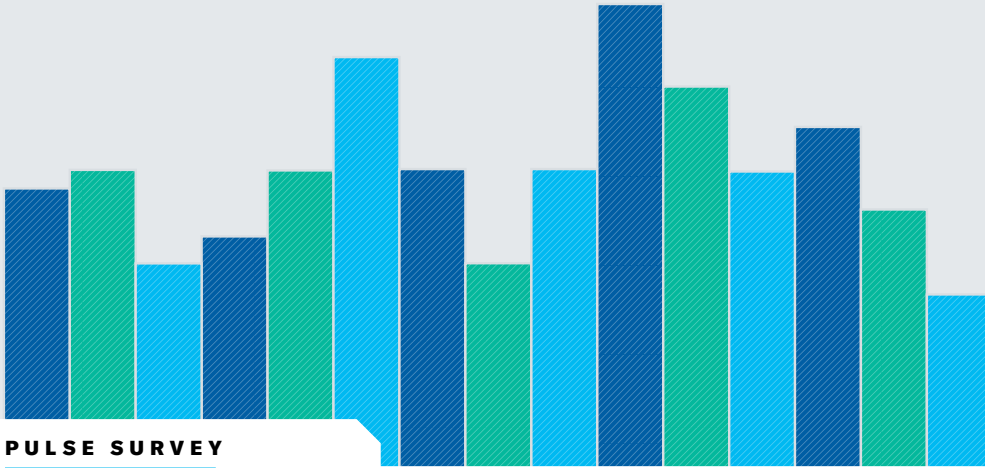




**Harvard  
Business  
Review**

ANALYTIC SERVICES



**PULSE SURVEY**

# Improving the Customer Service Experience



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We're living in a world where technology is driving rapid innovation. Technology makes it easier than ever to distribute, scale, and, for better or worse, copy products. In this era of accelerated commoditization, products alone won't be enough to set businesses apart.

Instead, a tailor-made, memorable customer experience will become the key differentiating factor for businesses. Because great human-to-human interactions require creativity, empathy, experience, expertise, adaptability, and nuanced communication, they're much harder to commoditize than products. A key way to escape commoditization is to invest in these human-to-human interactions.

Technology can and should help businesses have more authentic human interactions than ever before. Too often today, such technology gets in the way of what makes these connections special: the human touch. It gets buried underneath technology, when we should let it shine. With Front, that's our promise to companies everywhere: have real, personal conversations with as many customers as possible and create truly memorable experiences.

By sponsoring research by Harvard Business Review Analytic Services, we sought to understand the "why" and the "how" of what's preventing businesses today from achieving this new standard of service. We sought to reveal what businesses can change about their processes, tools, and collaboration that will enable them to rise above the rest. The analysis reveals that a common challenge sits at the core of it all—barriers between departments keep teams from getting the full picture of every customer. This report unearths critical information that enables leaders to pinpoint and close operational gaps so that teams can come together to deliver an extraordinary experience to every customer, no matter how many there are.



**Mathilde Collin**  
**CEO & Cofounder**  
**Front**

# Improving the Customer Service Experience

Bad customer service experiences are all too common. They are the customer emails that take a company too long to acknowledge, problems that bounce from team to team, and interactions that leave customers feeling unimportant and underappreciated.

In today's world, people expect more. They want their queries answered quickly and their problems resolved promptly, and they want to feel valued during those experiences.

"Human need in the moment is often one of the most-remembered trust points. There's a lot of emotion invested in that experience," says Liz Barnsdale, managing director at Accenture Interactive, a customer experience consulting group. "Customers should enjoy doing business with you."

Organizations overwhelmingly recognize the importance of the customer service experience, a survey of business leaders by Harvard Business Review Analytic Services finds. Customer experience/service ranks as a top area in which organizations are prioritizing investments over the next year, and of those familiar with how their organization's customer response teams work, 93% say it's highly or extremely important to the success of their organization to ensure that customer inquiries are addressed properly.

While organizations agree that a high-quality customer service experience is a top priority, many fall short in delivering one, the survey finds. Companies struggle to communicate and collaborate across departments. A lack of visibility into conversations across organizational departments slows response times and complicates resolutions. Inaccessible data is stunting collaboration and personalization efforts, and the current tools and technologies that companies rely on are disconnected. These issues and more are preventing organizations from delivering exceptional experiences.

Failure to provide great experiences can be detrimental to businesses, says Shep Hyken, customer service and experience expert and author of *I'll Be*

## HIGHLIGHTS



93% of survey respondents say ensuring that **customer inquiries are addressed properly** is highly or **extremely important** to the success of their organization.



63% say **data not being accessible to the right employee** at the right time is a moderate or **big challenge for teams** when resolving a customer inquiry.



38% say their organization is extremely or very good at **communicating internally with other employees or teams** when responding to customer inquiries.



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*Back: How to Get Customers to Come Back Again and Again.* “You can lose trust, you can lose customers, and you can lose business—and all that puts your reputation at stake,” he says.

To provide an exceptional experience, organizations should examine the shortcomings preventing them from productive collaboration, effective internal communication, quick responses and resolutions, and enhanced personalized experiences. Success hinges on teams’ ability to break down organizational silos, improve visibility, and harness the power of their data—all through the right tools and technologies.

### Fixing the Communication Disconnect

Culture Amp, an employee experience software company headquartered in Australia, was encountering communication and collaboration challenges within its teams tasked with responding to customer inquiries, says Chris Schwass, director of customer success operations. “Customer communications were getting passed back and forth multiple times because not all customer information was available to the groups that were getting the messages,” he says. “Although our Net Promoter Scores were consistently over 50, this was creating delays in our response times and—in some cases—hurting our customer and employee experiences.”

The company, which has more than 500 globally distributed employees, has two teams that respond to customer emails: “customer support,” customer service representatives for one-off support inquiries, and “customer success,” a strategic partner team that manages one-to-one customer relationships. When one group received a message that would be better answered by the other, it was passed along to the other team. Because each group didn’t always have visibility into previous conversations, customers were repeating and re-explaining themselves, Schwass explains.

“The customer wasn’t always feeling that we were aware of their needs because we were asking them the same questions that another group in another location had already asked,” he says.

This example of internal communication challenges is common among organizations today, the Harvard

Business Review Analytic Services survey finds. While 80% acknowledge that communicating internally with other employees or teams is very or extremely important when responding to customer inquiries, just 38% listed their internal communication performances as very or extremely good. **FIGURE 1** Nearly a quarter (24%) say they perform slightly or extremely poorly at this.

In teams that struggle with internal communication and collaboration, organizational silos are often to blame, Accenture Interactive’s Barnsdale says. One way these silos emerge is when companies store customer data across a

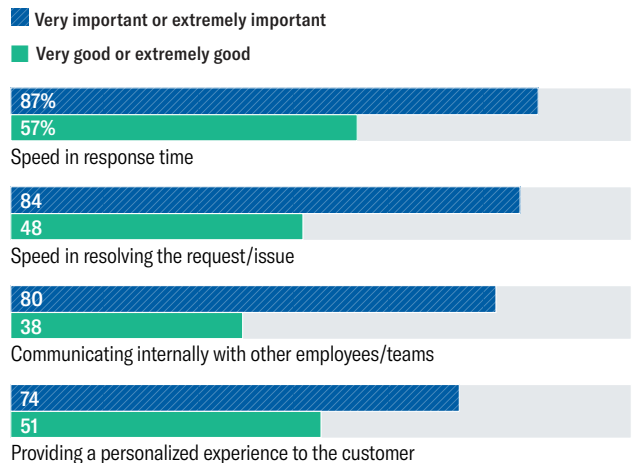
FIGURE 1

### Importance versus Performance

A disconnect exists between the importance of tasks, like internal communication, and how well organizations perform them.

Rate how important it is to do each of the following tasks well when responding to customer inquiries. [ON A 5-POINT SCALE]

Overall, rate your organization’s performance at each of those tasks when responding to customer inquiries today. [ON A 5-POINT SCALE]



Source: Harvard Business Review Analytic Services survey, July 2021

FIGURE 2

## Companies' Top Challenges

Organizations regularly face the following top challenges when resolving a customer inquiry.

Rate the extent to which each of the following is a challenge teams at your organization face regularly when resolving a customer inquiry.



Source: Harvard Business Review Analytic Services survey, July 2021

variety of systems. “When you have information on too many systems, you’re effectively dissolving your customer across the organization and not giving teams full transparency,” she says.

Access to data also plays a role in the creation of silos. When individuals with a stake in answering customer inquiries are privy to only some customer information—due to varying levels of access to one system or because important information simply isn’t communicated—collaborating on resolutions becomes difficult, she says. “You end up going over every previous detail the customer already discussed in another conversation because only parts of the story were communicated to you,” she says. “Not only is this a waste of time, it makes businesses look massively inefficient and lacking in care of the customer.”

The survey shows that organizational silos and lack of visibility into customer conversations are significant barriers to optimal communication. Sixty-five percent say that silos between departments that prevent effective internal communications are a moderate or big challenge, while 64% cite that lack of visibility into conversations the customer



The survey shows that organizational silos and lack of visibility into customer conversations are significant barriers to optimal communication.

has had with other team members is a moderate or big challenge. **FIGURE 2**

At Culture Amp, improving internal communication and collaboration meant adopting a solution that gives teams visibility into the status of customer inquiries and allows them to collaborate on solutions in one central location. “Now anyone using the tool can see the history of communications with the customer leading up to now. There’s less need to brief other teams before passing the question along,” Schwass says. “This has helped us improve our response times and connect the dots on our customers.”

## Clearing Common Speed Bumps

Customers have come to expect speedy responses and resolutions to their inquiries because that’s the standard technology has set across industries, Barnsdale explains. “A customer’s expectation of speed isn’t shaped by the best in your competitor set; it’s established by the best experiences they’ve ever had,” she says. “That’s what will inevitably drive their perception of the service experience because past experiences drive future behaviors. Nobody likes waiting in today’s world.”

Businesses recognize that speed is a critical element that affects the customer service experience: 87% rated speed in response time as very or extremely important, making it the highest-rated task in importance when responding to customer inquiries. Speed in resolving the request or issue was also highly rated, with 84% saying it’s very or extremely important.

Despite the importance of speed, many are failing to achieve optimal response and resolution times. Fifty-seven percent say their organization is very good or extremely good at responding quickly—a 30-point gap compared to how many say it was as high in importance. About half (48%) say they are very or extremely good at speedily resolving the request or issue, a 36-point gap.

One cause for slow response times is often growth, says customer service and experience expert Hyken. As a company scales its business, it can have difficulty scaling support,



**“A customer’s expectation of speed isn’t shaped by the best in your competitor set; it’s established by the best experiences they’ve ever had,” says Liz Barnsdale of Accenture Interactive.**

which is a pain point that nearly half of the organizations experience, according to the survey. Forty-nine percent say that an overwhelming number of customer inquiries is a moderate or big challenge their organization faces regularly when resolving a customer inquiry.

“Companies find that as they grow, they’re becoming bogged down with customer support issues that they just can’t resolve in a timely manner,” Hyken explains. This issue arises when growing companies adopt disparate software that cause silos to form. When more tools are adopted, customer data and messages are housed in different places and channels, which makes it difficult to get the full picture of the customer’s experience with the entire company. Ultimately, these silos slow processes and inhibit collaboration.

“When an agent has to switch programs multiple times because one program has some information while another has other information, it makes the whole process clunky,” Hyken says. “What’s happening on the inside of a company is felt on the outside. If you make it hard for people to get information, you’re sacrificing speed.”

For some organizations, automation could be a solution that helps companies improve on speed, he adds. Technologies like chatbots can be used to answer basic or common questions, alleviating some burden from teams that experience an influx of messages as the organization grows, for example.

Automating workflows could also improve speed within teams, for instance by highlighting messages that haven’t received a reply in a certain period of time or automatically assigning ownership of a message to a particular person. According to the survey, highly manual workflows that make accomplishing tasks difficult or time consuming was rated as a moderate or big challenge by 75% of respondents.

“You’ve got to make it easy for the people on the inside if you want to make it good for the people on the outside,” Hyken says.

At Snapcommerce, a mobile commerce platform that aggregates deals on goods and travel, the first point of contact

for users looking to book travel or who have questions is a chatbot, which gives answers almost instantly. This chatbot uses technologies like natural language processing to provide quick answers, and it works in tandem with live support if the bot is unable to answer a query. Using a chatbot as the first line of defense for customer questions alleviates the workload of the company’s 200-plus outsourced customer service representatives. Removing some responsibilities from their plates frees time, allowing representatives to focus on high-impact issues, says Ally Bashir, head of customer experience.

When customer service representatives have more time on their hands, they’re able to improve the speed with which they respond to customer inquiries. “Fast responses and resolution times demonstrate that we value the customer’s time and business,” Bashir says. “Several of the [messages customers send us] are time sensitive, like billing questions and travel check-ins, so every minute counts.”

## Improving Personalization

Speed and communication aren’t the only factors that impact the customer service experience. Personalization is a key differentiator, too. Not only does it lead to stronger ties and lasting relationships, Hyken says, it can also influence loyalty and business. Sixty-nine percent of customers say that personalized customer care influences their loyalty, according to a report from Salesforce.<sup>1</sup> Personalization can also maintain or grow business, a report from Accenture says.<sup>2</sup> Ninety-one percent of customers say they’re more likely to do business with brands that remember and recognize them.

“Personalization makes the customer feel like the company knows who they are and that they’re not just a number,” Hyken adds.

Organizations recognize the importance of personalization in communicating with customers: nearly three-quarters (74%) say that providing a personalized experience to the customer is very or extremely important. There’s room for organizations to improve their execution, however: only half (51%) say their organization does this very or extremely well.

“You need good customer data and access to that data in order to personalize the experience,” Hyken says.

Access to data is where some organizations falter, the survey finds. Sixty-three percent say customer data that’s not accessible to the right employee at the right time is a moderate or big challenge. Barnsdale says that data silos are often to blame.

“Customer information might reside in different systems or can be served up in different ways. When that’s the case, personalization becomes impossible because there’s no visibility or transparency into the actual customers themselves,” she says. “Putting more context about the



“Fast responses and resolution times demonstrate that we value the customer’s time and business. Several of the [messages customers send us] are time sensitive, like billing questions and travel check-ins, so every minute counts,” says Ally Bashir of Snapcommerce.

customer into the hands of the service agent not only enables a more personalized experience, it also empowers the service agent to generate a more personal, empathetic experience.”

Snapcommerce, for example, uses data from its chatbot, customer database, and customer communication systems to identify VIP users who have made several large bookings with the company. When these customers have service needs, these systems flag their messages to ensure they receive prioritized service.

While data visibility plays a key role in the personalization challenges organizations experience, growth, once again, can also play a part. Schwass says Culture Amp wanted to maintain its personalized touch in communications with customers, but that became harder as the business scaled.

“We created standard responses to really common situations, so we didn’t have to type in the same response every time—now we just have those ready to go,” he says. “We still wanted the answers to feel customized and human, but we needed to be able to deliver them faster.”

Barnsdale says there are three keys to personalizing customer service experiences—remembering, relevancy, and rewarding. Remembering is when a company recognizes a customer’s history with the brand—what they’ve purchased, the services they’ve used, how long they’ve been a customer, and their history of inquiries, for example. Relevancy uses that context to drive a relevant conversation about the next action to take. Rewarding is the delivery of that personalized experience in a way that’s both rewarding and engaging to that customer, she says.

Those three keys require access to customer data, which organizations recognize is a problem. Obtaining better customer data was the third most-selected improvement to the customer service experience that organizations are prioritizing over the next year.

### Improving the Experience with Technology

Behind a good—or bad—customer service experience is the technology that’s used to resolve the inquiries. For some companies, too many tools get in the way of a good experience.

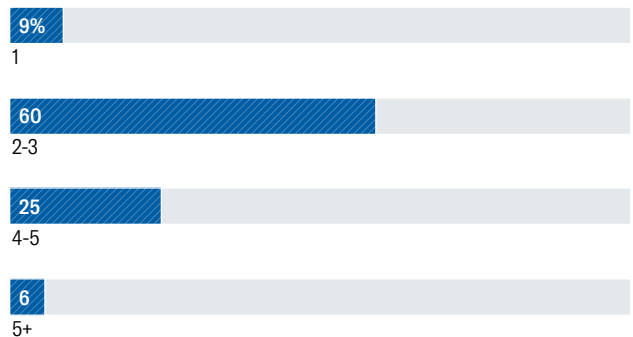
Fifty-six percent of survey respondents say having too many different systems or tools to consult is a moderate or big

FIGURE 3

### Number of Tools Used

Most organizations use between two and four tools to resolve a customer request.

On average at your organization, before resolving a request, how many tools/systems does the person handling the request need to consult?



Source: Harvard Business Review Analytic Services survey, July 2021

challenge when providing an answer to a customer. A majority (60%) say the person handling a customer request consults two or three tools or systems before resolving it, while a quarter consult four or five. **FIGURE 3** The more systems an organization uses, the more likely they are to cite them as a big challenge: 52% of those who use four or more tools to address inquiries say having too many tools is a big challenge, compared to 19% of those who report using between one and three tools.

Rather than adding additional tools to a technology stack, teams should instead consider solutions that aggregate data from their current applications in order to provide visibility into workflows and customer data, Barnsdale says. This type of solution can solve a number of the pain points teams experience—silos between departments, a lack of visibility into past customer conversations, inaccessible customer data, too many tools to consult, and unclear task management.

“Successful businesses have technology that allows a single view of the customer—the single truth about who they are, how they’re interacting, and what they need from





Over the next year, 38% of respondents say their organizations will be prioritizing obtaining better tools or platforms for resolving customer service requests, the survey finds.

the business,” Barnsdale says. “Then everyone at a touchpoint with that customer is able to access that information, have full transparency, and provide a better experience.”

Snapcommerce, for instance, built its business on a platform designed to aggregate communications from the various channels its customers use. The platform also provides end-to-end visibility into its workflows and processes for any stakeholders involved in responding to customer messages. “Everyone has complete visibility, whether they’re team leaders, supervisors, quality assurance managers, or the individual customer service representatives,” the company’s Bashir says.

Over the next year, 38% of respondents say their organizations will be prioritizing obtaining better tools or platforms for resolving customer service requests, the survey finds. **FIGURE 4** This improvement was second only to the 47% who say their organization is prioritizing a better understanding of customer needs or feedback loops.

“The businesses that are most successful are the ones acknowledging that there’s an unmet need—that their employees can’t deliver the experience they want them to,” Barnsdale says. “Within these gaps, we see that technology can play a part.”

To deliver the desired customer service experience, Hyken and Barnsdale advise seeking solutions that do the following.

**Enable collaboration.**

Organizational silos created by disparate technologies inhibit communication and collaboration. Solutions should aggregate customer communications and information into one shared view to make it easy for teams and individuals to work together on solutions.

**Provide visibility and streamline data.**

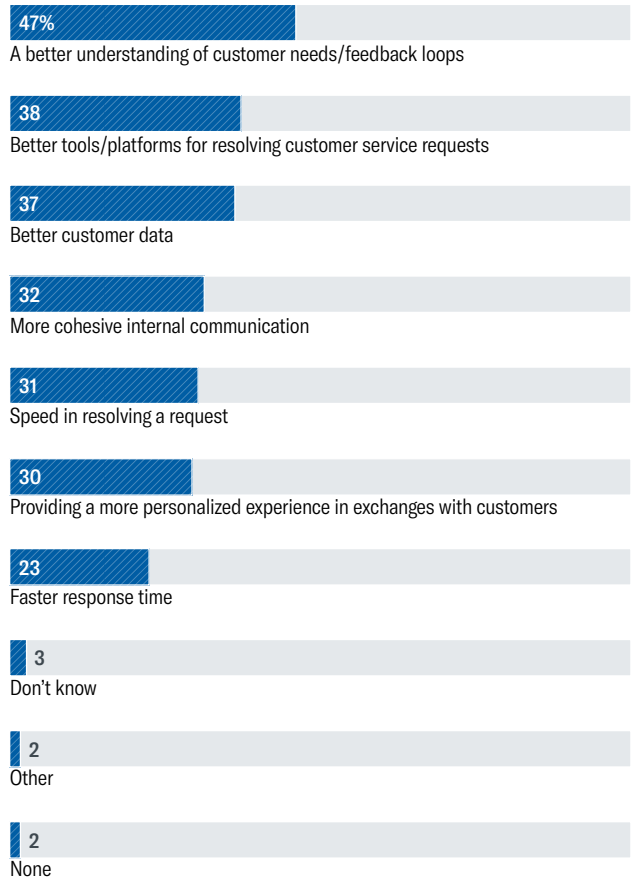
Data visibility across the organization is critical to enabling faster resolutions. Solutions should bring together customer

FIGURE 4

**Customer Service Experience Priorities**

Organizations are prioritizing better tools to improve the customer service experience.

What improvements to the customer service experience is your organization prioritizing the most over the next year? [SELECT UP TO THREE]



Source: Harvard Business Review Analytic Services survey, July 2021

information from the organization’s various systems into one central location to make it easier for teams to find the necessary data. Better visibility into customer data will also improve personalization efforts.

**Make workflows transparent.**

Teams need solutions that provide clarity on the status of customer inquiries to better manage them as the business scales. Providing this clarity also helps avoid unclear task ownership among teams—a moderate or big challenge shared by more than half (53%) of survey respondents.





To deliver the desired service experience, teams must focus on enabling collaboration by eliminating silos that inhibit communication and collaboration; providing visibility through solutions that aggregate customer data; making workflows more transparent by providing clarity on the status of customer inquiries; and choosing solutions that support automation in order to maintain speed as they grow.

### **Automate.**

Solutions that support automation can help organizations maintain speed as they grow. Possible applications include automating time-consuming, manual workflow tasks such as assigning or escalating messages.

### **Conclusion**

People expect exceptional customer service experiences, but organizations are falling short in delivering them. Businesses are stymied by organizational silos created by disparate tools that prevent free-flowing internal communication, efficient collaboration, and visibility into customer data. These roadblocks discourage teams from achieving fast responses and quick resolutions, and make personalized experiences difficult to provide.

To deliver the desired service experience, teams must focus on enabling collaboration by eliminating silos that inhibit communication and collaboration; providing visibility through solutions that aggregate customer data; and making workflows more transparent by providing clarity on the status of customer inquiries. Organizations should also consider technologies like automation and machine learning, which

could help maintain speed and personalization efforts as the company grows.

“I think we’re very close to a tipping point—companies are starting to realize that a great customer experience is the answer to how their brand is going to grow,” Barnsdale says. “We’re definitely seeing a rising tide, and I think the epiphany moment is upon us. Now is the time to grasp this opportunity and focus on your customer’s experience.”

### **Endnotes**

- 1 Salesforce, “How Your Customers’ Expectations Have Changed in the Age of the Customer,” 2019. <https://www.salesforce.com/content/blogs/us/en/2017/07/customers-expectations-in-age-of-the-customer.html>.
- 2 Accenture Interactive, “Making It Personal,” 2017. [https://www.accenture.com/\\_acnmedia/PDF-77/Accenture-Pulse-Survey.pdf](https://www.accenture.com/_acnmedia/PDF-77/Accenture-Pulse-Survey.pdf).

## METHODOLOGY AND PARTICIPANT PROFILE

A total of 251 respondents drawn from the HBR audience of readers (magazine/enewsletter readers, customers, HBR.org users) completed the survey.

### Size of Organization

<b>23%</b> 10,000 or more employees
<b>5%</b> 5,000–9,999 employees
<b>20%</b> 1,000–4,999 employees
<b>10%</b> 500–999 employees
<b>25%</b> 100–499 employees
<b>17%</b> Fewer than 100 employees

### Seniority

<b>33%</b> Executive management/ board members
<b>36%</b> Senior management
<b>29%</b> Middle management
<b>2%</b> Other grades

### Key Industry Sectors

<b>16%</b> Manufacturing
<b>14%</b> Technology
<b>10%</b> Business/ professional services
<b>8%</b> Government/ not for profit
<b>8%</b> Financial services
All other sectors less than 8% each.

### Job Function

<b>27%</b> General/executive management
<b>10%</b> HR/training
<b>10%</b> Sales/business development/ customer service
<b>8%</b> Consulting
All other functions less than 8% each.

### Regions

<b>42%</b> North America
<b>22%</b> Asia/Pacific/Oceania
<b>20%</b> Europe
<b>7%</b> Latin America
<b>7%</b> Middle East/Africa
All other regions less than 2% each.

Figures may not add up to 100% due to rounding.





# Harvard Business Review

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