



The New CX Mandate

Insights & predictions of
1500 customer service leaders

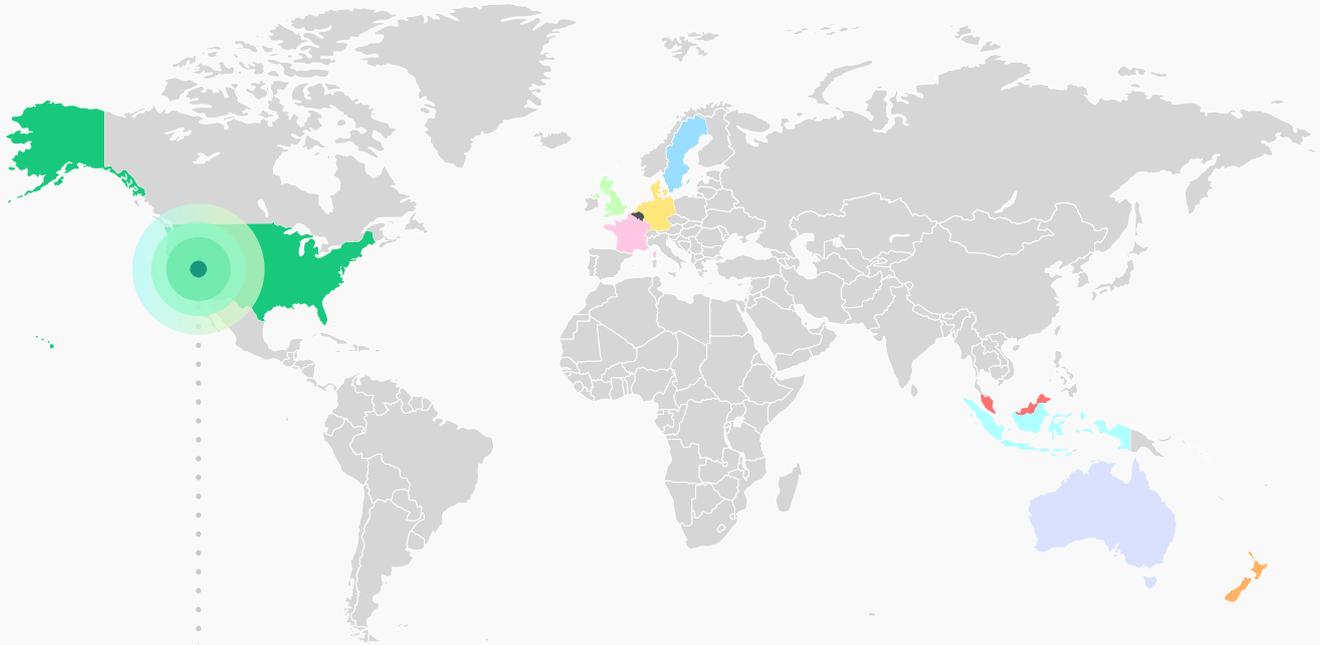
2020 SURVEY REPORT



USA EDITION

Demographics

300 customer service leaders surveyed in the US



300 LEADERS

 **UNITED STATES**



Germany
200 Leaders



Sweden
100 Leaders



Malaysia
100 Leaders



Australia
140 Leaders



France
200 Leaders



United Kingdom
200 Leaders



Netherlands
100 Leaders



Singapore
100 Leaders



New Zealand
60 Leaders



The state of customer service in 2020

01

Customer expectations rose through the crisis

71% of customer service leaders in the US saw increased overall contact volume since February 2020.

Customers are opting more and more to do business online. **Contactless customer service is now key to retaining customers and addressing rising customer churn.**

[EXPLORE →](#)

Thankfully, budgets have increased as well

53% of customer service leaders in the US have seen increased budgets when compared to 2019.

Customer service leaders have turned to technology to boost productivity and performance. Investments in live chat & messaging, measurement & analytics, and self-service have seen a considerable increase this year.

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02

2021 will be about agility

59% of customer service leaders in the US expect remote work to become a staple of office life. Over 74% of leaders expect a continued rise in contact center volumes through 2021 despite physical stores reopening.

Customer service leaders should enable their teams to be agile and work from anywhere. Implementing remote-ready technology is the way forward.

[EXPLORE →](#)

03



Managing customer expectations



Customers have become more demanding through the crisis.

[UNITED STATES](#)

? How have the following areas of customer service changed since Feb 2020?

Customer expectations



Customer empathy



Customer churn



Increase No change Decrease

Please note: The percentages are rounded off to the nearest number

68% of customer service leaders in the US have seen an increase in customer expectations since February 2020.

Today's customers are anxious, afraid to go outside, and keen on avoiding crowded places. In this new social-distancing era, customers are turning to digital channels.

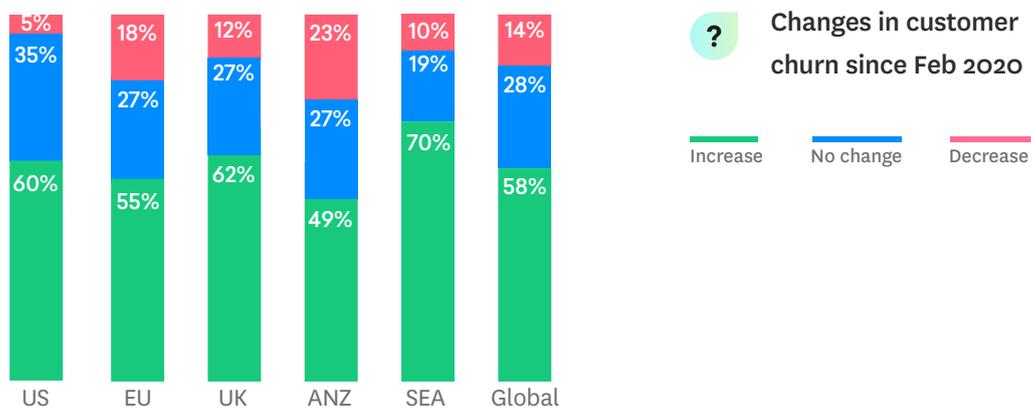
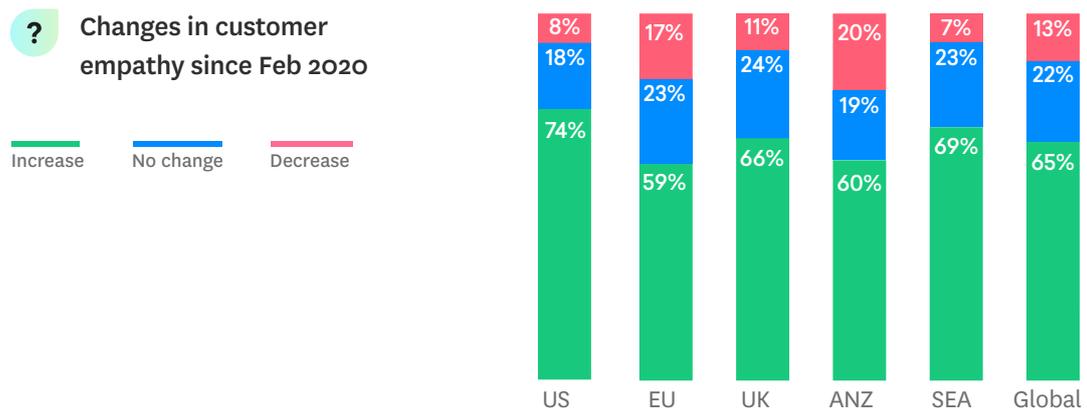
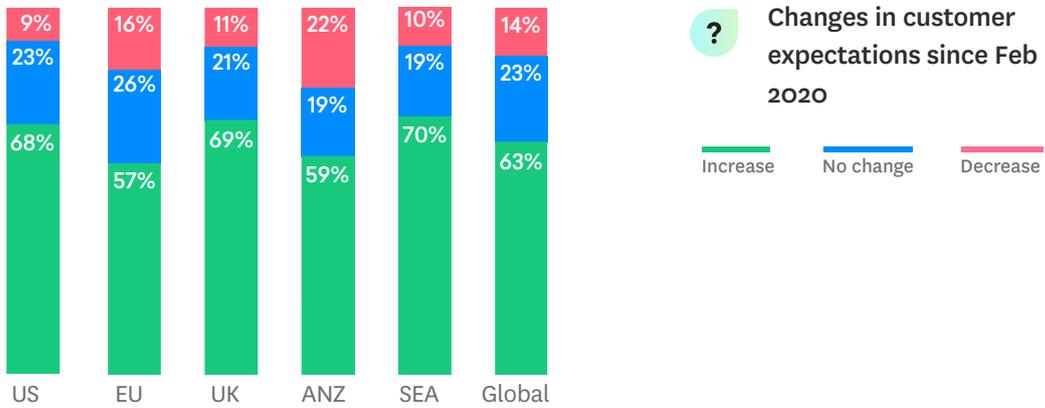
74% of customer service leaders in the US state that customers have become more empathetic since the crisis.

However, while customers might be more understanding of delays due to the crisis, they still expect businesses to communicate with them proactively.

Any business that is unable to meet their standards is quickly abandoned for a competitor. **60% of US leaders have seen an increase in customer churn since February 2020.**



Global Snapshot: How have the following areas of customer behavior changed since February 2020?



CX Expert and bestselling author

“One of my principles in good times as well as bad is to ‘help even when you can’t help’. In other words, whether or not an issue is literally solvable, strive to be of service to your customer in their needs as a human being. In the current period of crisis, there are more opportunities than ever to embrace this philosophy on every call, chat, and email that comes in or that you send out.”



Micah Solomon



Chris Vodola

Account Director, Stella Connect

“CX is more important than ever. Right now we’re seeing many brands and businesses coming up with really creative, impactful, and sincere ways to interact with their customers and make them feel cared for. Delighting customers in meaningful ways is a huge differentiator for businesses today, and will become even more pivotal for success in the years to come.”



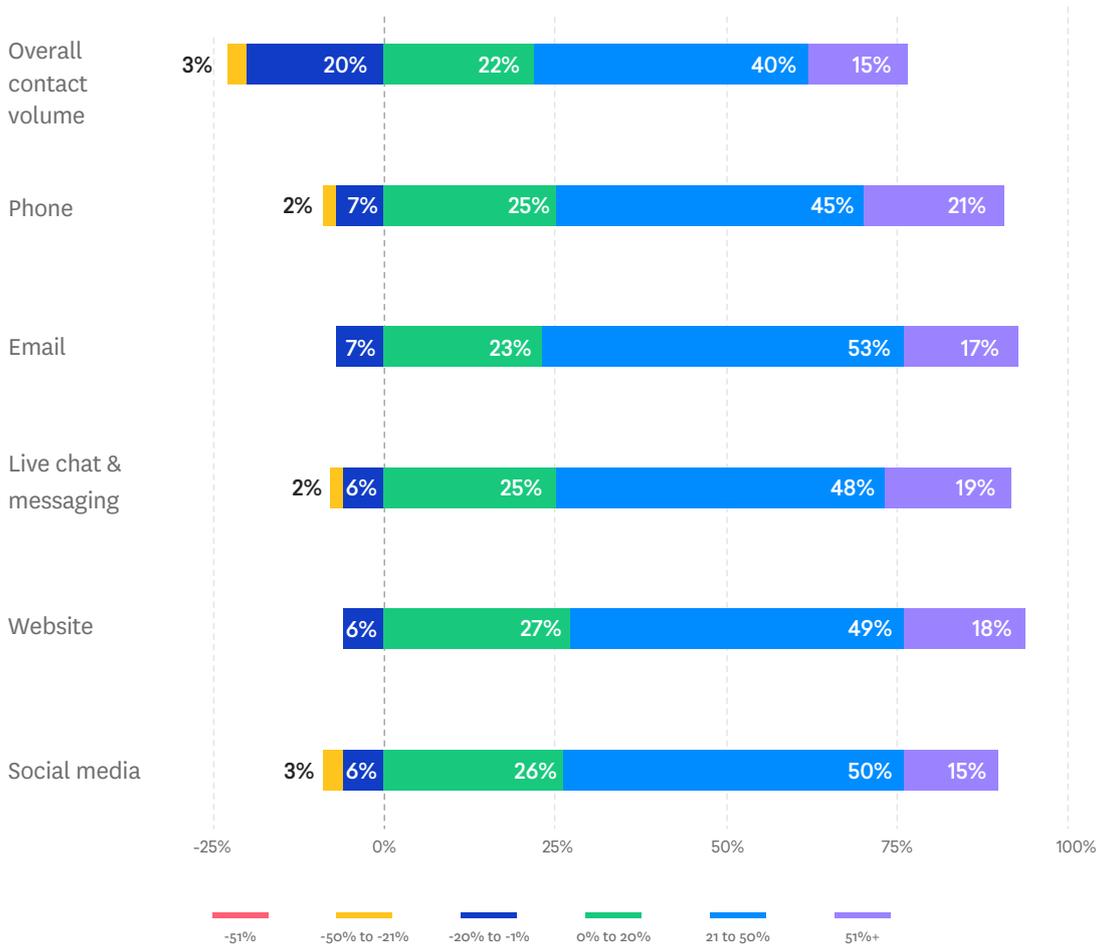
Customer contact volumes have also gone up.

With more customers staying at home, support channels have shifted. In-store traffic moved to digital and phone channels, and contact centers have felt the impact of that shift.

Over 83% of customer service leaders in the US have seen an increase in support volumes across digital channels like email, live chat & messaging, social media and website.

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? What change have you seen in support volumes since Feb 2020?

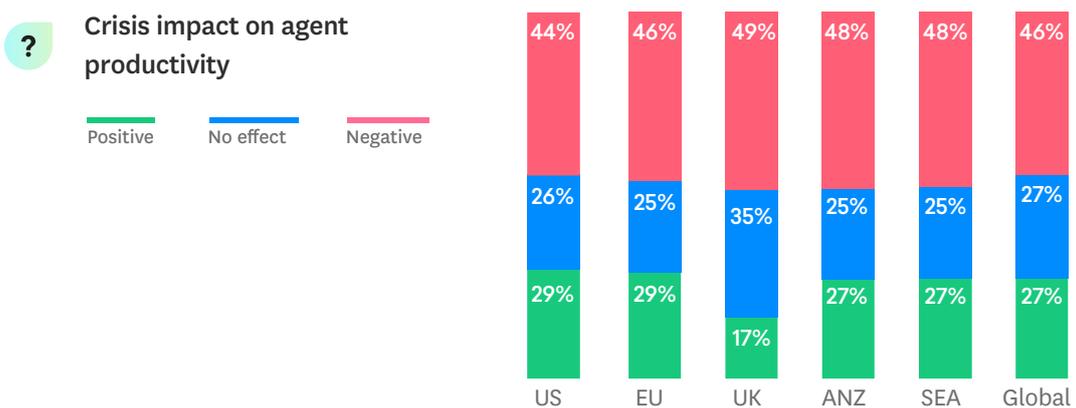
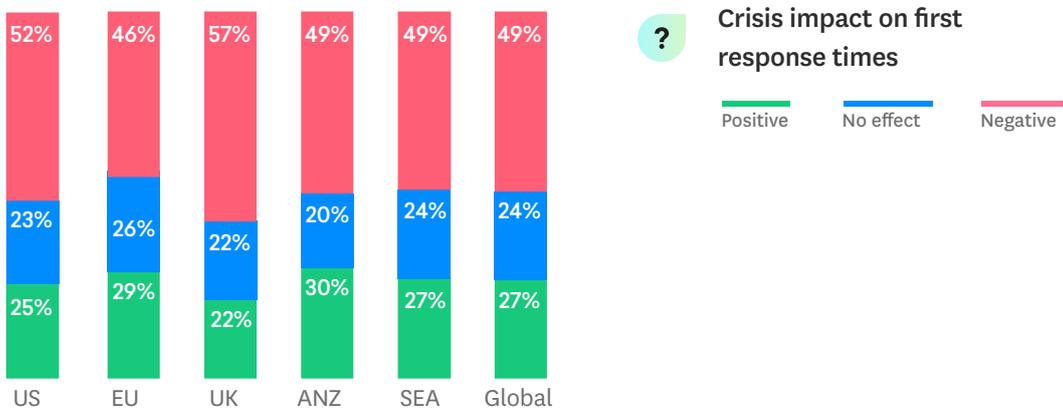
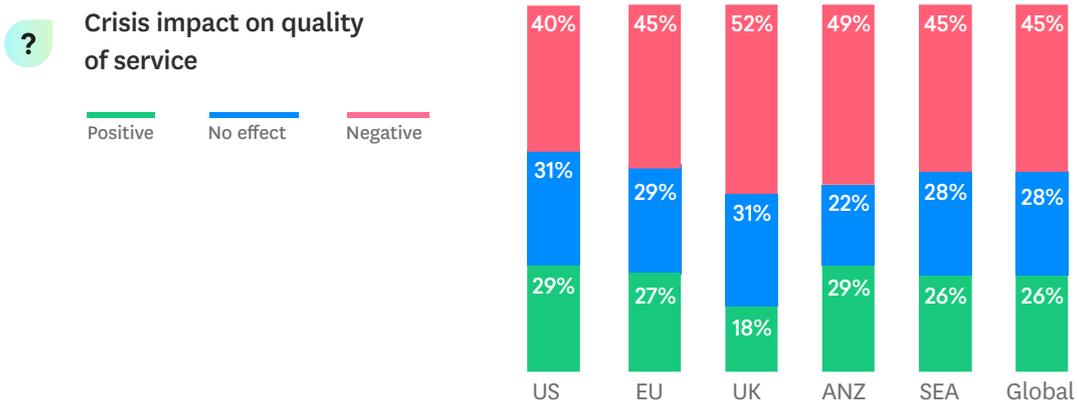


Please note: The percentages are rounded off to the nearest number



Customer service teams are trying to keep their head above water.

Over 40% of US customer service leaders have seen a fall in service quality, first response times and agent productivity.



Productivity and efficiency took a hit.

The top three challenges faced by customer service leaders in the US through the crisis:

Tracking productivity and performance (36%)

Most contact centers do not have performance evaluation frameworks suited to remote teams. Agents have their own challenges and can't be expected to remain 'always on' if they have to juggle family demands alongside work.

Challenges with feedback and coaching (35%)

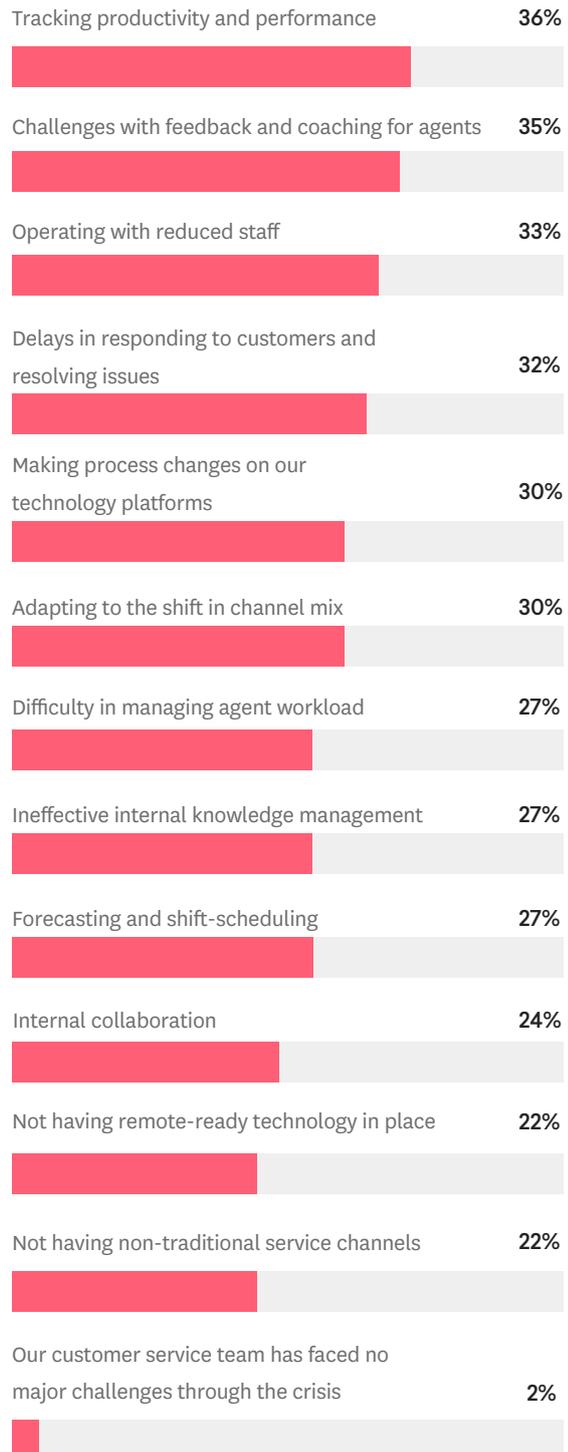
Feedback and coaching processes are typically designed for face-to-face interaction. Customer service leaders need to implement new models to take coaching online and make it engaging.

Operating with reduced staff (33%)

Whether due to cost-cutting measures or sick leave, customer service teams have been operating with reduced staff. Coupled with increased contact volumes, this has overwhelmed contact centers and led to call queues, backlogs and extended wait times.

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? What are the biggest challenges your customer service team has faced through the crisis?



Please note: The percentages are rounded off to the nearest number



Navigating the crisis

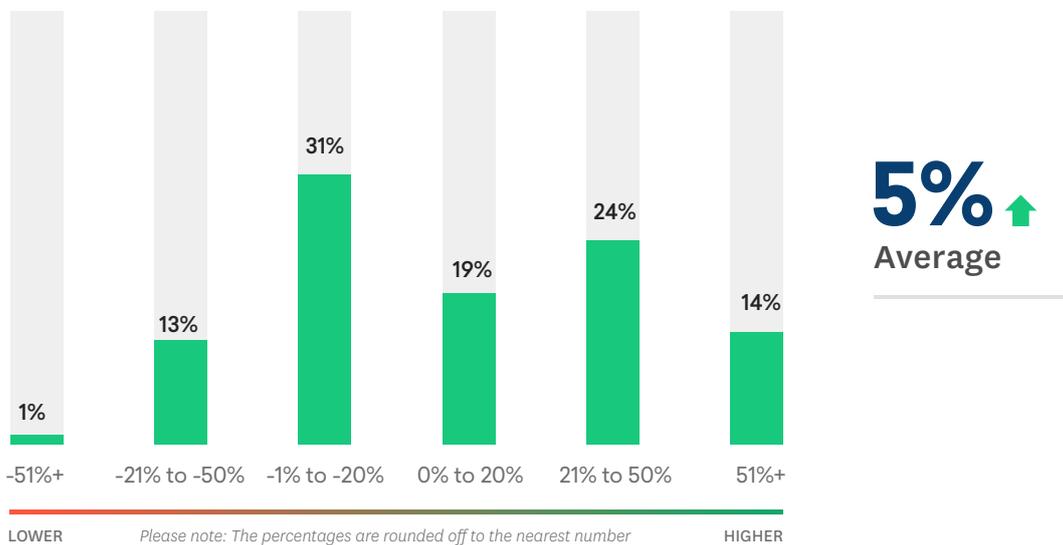


Customer service leaders got higher budgets.

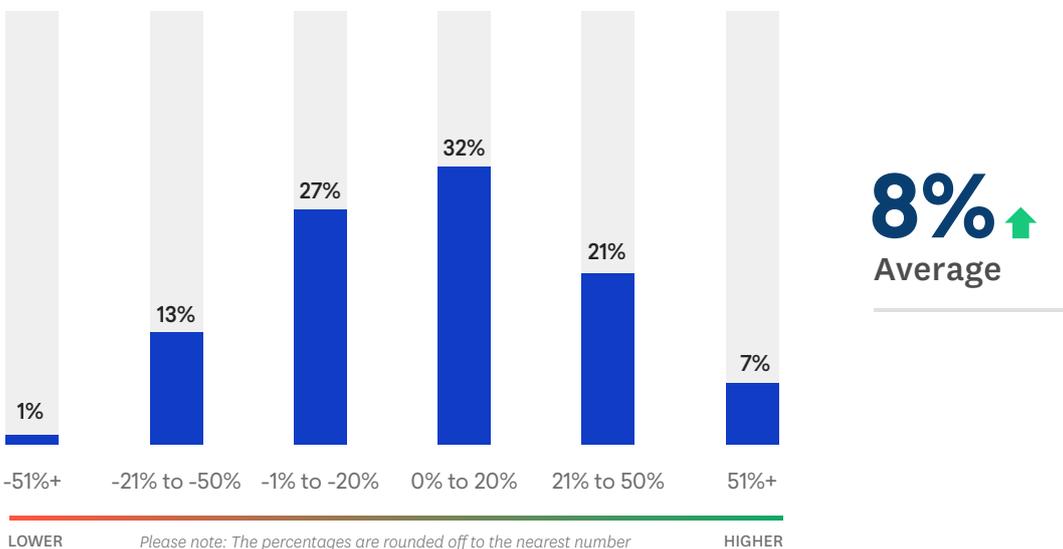
57% of customer service leaders in the US have seen an increase in total available budgets as compared to 2019. Customer service budgets have increased, on average, by 12% in the US, while in the rest of the world, they have risen by 7%.

? How have your customer service budgets been impacted when compared to 2019 budget plans?

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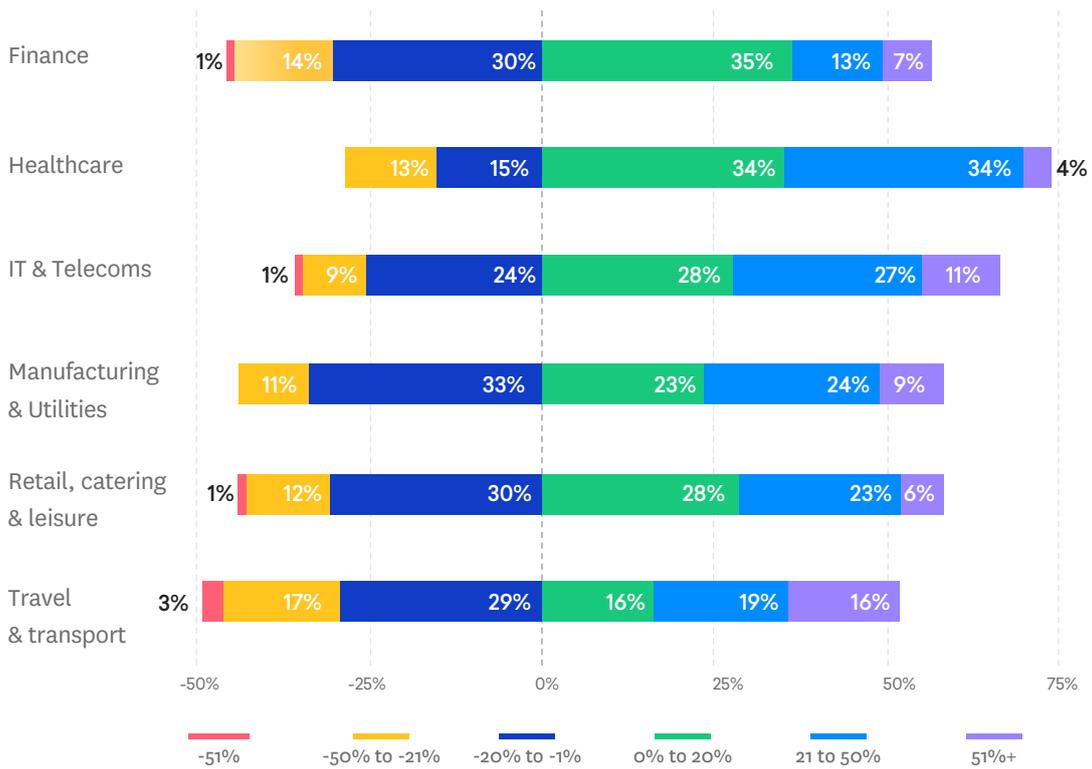
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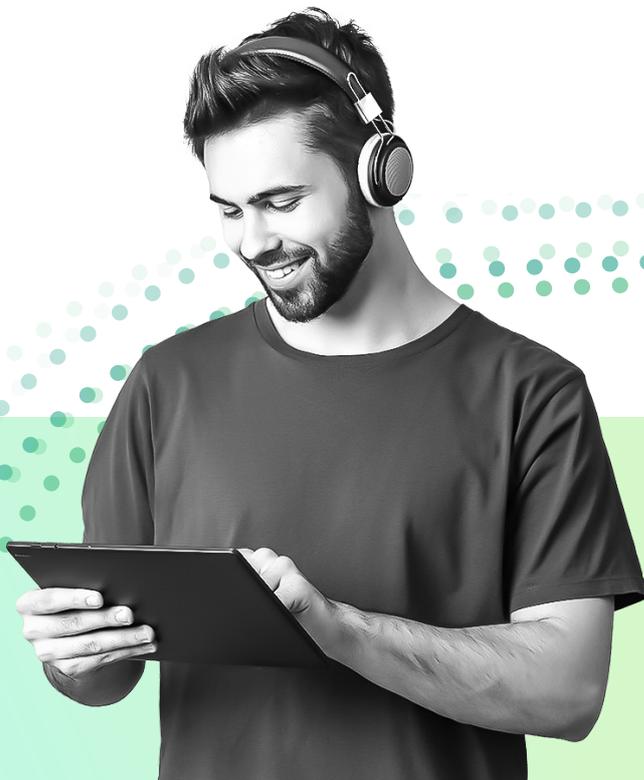
Industry Snapshot: Industries like Healthcare and IT & Telecoms have seen the largest budget increases. On the other hand, sectors like Retail, Catering & Leisure and Finance have seen a significant dip in their customer service budgets.

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? How have your customer service budgets been impacted when compared to 2019 budget plans?



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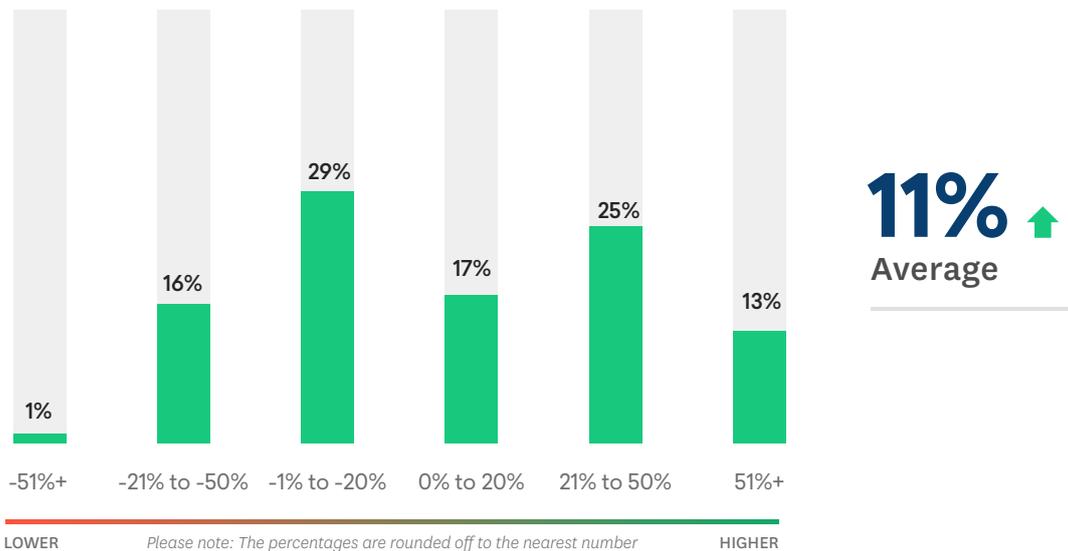
But staffing has not kept up with rising volumes.

While staffing in customer service within the US has seen an average increase of 11%, leaders are unable to keep up with rising contact volumes. In fact, **45% of customer service leaders in the US reported reduced staffing since February 2020.**

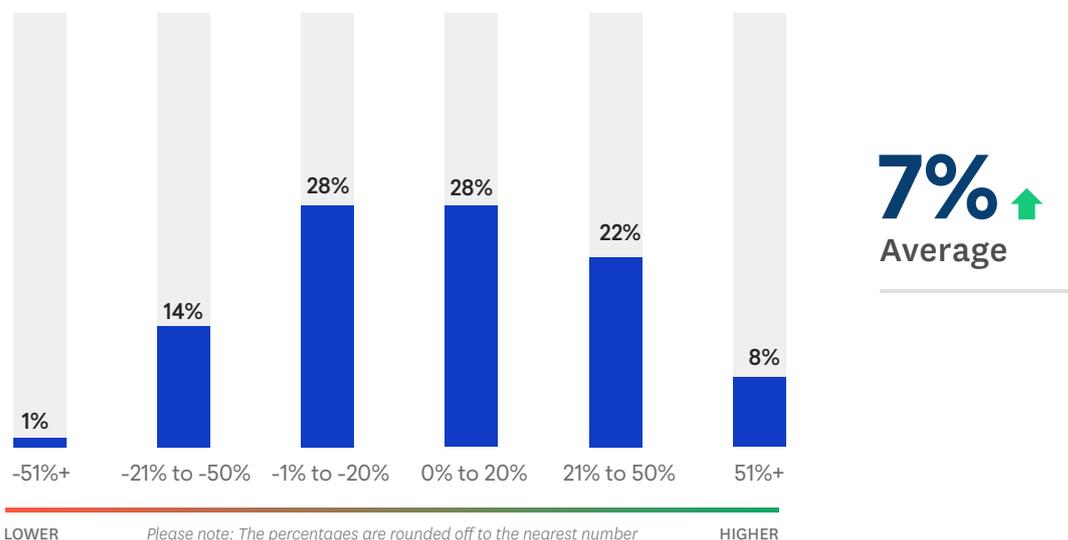
‘Operating with reduced staff’ ranked second amongst the biggest challenges faced by customer service teams through the crisis worldwide.

? How have your customer service budgets been impacted when compared to 2019 budget plans?

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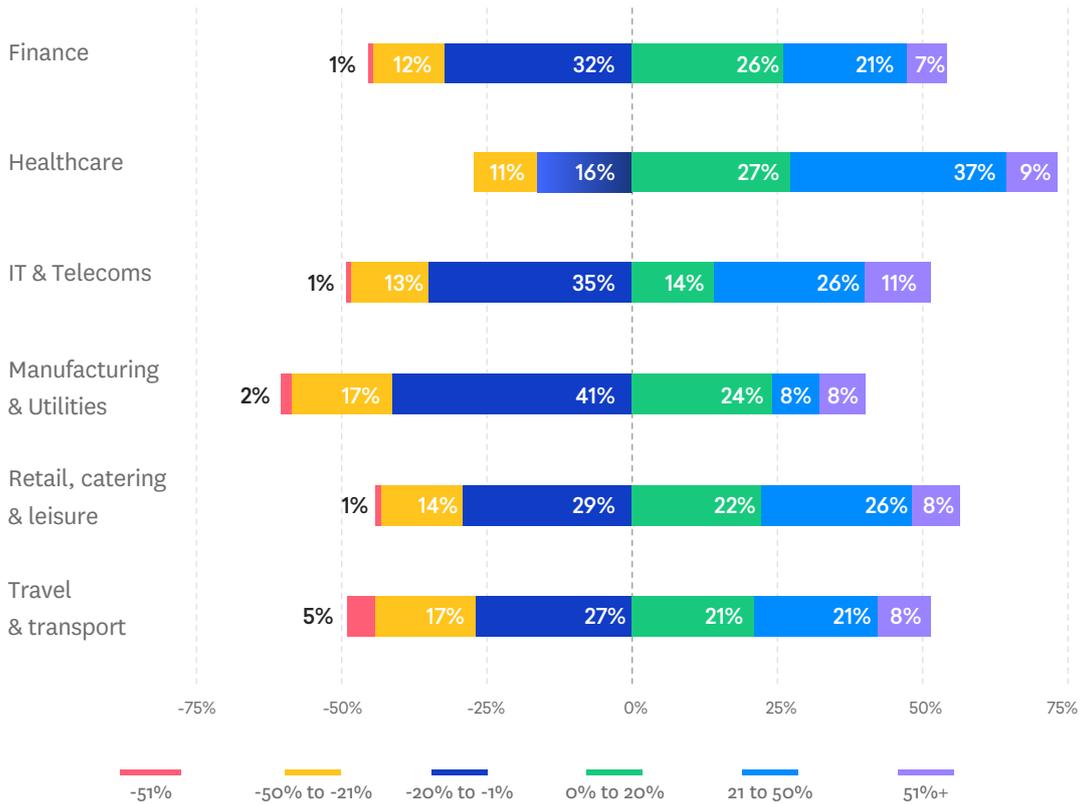
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Industry Snapshot: 50% of customer service leaders in industries like Travel & Transport and Manufacturing & Utilities saw a decrease in staff, while 60% of customer service leaders in Healthcare increased staff during the pandemic.

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? How has your customer service staff increased or decreased compared to Feb 2020?



Please note: The percentages are rounded off to the nearest number



With human capital in short supply, technology became key.

With rising customer expectations, high customer contact volumes, and volatile staffing changes, businesses turned to technology for a stable way to cope with the crisis.

44% of customer service leaders worldwide said live chat & messaging were critical for them to maintain service levels through the crisis.

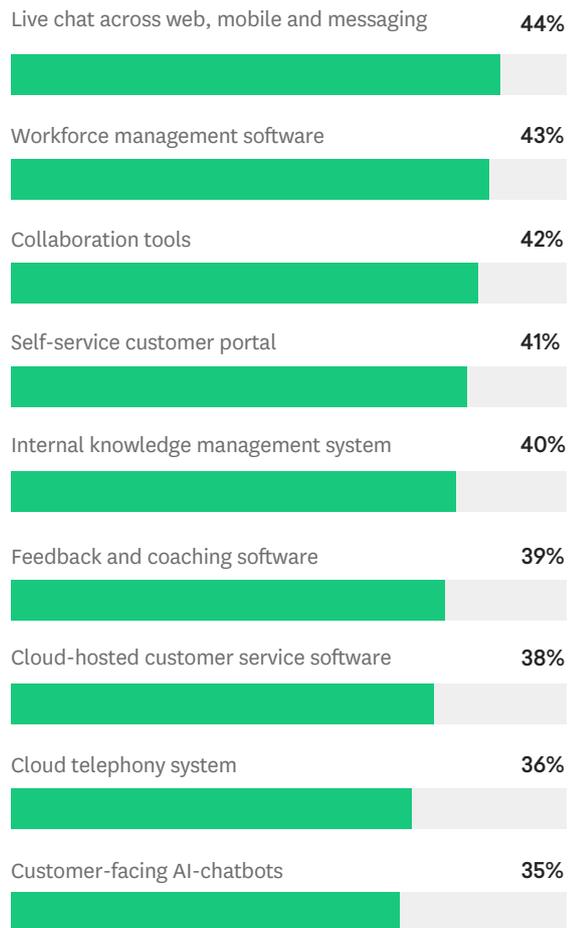
Chat is a familiar, easy-to-use channel for customers, and it also boosts productivity internally. Service agents are upto 3x more productive on chat vs. voice channels because they can handle customers concurrently.

Interestingly, customer-facing AI-chatbots did not feature prominently.



Which tools, if any, are the most critically important in helping you maintain service levels through the crisis?

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Please note: The percentages are rounded off to the nearest number

“The way customers talk to us has been changing for a while. Each month we typically see an increase of 10-15% in our ticket volumes, but the jump in chat volumes since the pandemic has been massive. Before, our agents dealt with between 30 to 50 chats per day, but ever since March, we’ve seen on average 100% increase in the number of chats. Now, it can be anywhere between 120-150 chats per agent per day.”

Charlie Cross

Chief Sales Manager, Axminster Tools



Regional Snapshot: In the US, the most critical tools that helped customer service teams through the crisis were workforce management software, self-service, live chat & messaging, internal knowledge management systems, and collaboration tools.

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Which tools, if any, are the most critically important in helping you maintain service levels through the crisis?



Please note: The percentages are rounded off to the nearest number



Understanding 2021 priorities



Contact volumes are expected to continue rising in 2021.

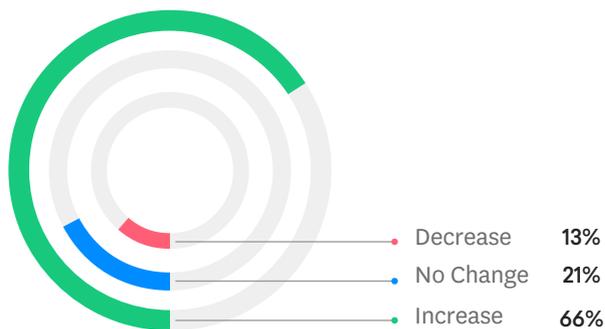
58% of customer service leaders expect in-store enquiries to increase by June 2021. This indicates that leaders feel some degree of normalcy will return with customers returning to stores.

Despite this, **over 74% of leaders expect contact center volumes to continue increasing through 2021 across phone, email, chat & messaging, web and social media.**

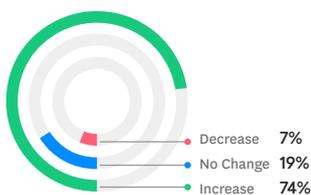
Businesses need to be able to keep up with the growing support volumes and balance in-office and remote support.

? How do you expect support volumes to evolve by June 2021 when compared to June 2020 levels?

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Overall contact volume



Phone



Email



Live chat & messaging



Website



Social media



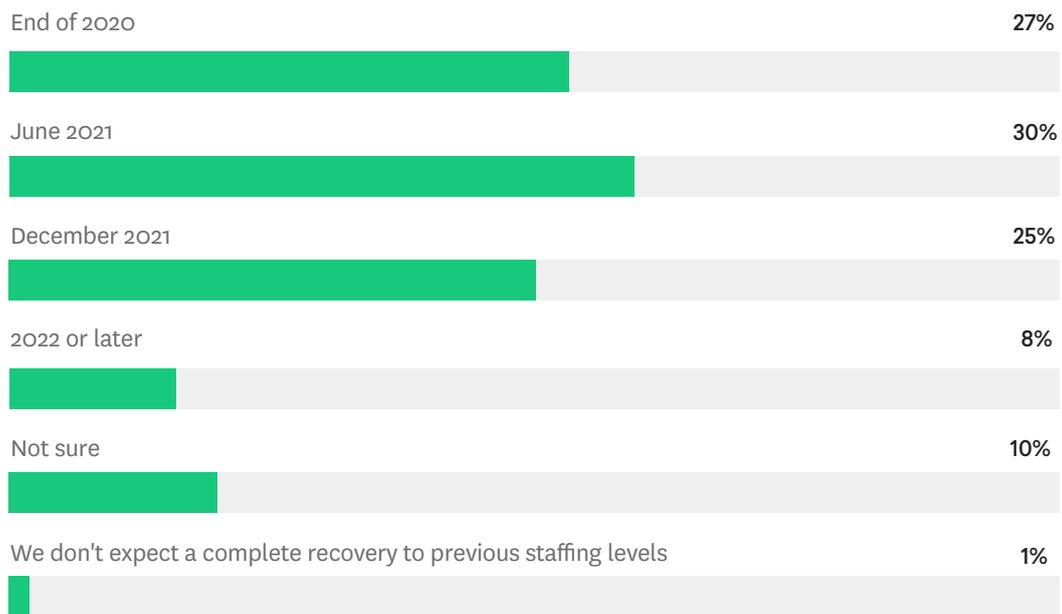
In-store



However, staffing is not expected to return to pre-crisis levels before June 2021.

? When do you expect staffing to recover to February 2020 levels?

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Please note: The percentages are rounded off to the nearest number



Employees are overwhelmed, and automation comes to the forefront.

With businesses moving to remote work, employees have been forced to try and balance the overlap of their personal and professional lives. **Over 50% of customer service leaders around the world feel that the mental health of their agents has suffered on the back of the crisis.**

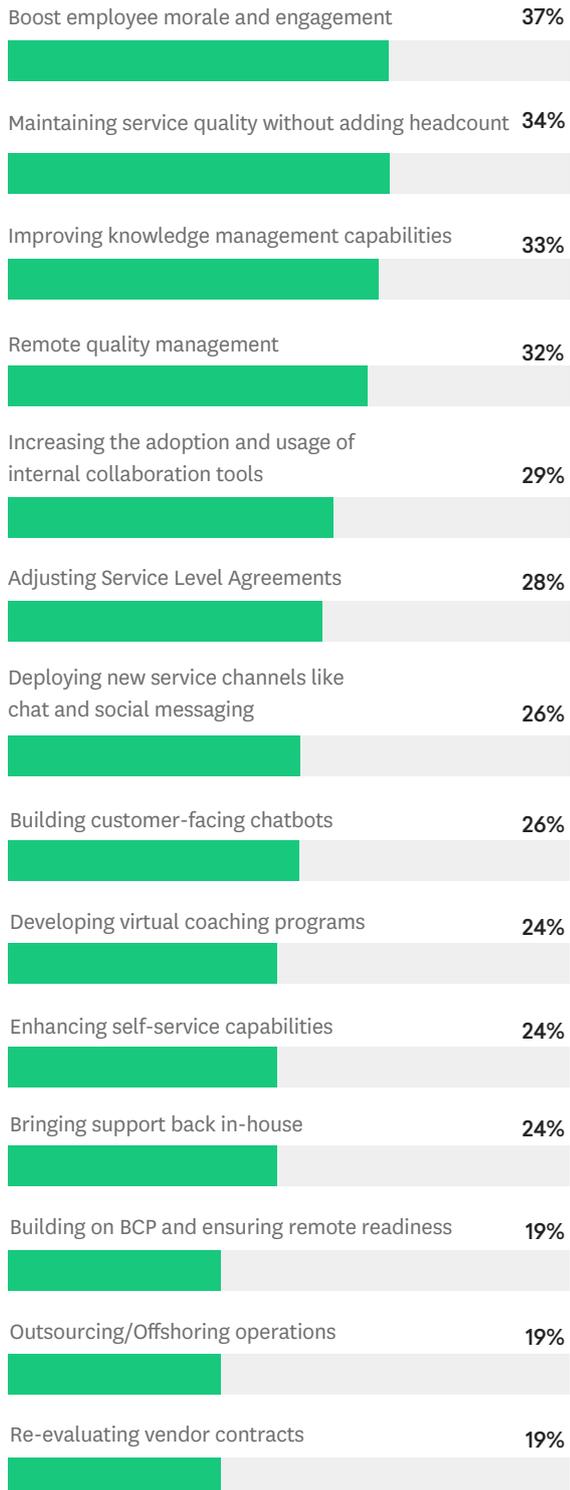
Because remote work is likely to continue well into 2021, businesses are focusing on identifying ways to help their staff transition.

Other high-ranking priorities include:

- ✔ Maintaining service quality without adding headcount
- ✔ Improving knowledge management capabilities

? Which, if any, are the most important priorities for your customer service operations?

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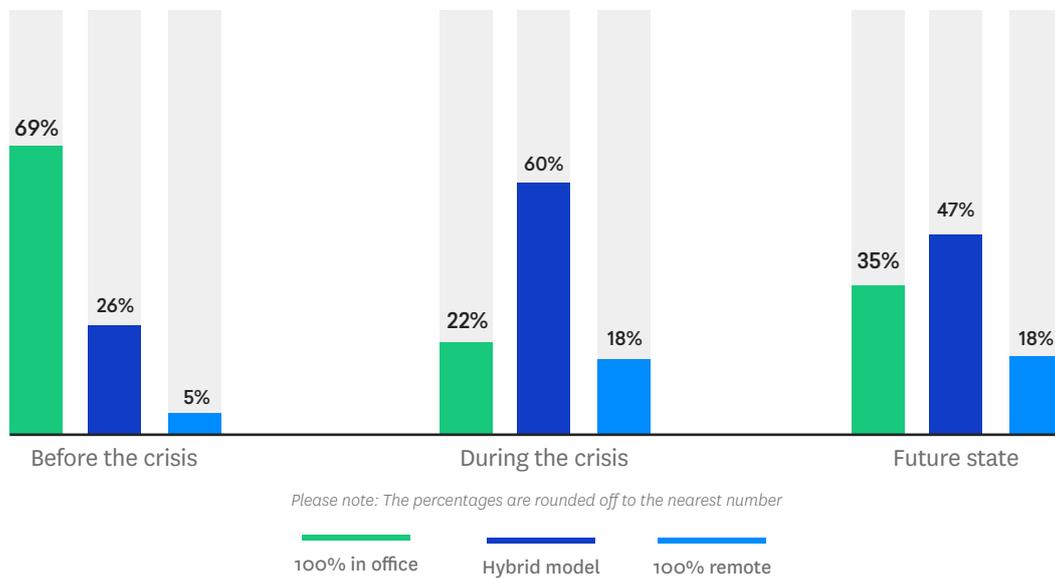


'Back to work' is going to look different.

65% of customer service leaders worldwide are embracing remote or hybrid operating models to accommodate working from home and/or the office moving forward. With this change, we're witnessing the rise of a new brand of customer service that's centered around agility.

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? How did your team operate in the following times?



Founder & CEO, Native



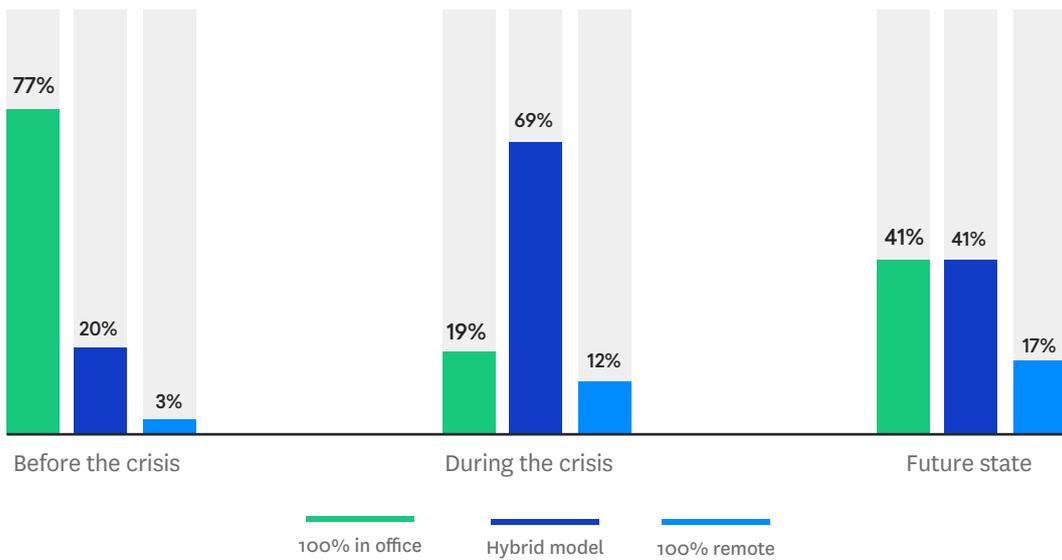
“The hybrid work model is here to stay and proved its resilience during the last few months. However, this new workstyle requires more than flexible office set-ups and remote collaboration tools. It calls for a significant culture change as customers and employees do expect state-of-the-art productivity (chatbots, messaging apps, deep personalization) while requiring extra care and empathy. Future CX leaders will master those two opposite mandates: integrating hyper-productive tools while promoting real customer service empowerment.”



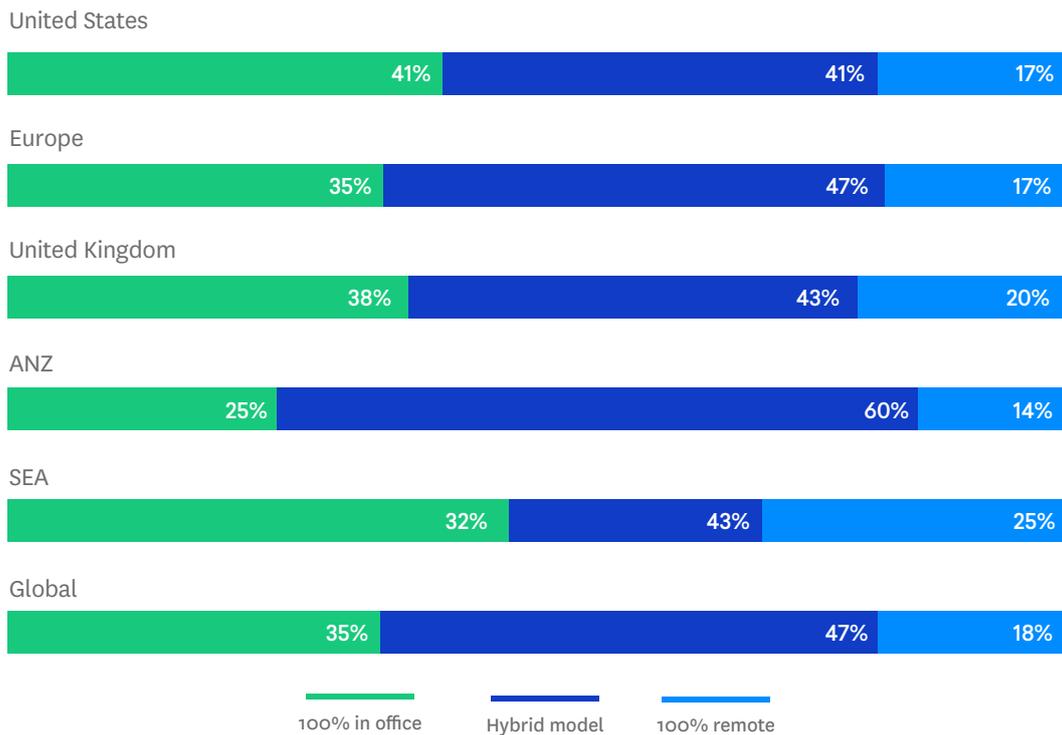
Regional Snapshot: 59% of US customer service leaders will use remote or hybrid models moving forward.

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? How did your team operate in the following times?



EXPECTED FUTURE STATE OF CUSTOMER SERVICE OPERATING MODELS



Investing in remote-ready tech is the way forward.

Live chat & messaging (81%) allow customer service leaders to ensure their teams are more productive. Agents are able to handle multiple chats in the same time it would take to resolve a single phone query.

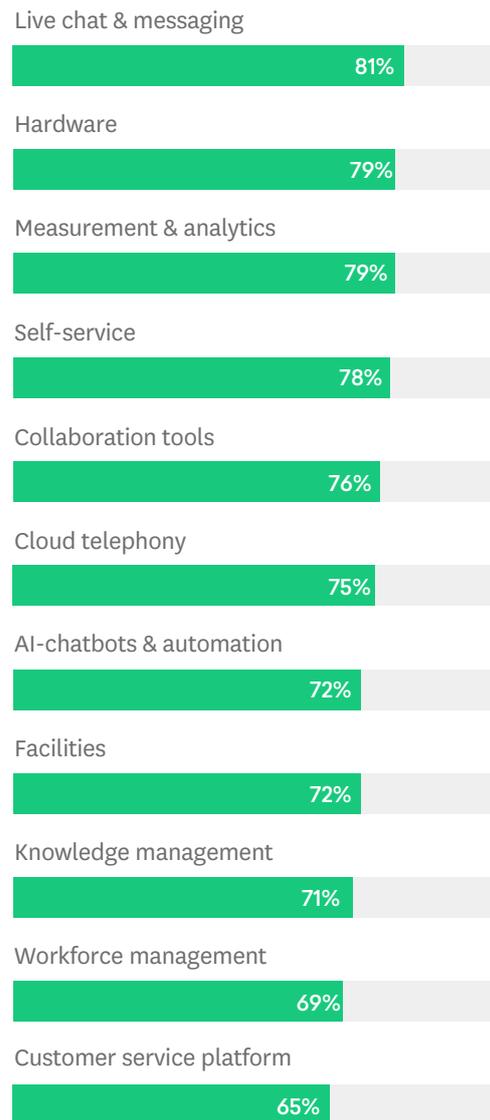
Transitioning to remote work meant each employee needed the **remote-ready hardware (79%)** infrastructure to work from home. This included headsets, laptops, routers, monitors, etc. helping them work effectively, wherever they are.

The right **analytics (79%)** tool can allow customer service teams to monitor performance and pinpoint issues. Tracking productivity, ranked the #1 challenge through the crisis globally, can be easily solved.

Self-service(78%) has become a key focus for organizations and will continue to be one going forward. With the rise in contact volumes, customer service leaders are looking for ways to enable customers to help themselves.

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? Have your investments increased in the following areas?



Please note: The percentages are rounded off to the nearest number



Our Breakdown



Please note: The percentages are rounded off to the nearest number



The contact center of 2021

Customers are prioritizing safety first, and want to receive 'contactless customer service' going forward. This trend is set to continue in 2021, and we've identified three key themes customer service leaders need to be aware of to ensure your teams are better prepared for the future.

Chat becomes the new toll-free

44% of customer service leaders worldwide voted chat as the most critical tool in maintaining service levels through the crisis. In addition to this, we've seen that 81% of customer service leaders in the US are investing more in live chat & messaging as compared to pre-crisis plans. The reason this channel is gaining popularity and effectiveness is that it provides benefits to both customers as a familiar, easy-to-use channel and contact centers by increasing agent productivity exponentially.

The future of work is hybrid

65% of customer service leaders worldwide will expect remote working and hybrid models moving forward. To prepare for this, we're seeing over 75% of customer service leaders in the US increase their budgets and investments in hardware, analytics, and collaboration tools. Identifying and implementing the right remote-ready technology stack for your customer service operations will enable your team to react to any situation from anywhere.

With volatile staffing, automation becomes key

'Operating with reduced staff' ranked second amongst the biggest challenges faced by customer service teams through the crisis worldwide, and 29% of customer service leaders in the US expect staffing levels to recover to pre-crisis levels only by June 2021. In addition to this, over 74% of leaders expect contact center volumes to continue increasing through 2021. Technology is the answer. In the US, 78% of leaders are investing more in self-service, allowing customers to help themselves with self-help portals and AI-powered chatbots. With these automatable tools, your team can focus on the big picture.

The world is moving past the 'new normal' to the 'next normal'. You need to ensure your customer service teams are ready for it.





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