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Freshworks Customer Service Benchmark Report

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Introduction

> "As companies strive to do more with less, customer service leaders need to work on providing exceptional customer experiences efficiently and cost-effectively through multiple channels. Incorporating AI & ML technologies will help companies significantly reduce ramp time for agents and resolution times and effort. Maintaining a balance between customer experience and agent experience is also essential. And with customers expecting faster responses and messaging being one of the most preferred channels, a conversation-first approach combined with AI/ML capabilities is the best way forward.

Chakravarthy Srinivasan
Senior Director - Customer Support, Freshworks

This is the 2023 edition of the Freshworks Customer Service Benchmark Report. We showcase the benchmarks set by businesses across key metrics that matter most to customer service teams.

Use this report to compare your support team with the customer service standard offered by your industry, team size, and region. Discover how technology can help you act on the changing expectation of customers and provide memorable customer experiences.

Data set and methodology

We've created the Freshworks Customer Service Benchmark Report by analyzing anonymized and aggregated usage from our customer service products. This data covers the period between January and December 2022.

The benchmarks are calculated based on the median values of key performance indicators. Outliers data points were removed to render the dataset more precise, useable, and representative of how customer service works realistically.

We have also highlighted the voice of our customers from a survey that received 650+ responses. We circulated the survey among customer service managers and leaders to understand customer service trends and expectations in 2023.

Based on data from

25 Industries

25 Countries

5.3B+ Tickets

260.1M+ conversations

*An account is considered active if it received tickets and had admins or agents consistently logging in during the period we're considering.

KPIs of customer service and Freshworks benchmarks

This report covers 5 Key Performance Indicators (KPI) that are most commonly used in customer service teams to measure their team's performance and their customers' satisfaction. The following table explains how we define them and the benchmarks our customers set with Freshworks products.

#	Metrics (KPIs)	Definition	Freshdesk benchmark 2023	Freshchat benchmark 2023	Comment
1	First Assign Time	The time taken for an issue to be assigned to an agent	13h 02m*	< 01m	Lower the better
2	First Response Time	The time taken by an agent to send the first response to the customer	06h 47m	03 m	Lower the better
3	Resolution time	The amount of time taken for an agent to mark an issue as resolved	32h 16m	27m to 4h 46m	Lower the better
4	First Contact Resolution	The percentage of issues that were resolved within the first session (24 hours) or contact between a customer and an agent	74.75%	74.00%	Higher the better
5	CSAT	The percentage of positive responses received from satisfaction surveys	89.58%	90%**	Higher the better

*First Assign time is calculated in calendar hours and not business hours

**CSAT for conversations is converted to percentage from a 5-point scale

A deeper dive into Freshworks Customer Service benchmarks

4.1 Customer service benchmark by industry

🟩 QUICKEST/HIGHEST   🟦 LONGEST/LOWEST

Industry categories	First Assign Time		First response time		Resolution time		First contact resolution		CSAT	
	Tickets	Chat	Tickets	Chat	Tickets	Chat	Tickets	Chat	Tickets	Chat
Business Services	13h 50m	Instant	6h 55m	48m	31h 00m	10h 50m	75.43%	63.42%	88.76%	96%
Construction & Real Estate	12h 21m	Instant	07h 07m	08m	9h 29m	1h 14m	75.67%	32.20%	93.73%	92%
Consumer Services	13h 06m	01m	06h 31m	08m	35h 55m	29m	73.87%	84.25%	88.95%	82%
Education	14h 47m	03m	07h 43m	17m	31h 55m	09h 57m	73.06%	64.76%	92.18%	94%
Entertainment	15h 20m	Instant	7h 38m	04m	32h 58m	28m	75.62%	86.59%	90.72%	82%
Financial Services	10h 34m	02m	06h 44m	01m	27h 11m	06h 23m	77.72%	71.39%	81.35%	88%
Government / Non-profit	19h 08m	02m	09h 41m	06m	38h 20m	03h 10m	74.09%	63.89%	92.67%	94%
Healthcare and Pharmaceuticals	12h 30m	Instant	06h 41m	Instant	27h 35m	01h 22m	76.44%	81.35%	90.00%	94%
Manufacturing	13h 50m	Instant	07h 34m	03m	31h 23m	09h 05m	75.72%	52.33%	90.04%	96%
Retail and Ecommerce	15h 28m	05m	06h 22m	11m	23h 53m	06h 11m	77.21%	79.00%	93.42%	86%
Software and IT	11h 20m	01m	06h 19m	Instant	39h 52m	04h 19m	70.44%	8.05%	83.36%	96%
Tele-communications	09h 46m	02m	06h 00m	06m	35h 40m	01h 09m	72.60%	79.50%	89.77%	90%
Trasnportation and Storage	09h 52m	05m	05h 56m	01m	25h 09m	01h 33m	74.69%	65.35%	88.33%	92%
Travel and Hospitality	11h 54m	Instant	06h 46m	07m	25h 38m	03h 22m	78.45%	59.50%	83.79%	96%

Key observations

1 Government and Non-profit organizations take the longest to assign and respond to customers via tickets but they seem to do relatively well with conversations

2 For over **46%** of the industry verticals we analyzed, the first assignment for conversations is instant. This means using automation features automatically assign incoming messages to chatbots, agents, or teams.

3 **Conversational support** is crucial in industries like Healthcare, where customers expect instant responses, but they take relatively longer to resolve.

4 The Software & Internet industries have the lowest FCR benchmark of **8.05%**, indicating a greater complexity of incoming questions compared to the Entertainment industry, with an FCR of 86.59%, which deals with simpler questions.

5 Over **78%** of the customer queries received by Travel and Hospitality businesses are resolved in the first interaction between the customer and the support agent, as they typically receive the least complex queries.

2.2 Benchmarks by country

🟩 QUICKEST/HIGHEST 🟦 LONGEST/LOWEST

Country	First Assign Time		First response time		Resolution time		First contact resolution		CSAT	
	Tickets	Chat	Tickets	Chat	Tickets	Chat	Tickets	Chat	Tickets	Chat
Australia	13h 00m	01m	07h 11m	02m	32h 21m	53m	75.71%	73.58%	91.33%	96.00%
Brazil	12h 09m	04m	07h 38m	04m	32h 59m	02h 25m	74.53%	52.04%	88.08%	96.00%
Canada	11h 59m	02m	06h 01m	04m	31h 21m	08h 15m	73.75%	50.68%	90.44%	96.00%
France	15h 57m	05m	09h 02m	08m	36h 01m	03h 25m	73.82%	61.34%	88.33%	96.00%
Germany	17h 58m	06m	08h 57m	07m	30h 07m	03h 11m	78.80%	83.10%	90.00%	94.00%
India	10h 19m	Instant	06h 59m	03m	33h 13m	81.21%	75.43%	75.66%	72.50%	88.00%
Italy	12h 39m	Instant	06h 56m	16m	32h 01m	03h 10m	72.82%	82.66%	88.78%	98.00%
Mexico	08h 09m	01m	05h 35m	04m	36h 43m	12h 52m	77.93%	41.63%	88.36%	92.00%
Netherlands	17h 23m	05m	08h 39m	03h 12m	32h 14m	06h 26m	73.73%	89.33%	86.57%	86.00%
Singapore	12h 31m	05m	06h 58m	03h 42m	33h 02m	12h 3m	73.80%	79.14%	81.92%	86.00%
South Africa	08h 53m	Instant	05h 44m	01h 09m	28h 21m	13h 42m	75.84%	82.98%	85.81%	96.00%
Spain	11h 02m	Instant	06h 40m	01m	29h 01m	04h 6m	75.18%	53.84%	88.68%	96.00%
Sweden	18h 38m	Instant	07h 04m	05m	31h 51m	08h 58m	71.28%	81.54%	89.94%	96.00%
UAE	10h 31m	05m	07h 38m	15m	35h 38m	05h 45m	79.29%	70.28%	75.04%	90.00%
UK	13h 08m	05m	05h 59m	03m	30h 11m	01h 35m	71.15%	66.71%	92.98%	98.00%
USA	12h 01m	02m	06h 20m	10m	33h 11m	04h 43m	73.86%	82.99%	92.92%	96.00%

🖊️ Key observations

1. United Kingdom has the happiest customers as they have highest CSAT scores on both conversations and tickets

2. India and Netherlands have the highest first contact resolution rate for tickets and conversations respectively and UK and Mexico have the lowest.

3. Mexico assigns and responds to tickets the fastest, but they are relatively slower with conversations.

4. European countries are relatively slower to respond to tickets with France taking the longest.

2.3 Benchmark by company size

🟩 QUICKEST/HIGHEST   🟦 LONGEST/LOWEST

Country	First Assign Time		First response time		Resolution time		First contact resolution		CSAT	
	Tickets	Chat	Tickets	Chat	Tickets	Chat	Tickets	Chat	Tickets	Chat
1-10	13h 56m	01m	06h 32m	09m	32h 07m	01h 16m	75.52%	62.00%	91.13%	89.60%
251-500	12h 07m	02m	07h 20m	05m	30h 49m	24m	73.68%	77.00%	90.59%	92.40%
501-1000	12h 34m	Instant	07h 34m	01m	29h 39m	11m	74.19%	82.00%	89.86%	90.40%
1001-5000	12h 40m	01m	08h 14m	01m	29h 41m	18m	74.88%	80.00%	88.89%	90.40%
5001-10000	12h 41m	05m	07h 26m	Instant	30h 10m	14m	74.76%	86.00%	90.63%	91.20%
10000+	12h 41m	01m	07h 56m	04m	33h 49m	11m	73.85%	78.00%	86.56%	95.00%

🖊️ Key observations

1. Smaller companies perform better on tickets than they do with conversations. Except for ticket assignment, they ace it in almost every other KPIs of Ticketing.

2. Companies with 5000-10000 employees perform the best with conversation

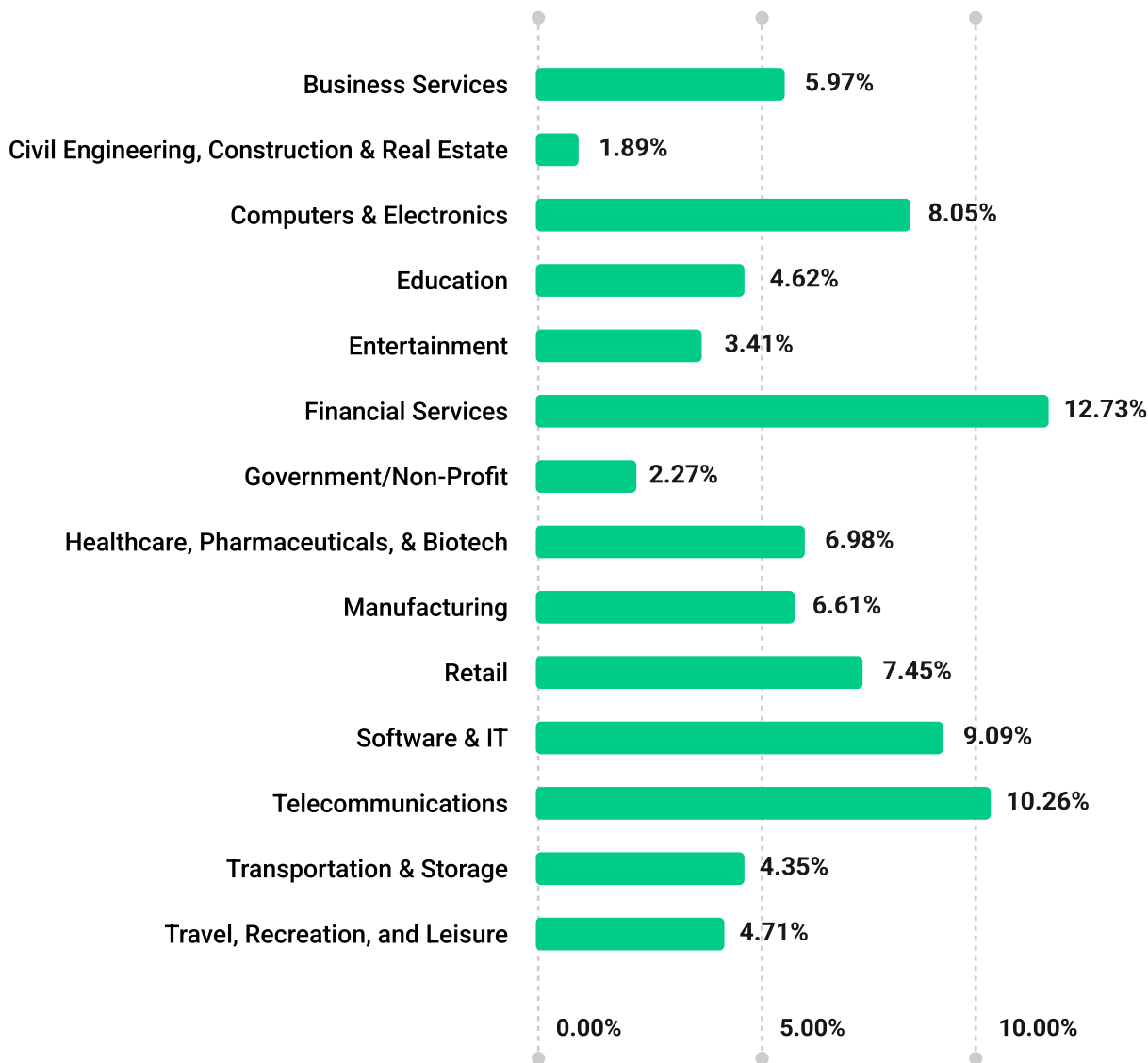# Effects of AI-powered self-service and automation

42.7% of the Freshworks customers we surveyed believe that automation and AI capabilities are the most essential capabilities for support software in 2023. However, only 7% of businesses that use Freshworks products leveraged the power of chatbots in 2022.

We further break down our survey by industry and got the following findings:

5.1 Adoption of chatbots across industries

Industry	Adoption
Business Services	5.97%
Civil Engineering, Construction & Real Estate	1.89%
Computers & Electronics	8.05%
Education	4.62%
Entertainment	3.41%
Financial Services	12.73%
Government/Non-Profit	2.27%
Healthcare, Pharmaceuticals, & Biotech	6.98%
Manufacturing	6.61%
Retail	7.45%
Software & IT	9.09%
Telecommunications	10.26%
Transportation & Storage	4.35%
Travel, Recreation, and Leisure	4.71%

Among the industry verticals we analyzed, Financial Services has the highest chatbot adoption at **12.73%**, and Government and NGOs have the lowest at **2.27%**

5.1 Benchmarks of chatbot support

These are the support benchmarks set by chatbots. Chatbots are capable of responding instantly to customer queries. They can also resolve queries or route them to a support agent if more expertise is needed.

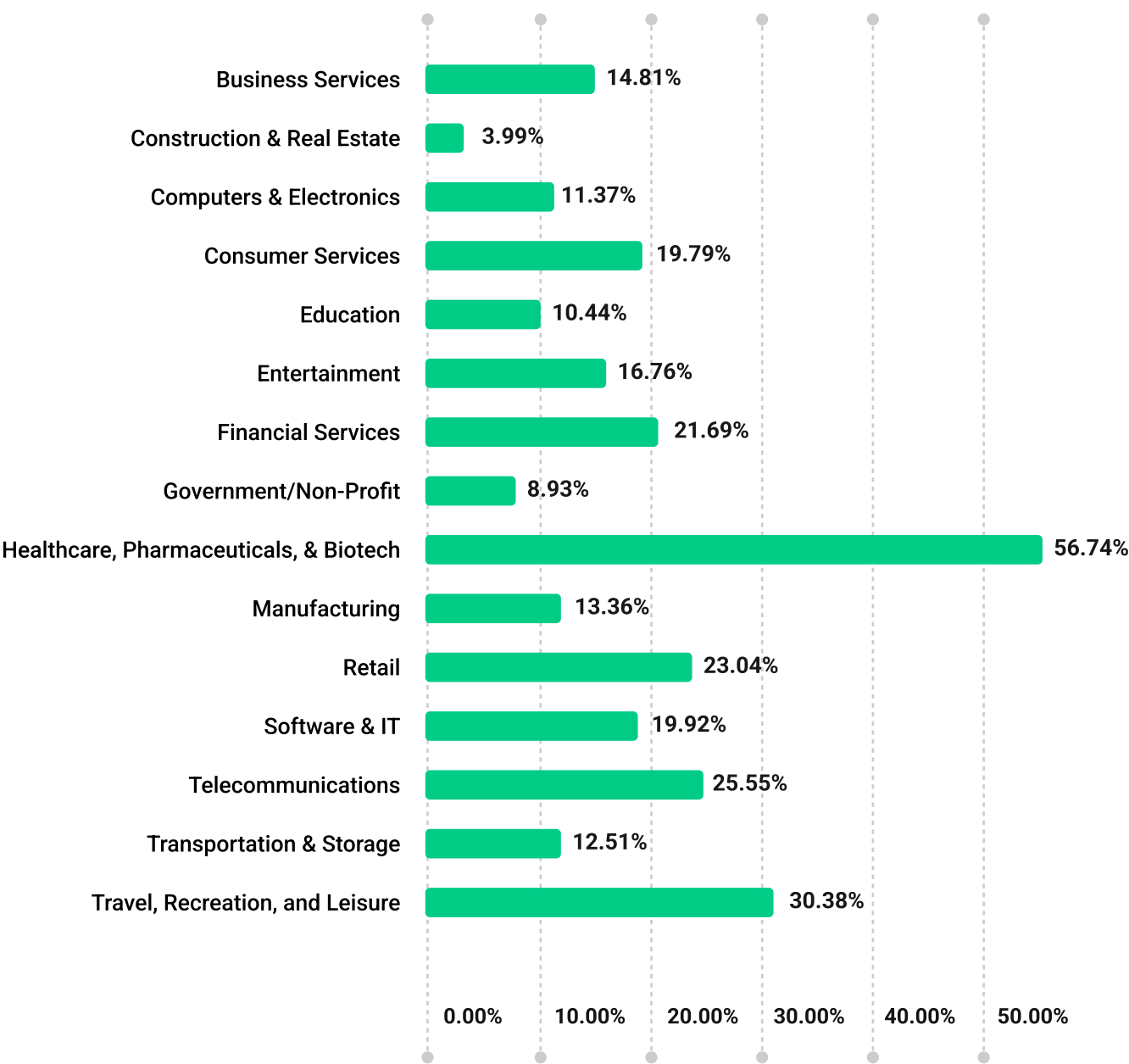| Metric	Benchmark
Bot deflection	70%
First Assign Time	Instant
First Response Time	Instant
Resolution Time L1	10m
Resolution Time	27m
First Contact Resolution	9.40%

Role of ticketing in conversations first support

Conversations that are complex or dependent on another team are converted into tickets. We have seen that **21%** of conversations are converted to tickets for support agents to dive deeper and solve those issues.

This is how the conversion varies across industries.
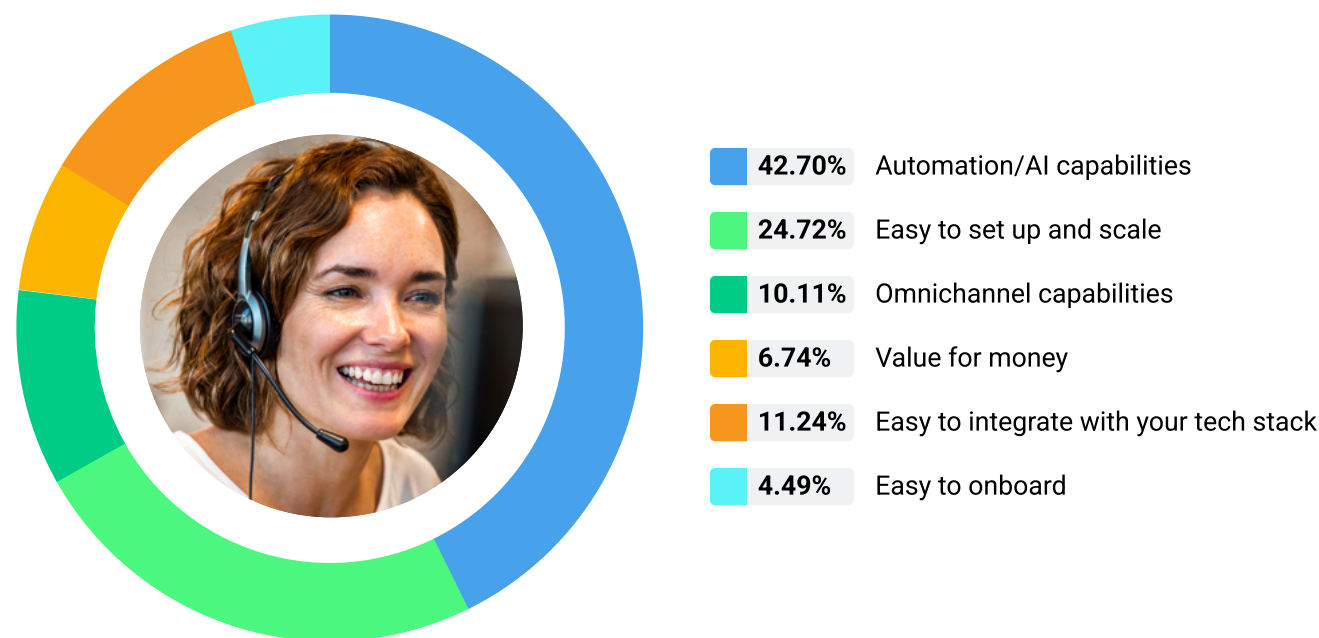
6.1 Ticket conversion % across industries

Industry	Conversion %
Business Services	14.81%
Construction & Real Estate	3.99%
Computers & Electronics	11.37%
Consumer Services	19.79%
Education	10.44%
Entertainment	16.76%
Financial Services	21.69%
Government/Non-Profit	8.93%
Healthcare, Pharmaceuticals, & Biotech	56.74%
Manufacturing	13.36%
Retail	23.04%
Software & IT	19.92%
Telecommunications	25.55%
Transportation & Storage	12.51%
Travel, Recreation, and Leisure	30.38%

CX trends and customer expectations in 2023

We asked our customers what the most essential features they are looking for in their customer support software are and they gave us the following response.

Most essential for support software in 2023

42.70%	Automation/AI capabilities
24.72%	Easy to set up and scale
10.11%	Omnichannel capabilities
6.74%	Value for money
11.24%	Easy to integrate with your tech stack
4.49%	Easy to onboard

Trends and expectations in B2C customer service

This is what customer support managers in B2C have to say

1. 67.74% say that **quick resolution** is the top expectation of customers from service teams in 2023.

2. 35.14% say that **easy access** to **support** and **quick resolution** are the most important in defining a great customer experience.

3. 58.89% of respondents rank **CSAT** or Customer Satisfaction as the top KPI they want to improve in 2023.

4. 35.96% monitor their KPIs and performance metrics **daily**.

5 75.29% of respondents monitor KPIs to manage **agent performance**. 70.59% are also concerned about **customer satisfaction.**

6 35.71% of customer support managers in B2B say that **work overload** is the most common reason for agent attrition. This is followed by **repetitive tasks** at 23.81%.

7 31.40% of respondents say their biggest challenge is balancing agent workload and training.

Trends and expectations in B2B customer service

This is what B2B customer support managers have to say

1 31.87% of survey respondents agree that **24/7 support** is the top expectation of customers from service teams in 2023.

2 35.14% say that **easy access to support** is most important in defining a great customer experience.

3 65.22% rank **CSAT** or Customer Satisfaction as the top KPI they want to improve in 2023. At 58.39%, Resolution Time takes second place for KPIs to improve in 2023.

4 28.83% monitor their KPIs and performance metrics weekly or monthly, whereas 25.15% of respondents monitor them daily.

5 65.63% of respondents monitor KPIs to manage **agent performance.**

6 32.48% of customer support managers in B2B say that **work overload** is the most common reason for agent attrition.

7 32.28% of respondents say their biggest challenge is **balancing agent workload and training.**

Redefine customer service excellence with generative AI

Modern businesses thrive on customer satisfaction, creating a constant need to boost agent productivity and optimize operations. Generative AI revolutionizes self-service, boosts agent productivity, and helps create efficient business processes. It's a solution that goes beyond routine tasks, empowering your team to provide a smoother and more satisfying customer experience. The right tech partner can help bring all of these benefits to life. With Freshworks Customer Service Suite, you can improve agent productivity with a unified omnichannel solution for self-service, conversational support, and ticketing.

Get a free demo

About Freshworks

Freshworks Inc., (NASDAQ: FRSH) creates AI-boosted business software anyone can use. Purpose-built for IT, customer support, and sales and marketing teams, our AI-boosted products are designed to let everyone work more efficiently and deliver more value for immediate business impact. Headquartered in San Mateo, California, Freshworks operates around the world to serve more than 65,000 customers, including American Express, Blue Nile, Bridgestone, Databricks, Fila, Klarna, and OfficeMax. For the freshest company news visit www.freshworks.com and follow us on LinkedIn, Twitter, and Facebook.

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