on existing capabilities.

Figure 9 Companies who plan to somewhat or significantly increase investment in the next 6-12 months. By industry:

Customer Service Channel

	All respondents	Communications and telecom	Consumer goods and Manufacturing, process	Financial services and insurance	Retail	Technology	Wholesale distribution and Manufacturing, discrete
Telephone support	62%	66%	65%	48%	61%	68%	72%
Online service request/web form	55%	63%	55%	49%	63%	53%	51%
Mobile device app	52%	57%	35%	54%	54%	60%	44%
Mobile site	50%	53%	48%	58%	50%	53%	34%
Online self-service	47%	52%	53%	54%	39%	60%	28%
Email	47%	46%	25%	47%	37%	45%	66%
Social media (Facebook, Twitter, etc.)	43%	29%	45%	51%	65%	43%	36%
Online chat	43%	38%	30%	55%	43%	43%	39%
In-person support at customer location(s)	43%	46%	28%	37%	46%	30%	66%
Text messaging	42%	44%	18%	46%	41%	43%	46%
In-person support at your location(s)	40%	46%	43%	24%	50%	43%	46%
Online customer community or forums	30%	24%	33%	26%	30%	38%	33%

KEY

● All respondents
● Communications and telecom
● Consumer goods and Manufacturing, process
● Financial services and insurance
● Retail
● Technology
● Wholesale distribution and Manufacturing, discrete

If you look at companies who are just getting started, you get a feel for how they are moving themselves along the road to providing modern customer service and where they recognize gaps in their current model. These executives plan to invest at a much higher rate in mobile device apps (64% vs. 52% overall and 53% of those making excellent progress), online chat (57% vs. 43% overall and 38% of those making excellent progress) and text messaging (50% vs. 42% overall and 38% of those making excellent progress).

When looking at online support specifically, web self-service is by far the most implemented (66%), with field service solution (49%), text messaging (46%) and mobile apps (46%) next. While 21% of companies plan to implement text messaging in the next year, almost an equal number (24%) do not have plans to deploy text messaging at all.

Click-to-chat is similar to texting in use or plans for future use. Forty-one percent of companies use it now; 30% do not have any plans to implement click-to-chat options, and only 16% do plan that in the next year. B2C companies are quite comfortable with click-to-chat—54% use it now, and 14% plan to upgrade in the next year; though 20% report no plans to upgrade.

Figure 10 Companies who plan to somewhat or significantly increase investment in the next 6 to 12 months. By progress toward modern customer service:
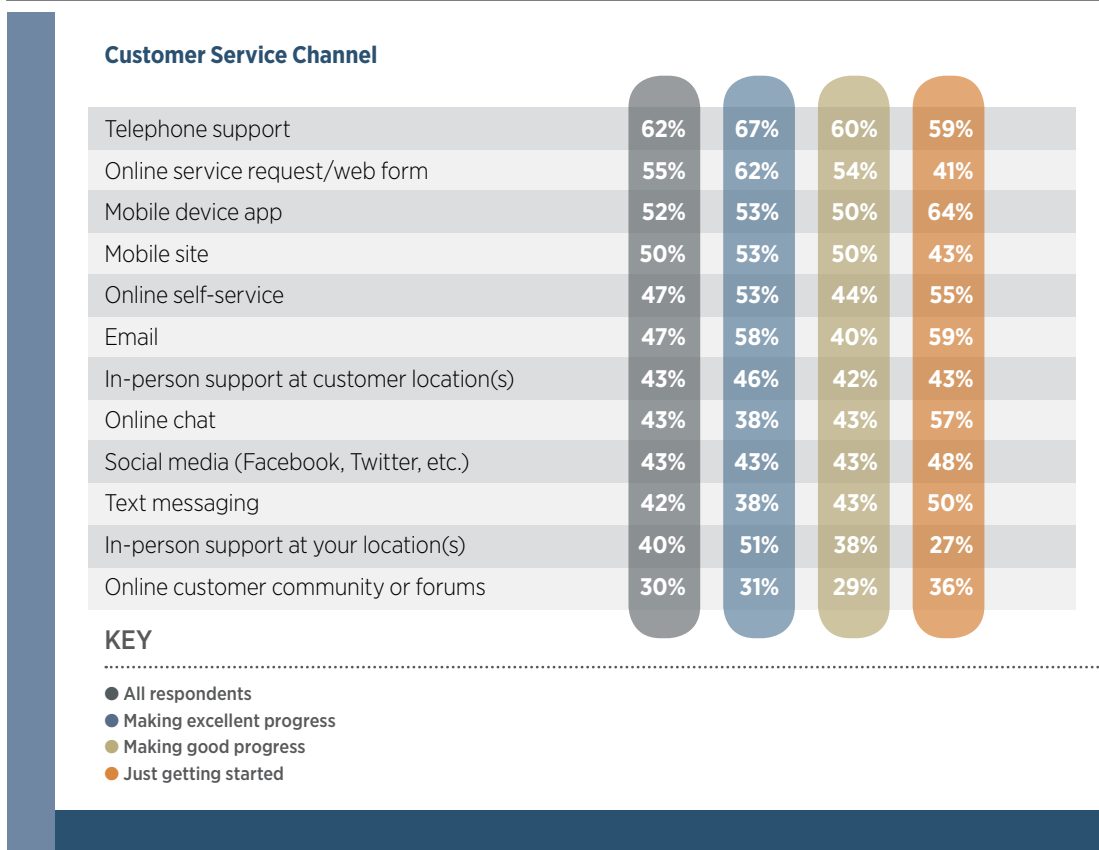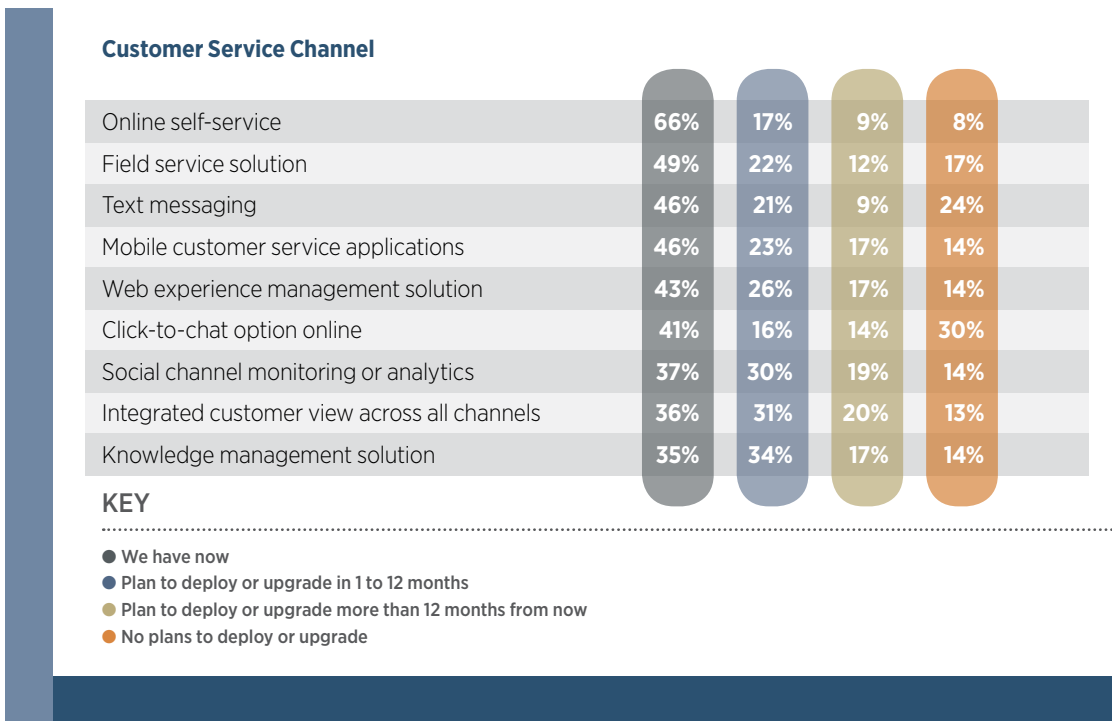
Customer Service Channel

	All respondents	Making excellent progress	Making good progress	Just getting started
Telephone support	62%	67%	60%	59%
Online service request/web form	55%	62%	54%	41%
Mobile device app	52%	53%	50%	64%
Mobile site	50%	53%	50%	43%
Online self-service	47%	53%	44%	55%
Email	47%	58%	40%	59%
In-person support at customer location(s)	43%	46%	42%	43%
Online chat	43%	38%	43%	57%
Social media (Facebook, Twitter, etc.)	43%	43%	43%	48%
Text messaging	42%	38%	43%	50%
In-person support at your location(s)	40%	51%	38%	27%
Online customer community or forums	30%	31%	29%	36%

KEY

● All respondents
● Making excellent progress
● Making good progress
● Just getting started

Figure 11 For online support services, which do you have now and which do you plan to deploy or upgrade?

Customer Service Channel

Customer Service Channel	We have now	Plan to deploy or upgrade in 1 to 12 months	Plan to deploy or upgrade more than 12 months from now	No plans to deploy or upgrade
Online self-service	66%	17%	9%	8%
Field service solution	49%	22%	12%	17%
Text messaging	46%	21%	9%	24%
Mobile customer service applications	46%	23%	17%	14%
Web experience management solution	43%	26%	17%	14%
Click-to-chat option online	41%	16%	14%	30%
Social channel monitoring or analytics	37%	30%	19%	14%
Integrated customer view across all channels	36%	31%	20%	13%
Knowledge management solution	35%	34%	17%	14%

KEY

● We have now
● Plan to deploy or upgrade in 1 to 12 months
● Plan to deploy or upgrade more than 12 months from now
● No plans to deploy or upgrade

Support Across Channels

A majority of executives believe their customer support is equally capable across all the channels they offer. They achieve this by providing a knowledge base for customer service agents and online self-service (59%), implementing standard operating procedures across channels (58%), and training and certifying customer service agents (46%).

MetTel's Marshall: "B2C really led the way for us in the omni-channel space. We had no choice. There is this new, hyper-interactive consumer with all these great gadgets at their disposal—all of whom have unique ways they want to approach us. B2B lagged behind purposefully, because B2B customers wanted to interact very differently—reach out to a call center, speak to an account manager, talk about the service level agreements.

"They come to us through different channels, many times depending on the role of the individual, and there is a hierarchy of how B2B customers interact with your data. Companies who approach both markets get that hybrid experience. They take advantage of what they've learned from both B2B and B2C channels and apply it to both."

More than half of the executives (57%) surveyed said customers receive the same level of support across all channels. Forty-one percent of B2B executives cited the same level of support at certain times of day (vs. 36% for all respondents), and 30% said that support is available 24/7 (vs. 21% for all respondents).
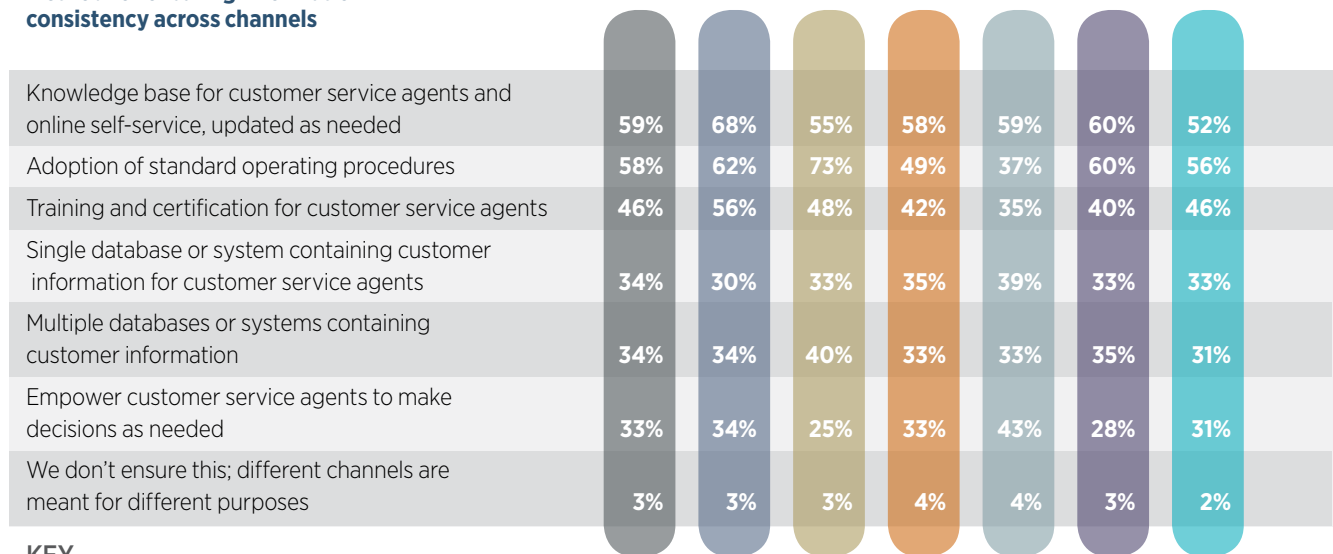
Just 37% of retail executives said they have standard operating procedures, while technology (60%) and communications and telecom companies (62%) rated themselves as slightly better than respondents as a whole (58%).

While financial services (58%), retail (59%) and technology (60%) companies all ranked equivalent with total respondents (59%) in use of a knowledge base to ensure that customers receive the same infor–mation and answers across channels, communications and telecom companies stood above the rest in their use of knowledge, with 68% citing this as a way to ensure consistent customer service.

Consumer goods companies rated the adoption of standard operating procedures as the most important way to ensure customers receive the same information across channels (73% vs. 58% overall). Retail ranked adoption of standard operating procedures (37%) and training for customer service agents (35%) the lowest of any industry.

Figure 12 How do you ensure that customers receive the same information and answers across channels? (Executives could choose multiple answers.)

Method for ensuring information consistency across channels

Method	All respondents	Communications and telecom	Consumer goods and Manufacturing, process	Financial services and insurance	Retail	Technology	Wholesale distribution and Manufacturing, discrete
Knowledge base for customer service agents and online self-service, updated as needed	59%	68%	55%	58%	59%	60%	52%
Adoption of standard operating procedures	58%	62%	73%	49%	37%	60%	56%
Training and certification for customer service agents	46%	56%	48%	42%	35%	40%	46%
Single database or system containing customer information for customer service agents	34%	30%	33%	35%	39%	33%	33%
Multiple databases or systems containing customer information	34%	34%	40%	33%	33%	35%	31%
Empower customer service agents to make decisions as needed	33%	34%	25%	33%	43%	28%	31%
We don't ensure this; different channels are meant for different purposes	3%	3%	3%	4%	4%	3%	2%

KEY

- ● All respondents
- ● Communications and telecom
- ● Consumer goods and Manufacturing, process
- ● Financial services and insurance
- ● Retail
- ● Technology
- ● Wholesale distribution and Manufacturing, discrete

A GAP IN TELECOM?

Communications and telecom companies ranked themselves highest in the survey in terms of being excellent in customer service (37% vs. 28% overall). And their executives have a healthy belief that they are faring better than industry peers (71% vs. 75% overall).

Despite being high users of knowledge management (68%), communications and telecom companies may need to improve other areas of customer service to close the gap between their perceptions of how well they are doing vs. how well their customers think they are doing in terms of providing consistent answers delivered easily.

For example, communications and telecom have some of the lowest net promoter scores across industries.

Figure 13 Average Net Promoter Score (2014)

NPS	Industry
62	Department/specialty stores
51	Tablet computers
47	Brokerage/investments
44	Online shopping
44	Auto insurance
40	Home insurance
40	Smartphones
37	Laptop computers
37	Groceries/supermarkets
35	Online entertainment
34	Banking
33	Drug stores/pharmacies
31	Credit cards
29	Life insurance
26	Software and apps
23	Cellular phone service
17	Health insurance
14	Cable/satellite tv service
5	Internet service

Source: Sametrix
http://cdn2.hubspot.net/hub/268441/file-1361232783-pdf/Benchmarks_PDFs/Satmetrix_2014_B2C_Benchmark_Overview.pdf

What is missing in the customer service formula for telecom?

Why do their customers rank them so low, even though they have the tools to provide truly advanced customer service?

Even as companies implement newer support tools, staffing strategies reveal that executives continue to be more comfortable with traditional platforms, allowing outsourcers to handle the newer support technologies.
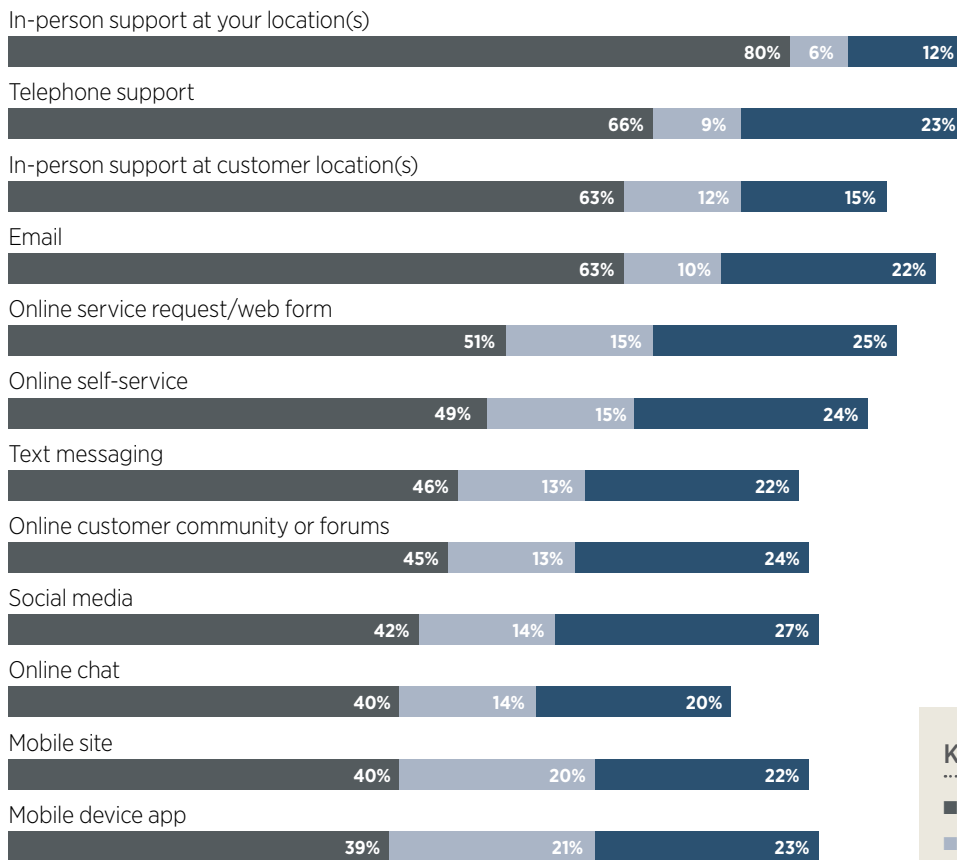
In-person support is the least outsourced customer service capability, followed by telephone support. The customer service organization is staffed by full-time employees who stay awhile. Seventy-nine percent of respondents said that more than 60% of their employees are full time; 64% claimed turnover is below 10% on a monthly basis.

Eighty percent of executives said they handle in-person support at their location in-house, while 66% handle telephone support similarly.

At the same time, 43% outsource some or all of their mobile site help, while 41% outsource some or all of their social media, and 37% do the same with online customer communities and forums.

Figure 14 Which customer service channels do you staff in-house, and which do you outsource?

Customer Service Channel

In-person support at your location(s)
80% | 6% | 12%

Telephone support
66% | 9% | 23%

In-person support at customer location(s)
63% | 12% | 15%

Email
63% | 10% | 22%

Online service request/web form
51% | 15% | 25%

Online self-service
49% | 15% | 24%

Text messaging
46% | 13% | 22%

Online customer community or forums
45% | 13% | 24%

Social media
42% | 14% | 27%

Online chat
40% | 14% | 20%

Mobile site
40% | 20% | 22%

Mobile device app
39% | 21% | 23%

(NOTE: May not add up to 100% based on those who replied 'Not applicable.')

KEY
■ In-house
■ Outsource
■ Both

KNOWLEDGE MANAGEMENT AND SEAMLESS EXPERIENCE

Executives realize the value of providing a holistic view of the customer, and thus a seamless customer service experience across channels. And they are looking to knowledge management and integrated use of data analytics to help them get there. Knowledge is the baseline for customer experience and critical to providing any level of good or excellent customer service.

At the same time adoption appears nascent, as many note they have not yet deployed knowledge management capabilities—although they appear to be looking at it in conjunction with developing an integrated, cross-channel view of their customers. But as with executives' views about their customer service performance versus competitors, is their optimism based on capabilities or wishful thinking?

WHAT IS MISSING HERE?

Seventy-five percent of companies say they can consolidate data to provide service across channels. That means that one in four companies is unable to bring together the right data to provide seamless support.

More than any other business model, B2B2C companies reported success consolidating data 75% to 99% of the time (86%). B2C was weakest, with only 60% consolidating data effectively more than 75% of the time.

Fifty-six percent of those in financial services said they are able to consolidate data successfully, despite the fact that 87% report making good or excellent progress toward delivering advanced customer service.

How can companies who are unable to successfully consolidate data for every interaction truly be providing excellent, or even good, customer service?

As with other new technologies, B2C companies appear to be early adopters of knowledge management, which is fitting, as they use more databases and are expected to resolve issues on first contact, since they tend to deal with more straightforward support requests. B2B companies are now also adopting knowledge management. Since they tend to deal with more complex support requests, they may have to invest even more in knowledge to effectively address customer issues. Both B2B and B2C are equally likely to see the value in investing in this capability in the future.

Developing an integrated view of the customer across all channels, something that goes hand–in–hand with knowledge management, is currently deployed by 36% of respondents, with 51% planning to do so in the future (31% in the next 12 months, 20% in more than 12 months). What this suggests is that executives may realize the value of providing a complete view of the customer—and thus a seamless customer service experience across channels—and they are looking to knowledge management and analytics to help them get there.

Telerx's Pettinato says, "A knowledge base allows both end-users and internal agents to access the same information. I call it a 'one version of the truth' knowledge base. Information does change. This way, we're changing it once. Customers in self-service mode can get a question answered in much the same way they would if they contacted us and spoke to a person."

The business value of knowledge management is gaining traction, since businesses can't provide seamless service without it. Just 35% currently deploy this capability, but 52% plan to do so in the future—34% within the next 12 months and 17% in more than 12 months. When

> "Across the continuum, knowledge management is the one investment that consistently pays back."
>
> —**Jeff Lundal,**
> **Group Vice President of Service Automation,**
> **Oracle**

looking by business model, B2B companies use knowledge management at a similar rate (35%) to all companies, while B2C companies have a higher usage rate (40%). B2C and B2B companies were equally likely to say they planned to deploy or upgrade within the next year, at 34% each. Hybrid B2B/B2C companies were the least likely to have already deployed it (27%), but the most likely to plan to do so in the future (67%).

Early adopters span B2B and B2C. Half (50%) of retail executives and 43% of financial and technology executives said they currently use knowledge management tools, compared with 35% of total respondents. It's no surprise that technology companies beat out total respondents in their use of knowledge management tools. It is the nature of the questions they get asked. It's not possible for their customer service agents to know all the different products and how to troubleshoot them, so early on technology companies realized the importance of knowledge management to good customer service.

When asked how they ensure that customers receive the same information across channels, the highest reported method was use of a knowledge base (59%), followed closely by adoption of standard operating procedures (58%). Communications and telecom report the highest use of knowledge bases among industries (68%).

Most companies used two (37%) to three (32%) databases or systems to resolve a customer issue, with an average of 3.0 overall. Companies whose business model is B2C and hybrid B2C/B2B companies use more (3.2 and 3.3, respectively), as do those in communications and telecom and retail (3.3 and 3.2).

Seventy-eight percent of executives believe agents are able to successfully consolidate the data required to provide consistent service across all channels to every customer at least 75% of the time, suggesting that the goal of the seamless cross-channel customer experience may be within reach for some.

Executives may realize the value of providing a complete view of the customer—and thus a seamless customer service experience across channels—and they are looking to knowledge management and analytics to help them get there.

ADDING MEASUREMENT TO THE MIX—AND METRICS FOR THE FUTURE

Measurement of success is critical for understanding performance. And, as the old adage says, what gets measured gets done. Yet even as companies move to use newer technologies and transition serving customers to a more strategic role in the organization, measurement remains primarily the traditional focus of keeping customers versus looking at the impact of customer service on new customer acquisition or improving sales.

To build the business case for modern customer service, more advanced metrics may be needed to show the impact on the bottom line and illustrate how a company is doing in terms of customer acquisition, retention and operational efficiency. Establishing a clear framework at the start, being realistic about the goals and timeframes for measuring progress and being willing to evolve goals are critical. Indeed, inability to accurately measure ROI may be holding back further investment in customer service.

Those who feel they're making excellent progress in customer service are more likely to measure their success, with 67% tracking key performance indicators (KPIs). At the same time, more than half of executives (61%) say they reward their customer service employees based on these KPIs, giving them incentives to do well.

Despite this, measurement is nascent (especially at B2C companies), but metrics that are being tracked are used to incentivize employees. While 40% track and compare customer service KPIs such as first call resolution, average talk time and/or net promoter score, few are getting out of their comfort zone to measure other important areas like brand perception. Only 20% consider new customer acquisition, and only 28% consider the impact on sales when measuring the success of the entire customer service organization.

Figure 15 Which of the following best describes how you are measuring your customer service organization's success?
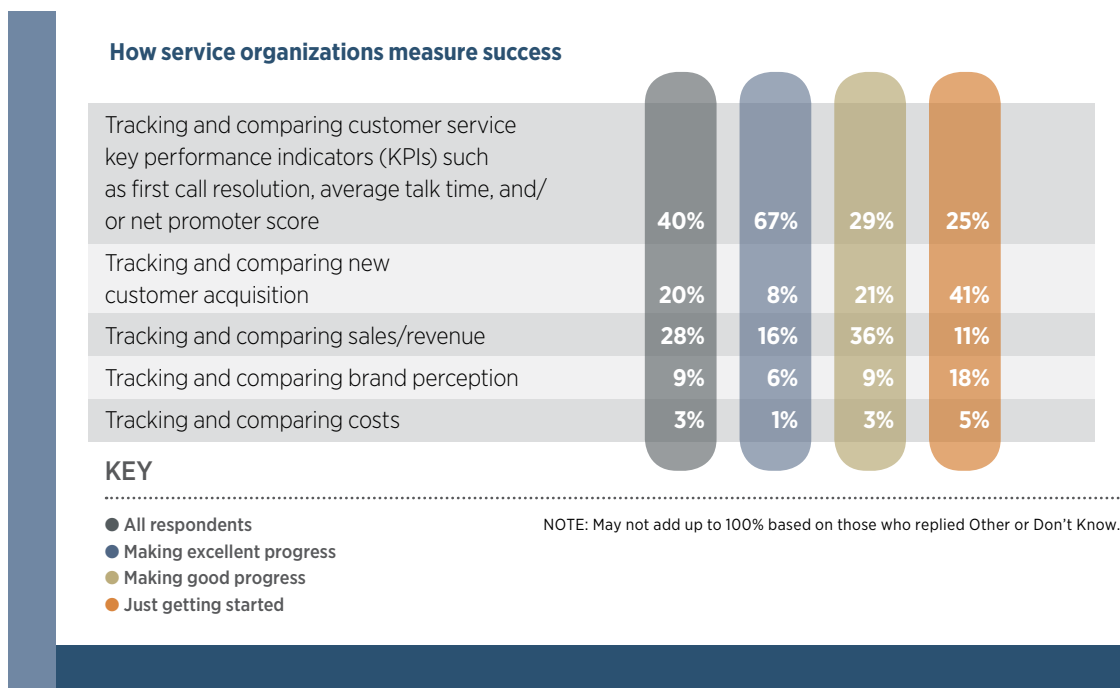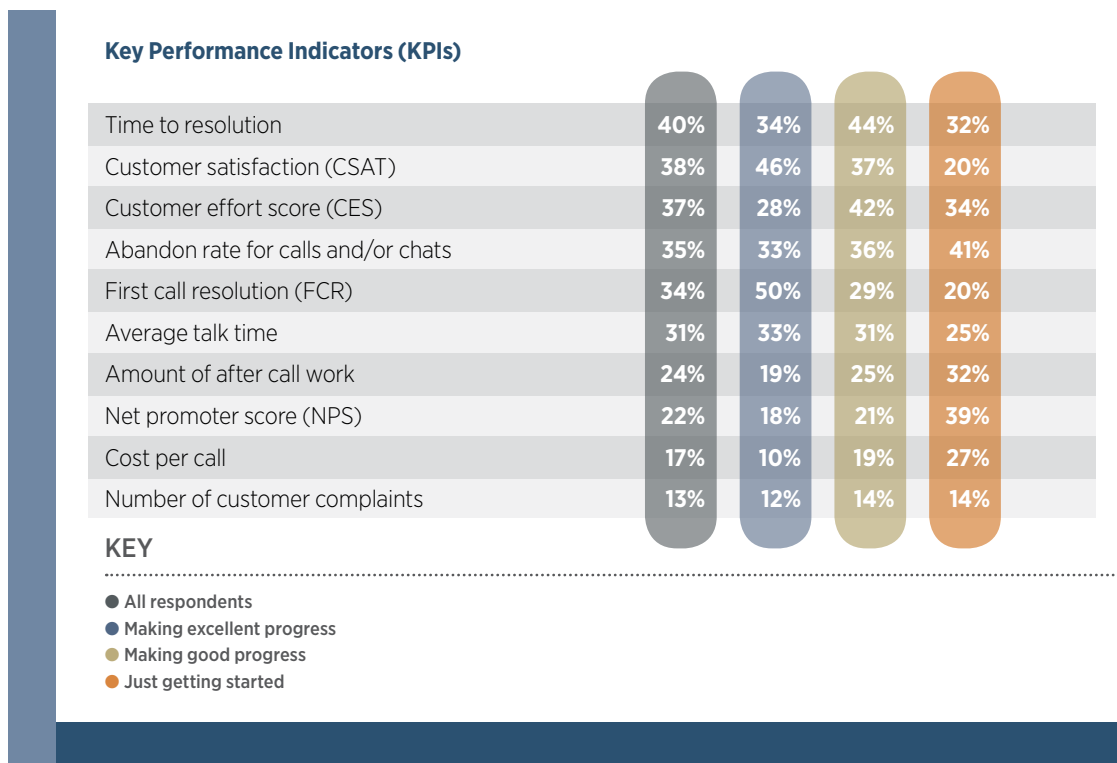
How service organizations measure success

	All respondents	Making excellent progress	Making good progress	Just getting started
Tracking and comparing customer service key performance indicators (KPIs) such as first call resolution, average talk time, and/or net promoter score	40%	67%	29%	25%
Tracking and comparing new customer acquisition	20%	8%	21%	41%
Tracking and comparing sales/revenue	28%	16%	36%	11%
Tracking and comparing brand perception	9%	6%	9%	18%
Tracking and comparing costs	3%	1%	3%	5%

KEY

● All respondents
● Making excellent progress
● Making good progress
● Just getting started

NOTE: May not add up to 100% based on those who replied Other or Don't Know.

Figure 16 How does your organization measure the performance of your customer service agents?

Key Performance Indicators (KPIs)

Time to resolution	40%	34%	44%	32%
Customer satisfaction (CSAT)	38%	46%	37%	20%
Customer effort score (CES)	37%	28%	42%	34%
Abandon rate for calls and/or chats	35%	33%	36%	41%
First call resolution (FCR)	34%	50%	29%	20%
Average talk time	31%	33%	31%	25%
Amount of after call work	24%	19%	25%	32%
Net promoter score (NPS)	22%	18%	21%	39%
Cost per call	17%	10%	19%	27%
Number of customer complaints	13%	12%	14%	14%

KEY

● All respondents
● Making excellent progress
● Making good progress
● Just getting started

Traditional Measurements

Measurement of success in customer service is starting to evolve but, in general, remains traditional. These traditional KPIs will always be part of the contact center environment, because they are organic to operations.

Oracle's Lundal says, "One of the new metrics we're starting to see is customer effort score, that's defined as the amount of time or effort to get resolution to a question or incident. The idea is that a lower customer effort score equates to a better customer experience. Customers with a low score are more apt to stay with you and spend more money with you."

B2B and hybrid B2B/B2C executives are far more likely to track and compare customer service KPIs such as first call resolution, average talk time and/or net promoter score, at 44% and 57%, respectively, than are B2C companies, at 21%. Likewise, technology (55%)

and communications and telecom (56%) companies are most active in this area, while retail companies use sales/revenue tracking as measurement of their progress (39% vs. 28% of respondents as a whole).

Companies who are far down the road to modern customer service have broadened their measurement beyond the traditional KPIs, to get a more robust picture of their agents and their operations.

DHL Express's Nashick says, "We really try to steer away from traditional metrics like average handle time because the more you focus on helping somebody, the longer you tend to be on the phone call. So we measure quality and performance in terms of successful resolutions. We also measure customer satisfaction and customer loyalty, and we mystery shop to make sure that our agents are knowledgeable, polite and helpful."

Balaji Bashyam, VP Global Customer Support, Database, EM, Middleware and BI Products, Oracle, says, "We have to think about metrics such as: are we getting better compared to last month? To yesterday? Are we resolving things faster? Are we responding to customer comments in knowledge articles for corrections quickly? Are we creating new knowledge articles? Are they getting searched? Are customers finding them? Are customers satisfied with them? Are other customers responding to those knowledge articles? Is Oracle responding?"

Retail executives measured success less by first call resolution (33%), while those in communications and telecom relied on this measurement far more (44%). Instead, retailers focused more on time to resolution (50%), which was less of a concern for those in communications and telecom (30%). Technology executives were most concerned with customer satisfaction (53%, vs. 38% for total respondents and only 35% for retail).

Sage's Smith uses net promoter score, which is near the bottom of the list (22%) of measurements for all companies and customer satisfaction (second on the list at 38%) as a starting point. "We also look at the demand drivers for support. What's driving the lion's share of the demand, and what's the top topic in our call centers? What's the top topic in the self-help web pages or in our Sage University or peer-to-peer forums? We also look at social media and inbound activity. And in a lot of our products we have in-product monitoring, so we can actually look at a quick level to see what users are doing and if they're successful using our products."

"We also measure customer satisfaction and customer loyalty, and we mystery shop to make sure that our agents are knowledgeable, polite and helpful."

—Christine Nashick,
Chief Customer Officer,
DHL Express U.S.

CONCLUSION

Customer service has an opportunity to be a much more strategic weapon for businesses that understand its power. To do this means moving away from what has traditionally been viewed as a back-end operation and cost center to what is now being viewed as a brand-focused profit center. The primary driver of this sea change is engaged and empowered consumers, who want to get the answers to their questions anytime, anywhere, on any device they choose.

Companies are in various stages of maturity toward providing advanced, modern customer service. Some are just getting started, some are in the middle, and some are far down the road and continuously looking to improve. Those who are leading the way are almost single-mindedly focused on building strong customer engagement, delivering a great experience for their customers and developing a memorable brand presence to attract and retain customers.

The challenge for companies who are just getting started, or who want to move from good to great, is to find the balance between innovating and pushing the business forward and continuing to successfully support customers in the current environment.

The key for companies anywhere along the road is to understand where they are, so they can understand how to get to the next level. A roadmap is a critical step for companies wanting to adapt to new and emerging trends. Elements of the roadmap include developing a clear business strategy to help the brand grow, choosing the proper technology to deliver successful, efficient and personalized service interactions, and forming a clear plan for how to engage customers across channels.

The Next Big Thing

For companies looking to provide truly excellent customer service, the next big thing is predictive analytics. Companies on the cutting edge of customer service use customer data to anticipate individual customer needs, to proactively work with visitors and prospects to transform them into customers and to forecast a strategic direction for how customer service can truly drive the organization going forward.

As Trupanion's Connors points out, she still finds data to be a challenge, but that's the direction her organization is moving. Her goal: "To have enough real-time data at our fingertips to help us be more informed about the customer at hand, to really address whatever they're dealing with right now and also anticipate the customer's next two moves and to tackle all of those on one call."

SURVEY FOCUS AND METHODOLOGY

To understand the pain points and goals of customer service executives, this survey asked executives about customer service in their organization. The questions asked executives to consider the focus of customer service within their company, their use of various channels and knowledge management tools, and the obstacles to success.

415 executives responded
- **79% Customer service**
- **21% Call Center operations**

- **1% Chief Service Officers**
- **14% Senior Vice Presidents**
- **18% Vice Presidents**
- **4% Managing Directors**
- **62% Directors**

Industry
- **21% Financial Services**
- **19% Communications and telecom**
- **15% Wholesale distribution and manufacturing (discrete)**
- **11% Retail**
- **10% Technology**
- **10% Consumer goods and Manufacturing (process)**
- **5% Healthcare**
- **4% Energy and utilities**
- **3% Transportation**
- **3% Travel and leisure**

Revenue
- **All over $250 million revenue**
- **73% $1 billion or above**
  - $1 billion-$4.9 billion (35%)
  - $5 billion-$9.9 billion (19%)
  - $10 billion or more (19%)

Customer service department budget
- **36% between $1 million and $5 million**
- **22% $5 million or more**

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