Customer Service Essentials for CX Success

How Companies Can
Cultivate Customers for Life
In the Era of Experiences

Rethinking the Value of Your Customers

For decades, it was seen as an unfortunate necessity: call centers and support staff cost money, so the more skeletal the customer service operation, the better. Sure, customers might get frustrated by long hold times and being passed from one support agent to another. But asking people to endure those inconveniences was a small price to pay for keeping budgets in check. After all, customer service had become a messy, $350 billion-a-year industry.[1] The fewer steps a company could take and still hold on to a customer, the more protected its profit margins would be.

AT LEAST, THAT WAS THE THEORY.

As organizations recover from this old way of thinking, a whole new approach is becoming not only necessary, but vital to survival. Customer experience (CX) is now the lifeblood of organizational success, and it's bringing customer service to the frontlines of battle. More than 80% of companies say they will soon be competing mostly, or completely, on the basis of customer experience within two years.[2] Companies that fail to follow suit by taking care of existing customers face significant risks and profit losses: research shows that investing in new customers is five to 25 times more expensive than improving customer service to retain existing ones.[3]

THANKFULLY, THERE IS A BETTER WAY TO CREATE CUSTOMERS FOR LIFE.

To thrive in the new era of experiences, companies will need to rethink the value they place on existing customers. With more than 80% of customers willing to pay higher prices for better experiences,[4] it's time to stop viewing customer service as a cost center—and embrace its role as integral to sustainable growth and long-term success.

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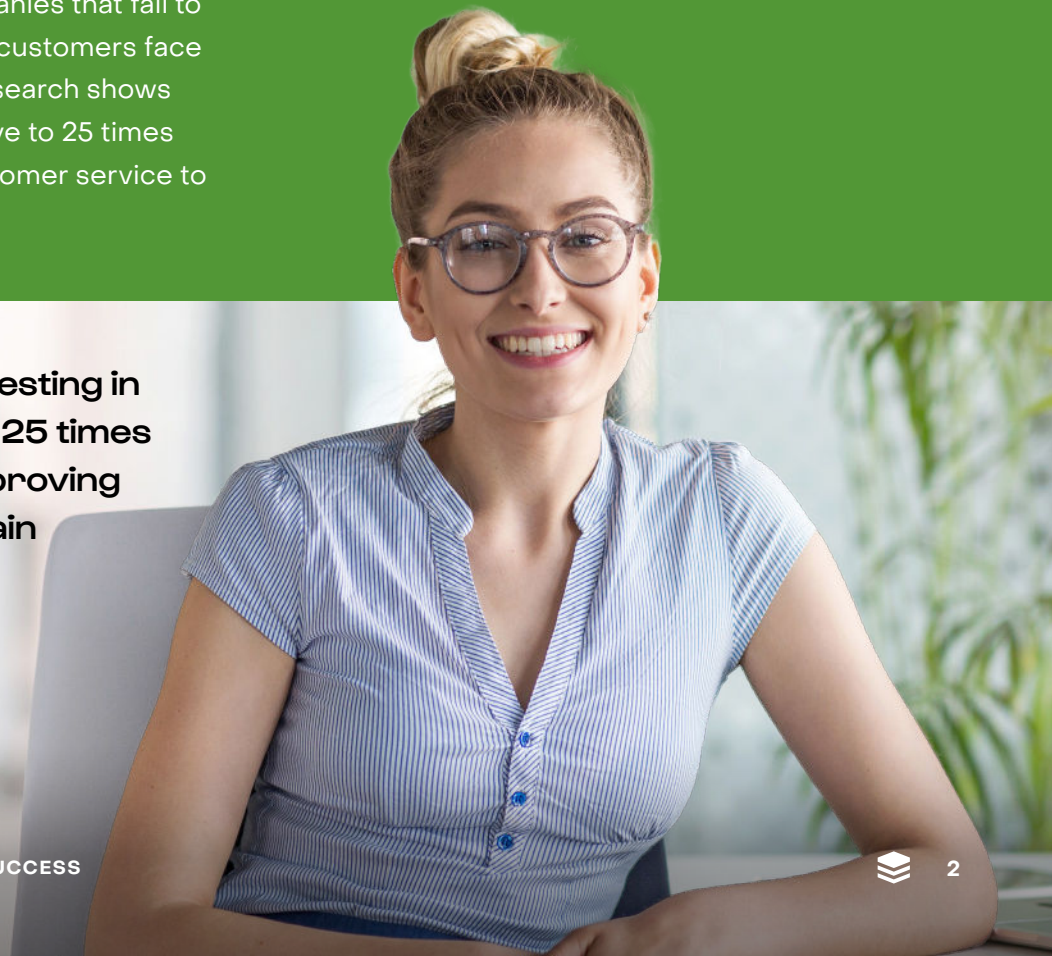
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The Old Way: Customer Service as Cost Center

Traditionally, customer service departments have been viewed as cost centers. Although support staff frequently serves as the face of the company, these employees are often perceived as filling roles that—while necessary—don't necessarily contribute to the bottom line. As a result, cost-saving measures have long been at play within the industry at large. For years, priority has been placed on seeing how far customers could be pushed before they'd cancel a service or move to a competitor.

Experts refer to this method as identifying the "breakpoint," and it's blamed for creating a disconnect between what companies think customers expect and what they actually want.

For example, one of the most sought-after traits within the customer experience industry has long been empathy. But while the assumption is that customers will feel best about an experience when the rep is compassionate, research reveals the opposite to be true. The highest-performing support staff are not the most empathic. Instead, they tend to be outspoken, opinionated and ultimately able to resolve issues quickly.[5] The company focuses on sympathy—but what the customer really wants is competence.

Experts say problems begin when companies fail to empower frontline employees with the resources and information they need to treat existing customers like they have real value. As sales and marketing expert Scott Stratten describes it:

"Support staff gets 'beaten down' by complaints while Sales and Marketing get all the praise. Most businesses focus on generating new leads to drive sales. We take for granted the customers we have while going after the ones we want."[6]

It's an outdated model, and the consequences can get costly. In an era where customer experience reigns, all it takes is one negative, unresolved customer service complaint for someone to end a relationship with a company.
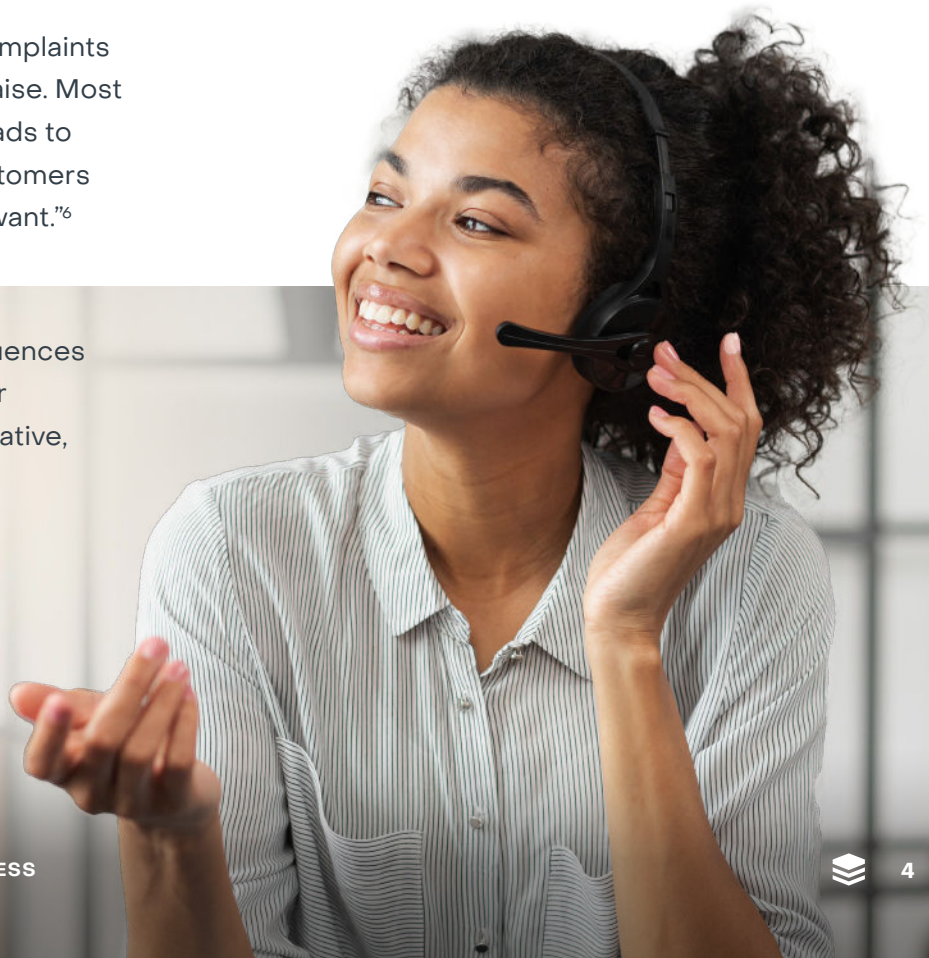
Customer Service in the Era of Experiences

It's no longer sufficient to focus solely on providing the best product or lowest prices. Customers now expect positive experiences at every stage of the journey, and customer service plays an essential role. The way a business chooses to approach customer service in this new "experience economy" has a big impact on the company's bottom line:

- 73% of customers fall in love with a brand because of friendly customer service reps[7]
- 80% of people will pay more for a better experience[8]
- 7 in 10 customers will spend more money to do business with a company that delivers great service[9]

The state of a company's customer service also has an enormous impact on repeat purchases and recurring revenue. Studies show that customer service plays a central role in decisions to stay loyal to a brand for 96% of customers.[10] An even more compelling statistic occurs within the segment of customers who report the highest levels of customer service satisfaction. That group is willing to spend 140% more than those who report the lowest.[11]

The better a company gets at servicing customers in the era of experiences, the easier it becomes to build trust, earn loyalty and increase profits.

The New Way: Customer Experience is Everyone's Job

Businesses that want to thrive in the current environment will need to "bake" customer service into everything the organization does. It's no longer the job of one designated division or business unit alone. Exceptional service should be the primary ingredient for all interactions and offerings—across marketing, sales, service and product design—and not an afterthought.

The reason is simple: customers don't see departments or teams. They just see one brand, and expect a consistent experience regardless of where, when or how they choose to interact with the company. The more consistent the experience, the

better positioned the business will be to cultivate customers for life. Marketing responds to customer concerns on social media, Sales answers support-related questions via email, Product Development embeds self-serve tutorials within technology and everyone directs inquiries to the appropriate "help" channels as needed.

When each of those experiences flows seamlessly from one to another, the result is more loyalty and profits. **Companies that provide consistent service across multiple channels have been shown to retain 89% of their customers, compared to just 33% for those that do not.**[12]

Customer Effort Scores: The Key to Reducing Churn

Not all customer complaints are bad. In fact, the more often problems are resolved by customer service, the more likely customers will be to shop with the brand again.

This is where the customer effort score, or "CES," comes into play.

 This metric measures how much effort a customer has to put in to get an issue resolved, a request fulfilled or a question answered. In one study of 75,000 customer service interactions,[13] researchers found CES to be a bigger predictor of loyalty than other approaches focused primarily on "surprising and delighting" customers. An astounding nine in 10 customers with high CES scores were found to become disloyal, compared to just one in 10 among those with low CES scores.

Measuring this metric can give companies tremendous insight on what they can do to improve service and keep customer churn rates low.

Uniting Experiences Through Technology

Without the right technology, meeting customer expectations is virtually impossible. Just as companies invest in sales software and marketing tools, customer service technology plays an equally critical role in the customer journey. With US businesses losing an estimated $1.6 trillion to customers who switch to competitors because of poor service,[14] it's time to start empowering service agents with the insights they require to anticipate needs.

Based on SugarCRM's experience with more than 2 million frontline employees in 120 countries, there are several must-have essentials that every business needs to survive and thrive in today's environment.

An Intuitive Agent Console

To resolve issues quickly, agents must be equipped with an intuitive, easy-to-use console that guides them to the next best action. Another important feature is the ability to route cases to the right agent and automatically escalate inquiries based on service-level agreements.

Robust Self-Service Tools

The easier it is for customers to find relevant answers quickly, the more likely they are to stick with a product or service. Being able to quickly and seamlessly add, remove and edit content to a knowledge base is vital to ensuring customers can find what they need fast. Likewise, self-service portals empower customers to find information quickly, without having to pick up the phone or wait for an email reply.

Customer Service Analytics

Easy access to real-time customer service data is another essential, as it allows organizations to identify problem areas before they have a chance to become full-blown issues. Use customer service analytics to let support center managers see what's going well and what needs to be addressed.
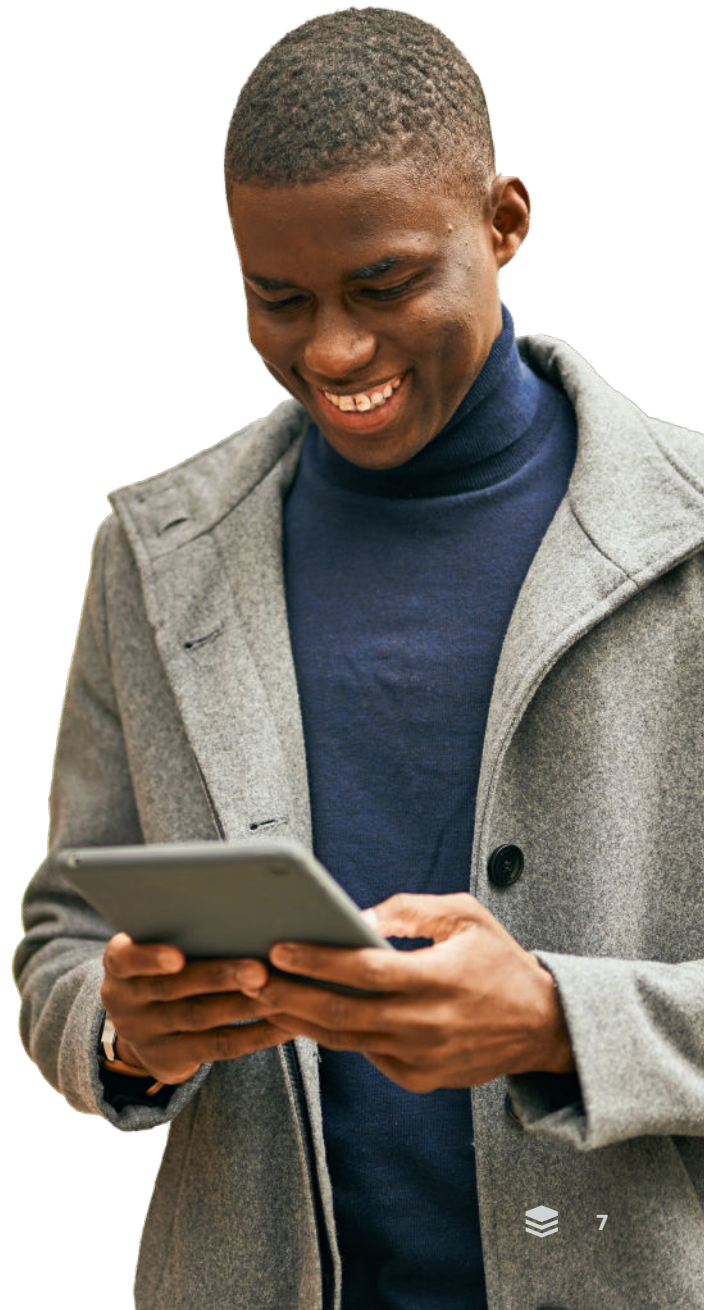
Customer Experience Intelligence

These days, it's not enough to address inquiries based solely on the order in which they're received. Customer support cases should also be prioritized based on actual sentiment. If someone's social media posts and emails indicate agitation or frustration, for example, the company's customer service software should automatically bump that customer's support case to the top of the priority list.

No-Touch Information Management

The ideal solution will automatically update customer accounts with data collected from both internal sources (including emails, texts and voicemails) and external sources (such as social media). Pulling from this bank of data, the system should then surface the right insights within the context of current interactions. When an agent begins an online chat with a customer, for example, that employee should immediately see satisfaction ratings, purchase details and more.

Think Holistically for CX Success

It's not just customer service technology that matters. How well that software syncs with other mission-critical apps and platforms ultimately dictates whether a company will be able to exceed customer expectations.

The marketing email campaign that provides answers to commonly asked questions; the sales messaging that shares best practices from successful companies...these and other engagements all work together to help employees anticipate and fulfill customers' needs—before they even realize they have them.

What's Next for Customer Service?

Customer service will continue to play an increasingly vital role in organizations' abilities to attract and retain loyal customers. Long gone are the days of viewing support operations as cost centers. Customer service is now one of the most important indicators of profitability and success—one that requires input from all frontline employees. When marketing professionals, sales reps and designated support agents come together to create more meaningful, memorable customer experiences, the outcomes are undeniably better for customers and companies alike.

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Change Your Customers' Experiences for the Better

Sugar Serve has everything you need to create outstanding customer experiences and streamline customer service processes.

- Give customers the flexibility of omnichannel support without compromising agent efficiency.
- Intelligent and automatic case routing, plus at-a-glance insight into all of your customer support cases, prioritized.
- Minimize support costs by deflecting calls and allowing customers to help themselves via a knowledge base and self-service portal.
- Quickly uncover which types of customer service cases require the most attention and gain insight into trends so you can continuously optimize your CX.

About SugarCRM

SugarCRM is how marketing, sales, and service teams finally get a clear picture of each customer to help businesses reach new levels of performance and predictability. Sugar is the CRM platform that makes the hard things easier.

Thousands of companies in over 120 countries rely on Sugar to achieve high-definition CX by letting the platform do the work. Headquartered in Silicon Valley, Sugar is backed by Accel-KKR.

To learn more visit www.sugarcrm.com or follow @SugarCRM.

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