REPORT

The Efficiency Mandate in Customer Service

Kustomer

Introduction

We all know that businesses strive to be efficient — not only within the customer service department, but throughout the entire organization. However, as customer experience continues to become more important than price and product when it comes to loyalty, the goal for CX departments to be highly effective can at times feel at odds with the efficiency mandate.

The past year has brought immense changes and pressures to many businesses, and "doing more with less" is no longer optional. That's why we wanted to know the efficiency pressures and challenges that CX organizations are facing. Kustomer went out and surveyed over 120 CX professionals in the United States, across a variety of industries, to better understand what the current environment is, what tools and strategies businesses are currently using to achieve efficiency, and how technology can play a more central role in turning CX organizations into profit centers.

Read on for the findings from our research, and for strategies to achieve efficient customer service without compromising the customer experience.

Table of Contents

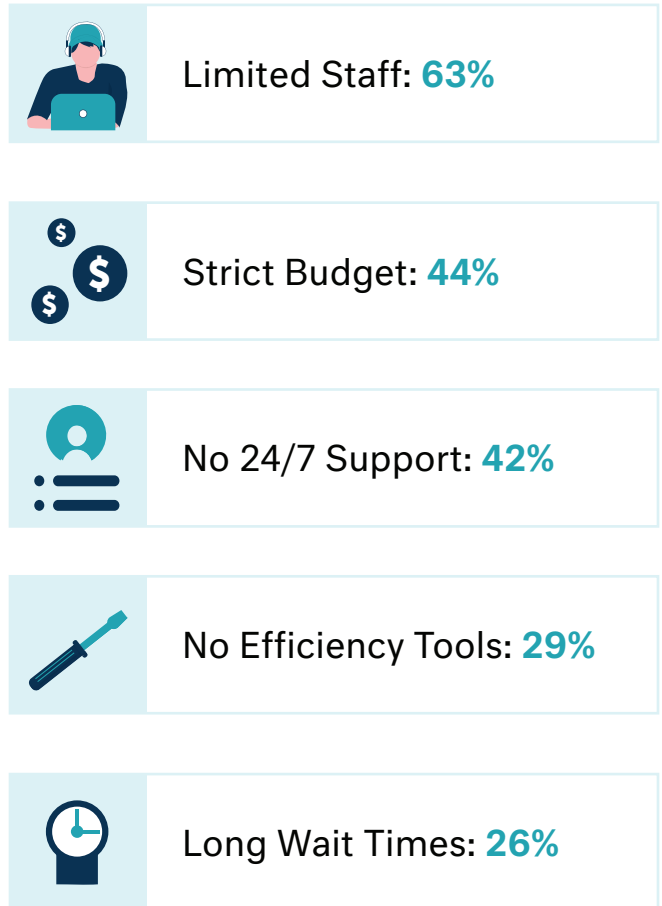Kustomer

The Efficiency Mandate

It comes as no surprise that the vast majority of respondents reported a need to be more efficient. A total of 92% of organizations say more efficiency is needed, but 51% also reported that there is a greater need for efficiency than a year ago. Only 6% of respondents said that the need for efficiency has decreased in the past year.

Whether it's a recession, a pandemic, or changing customer expectations, the success of a business can swing downward swifty and without notice. Organizations have felt this impact strongly in 2020, and the gaps in their strategies that they may not have felt a year ago are now staring them directly in the face. Perhaps efficiency isn't the number one priority for a customer service organization when business is booming and resources are available. But the power of an efficient AND effective customer service organization can make a massive impact during both challenging and successful times.

A few factors are impacting how organizations are achieving efficiency: 63% of respondents reported having limited staff, while 44% reported being on a strict budget. A total of 42% of customer service professionals reported not being able to currently manage 24/7 support, while long wait times and access to the right tools seemed to be less of a concern for CX organizations.

However, when staff and budget are unexpectedly slashed, having technology tools in place that can minimize that impact and make agents' jobs easier, is of the utmost importance.

What CX Organizations Are Experiencing:

	Limited Staff: **63%**
	Strict Budget: **44%**
	No 24/7 Support: **42%**
	No Efficiency Tools: **29%**
	Long Wait Times: **26%**

92% of CS organizations report a need for greater efficiency

Customer Attitudes

Customer service professionals are unsure about the impact that efficient customer service has on the customer experience.

Disparate attitudes make it difficult for organizations to know how to respond to the efficiency mandate. Is it worth creating a negative customer experience just to save agents time? Could I lose a customer if I try to deflect a conversation? These are issues that customer service organizations struggle with, and rightfully so. For quite a long time, technology tools that claimed to power efficiency, did so without much consideration for the customer experience.
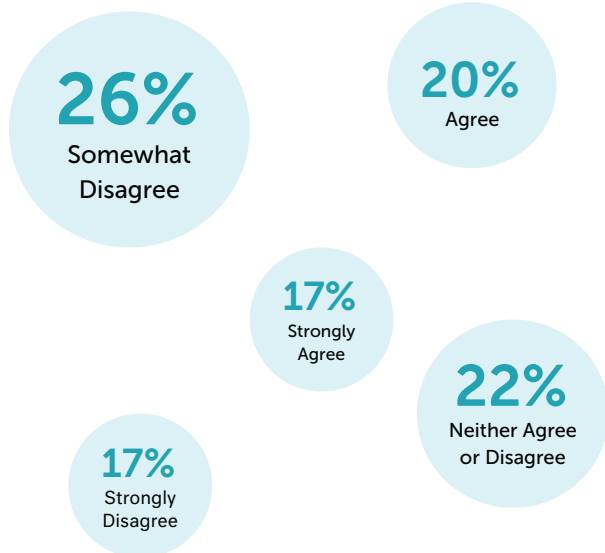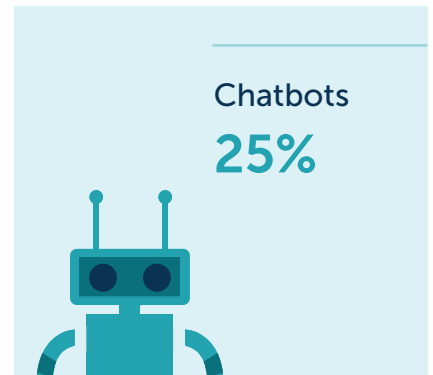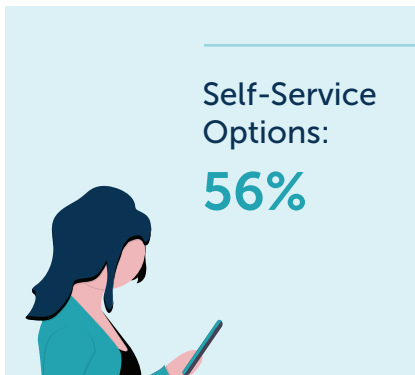

That is why chatbots often get a bad wrap. In the past, they couldn't actually answer a customer's questions, and if they did, they sent them to a dense and sometimes irrelevant article. Instead of being a helpful tool, chatbots are often seen as just another barrier to get access to helpful agents. That's why 46% of respondents said that their customers dislike chatbots.

But chatbots can be extremely powerful when they leverage machine learning and can integrate all customer data. Instead of slapping a chatbot on your website for the sake of checking a box, do your due diligence and understand the strengths and weaknesses of your chatbot provider. What is the average deflection rate? What happens when the bot can't answer a question? What data sources can the bot access? What happens to the information the bot gathers? All of these answers are incredibly important questions to ask before implementing a chatbot.

" Efficient customer service comes at the expense of the customer experience"

26%
Somewhat Disagree

20%
Agree

17%
Strongly Agree

22%
Neither Agree or Disagree

17%
Strongly Disagree

What CX Professionals Think Their Customers Like:

Self-Service Options:
## 56%

FAQ Articles
40%

Chatbots
25%

The fact of the matter is, customers expect immediacy and accuracy when they are contacting support, and tools that can provide quick answers to customers will be mandatory in the very near future. Ninety-one percent of respondents said their customers simply cannot stand long wait times, while 79% said their customers won't tolerate having to repeat information.

By giving customers the option to self-serve, and using the information gathered in this process to immediately arm an agent if unsuccessful, CX teams

can deliver on both efficiency AND effectiveness.

Plus, while CX professionals may be nervous about implementing self-service options, consumer research contradicts this hesitancy. **Recent data shows** 67% of consumers actually prefer self-service over speaking to a representative, and 48% don't care whether a chatbot or real person helps them.
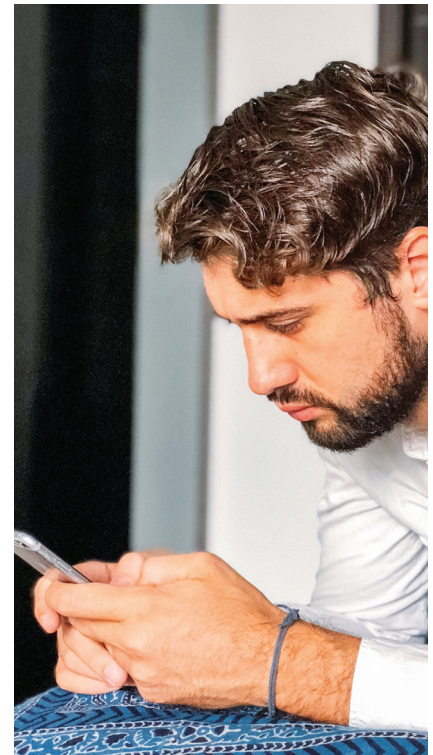
67%
of consumers actually prefer self-service over speaking to a representative

Challenges Associated With Delivering Efficient Customer Service

It's clear that customer service professionals know they must be more efficient, and aren't sure how to do so in a way that provides a positive experience to their customers. The fact of the matter is, all customers must be served, and oftentimes there are roadblocks to doing so in an efficient manner.

Top Challenges to Delivering Efficient and Effective Support

Challenging inquiries

38%

Too many inquiries

29%

Unclear or unknown policies

22%

Frequent product issues

19%

Disparate systems

17%

Agent collision

17%

Lack of unified customer data

14%

0%   25%   50%

Challenging inquiries are the number one reason CX teams report that they can't deliver efficient support. While automation and self-service tools wouldn't be effective in resolving challenging customer issues, the implementation of these technologies can actually free up agent time to tackle these inherently more time-consuming tasks. Instead of answering simple inquiries like product and policy questions, customer service teams can spend more time on higher level support and relationship-building.

Another top roadblock to delivering efficient support is unclear or unknown policies. When agents have to go searching for accurate information, across a variety of systems, customers are sure to suffer. Ensure that you have a solution in place that can surface relevant policy information, with the ability to update it in real time as policies shift and change. Intelligent chatbots can even tap into this knowledge base and surface highly relevant and always-accurate information to consumers instantaneously.

Beyond the nature of customer inquiries, there are additional external factors that customers report are preventing them from adopting efficiency tools.

Kustomer

What Is Preventing CX Organizations From Adopting Efficiency Tools

| **56%** | **34%** | **32%** | **28%** |
| Budget | No Executive Buy-In | Lack of Effectiveness | Customer Attitudes |

The top reasons that organizations aren't adopting efficiency tools, are a lack of executive buy-in and a lack of budget, which unsurprisingly go hand in hand. If leadership doesn't understand the value behind adopting efficiency tools, they likely won't allocate budget for them.

Ironically, adopting efficiency tools could completely transform a CX organization from a cost center into a profit center, ultimately benefiting not only the executives but also the business as a whole. Think about it: time is money, and when valuable human time is spent on low level tasks that technology can handle, no one benefits. Tagging conversations, routing conversations, answering very simple questions ...

all of these tasks can be menial and brain-numbing to customer service agents. With the advent of technology, customer service agents no longer need to be relegated to low level work, and can take a more prominent and important role within an organization.

Not only will agents spend their time answering more challenging and important inquiries from customers, they will also have the time to build long-lasting relationships, proactively reach out to customers, make customers feel heard and valued, and even close more business. This time spent by agents will *truly* contribute to the bottom line of a business, increasing loyalty, advocacy and brand sentiment.

Kustomer

Tools to Stay Efficient and Effective

Unfortunately, 57% of all respondents reported that they are not using any of the typical tools and strategies to deliver efficient support. But that doesn't mean they don't have plans to.

Top Tools Organizations Are Considering Adopting (in order of popularity)

1. Intelligent Routing
2. Knowledge Base Deflection
3. Autoresponses
4. Chatbots
5. Suggested Content / Responses
6. Outsourcing
7. Autotranslations

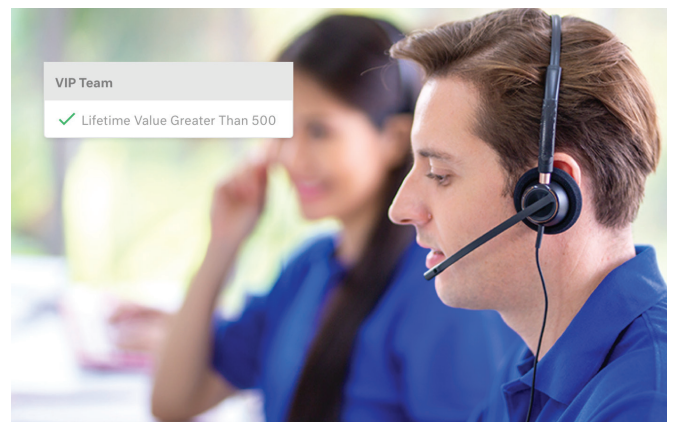## Here are the benefits of some of the most popular efficiency tools:

to different teams based on their specific needs. Not only will this reduce wait and handle times, it will also maximize team capacity by directing real-time conversation traffic to the right person at the right time.

Intelligent Routing

With intelligent routing, agents don't need to waste time transferring customers and redirecting them to the right team. Conversations can be automatically classified and routed to the best and most appropriate agent for a speedy and personalized resolution. For instance, it may make sense to route a conversation to an agent based on previous interactions, channel, or even persona. Think about a marketplace model, where you are not only interacting with customers, but also sellers. You may want to route certain personas

Knowledge Base Deflection

With knowledge base deflection, you can set up auto response messages that acknowledge receipt of a customer's outreach, and also recommend articles that can help answer their questions without them having to wait for an agent reply. This can help encourage your customers to self serve and solve their own support request, allowing your agents to focus on more urgent matters. If you're looking for more intelligent deflection, you may want to employ chatbots.
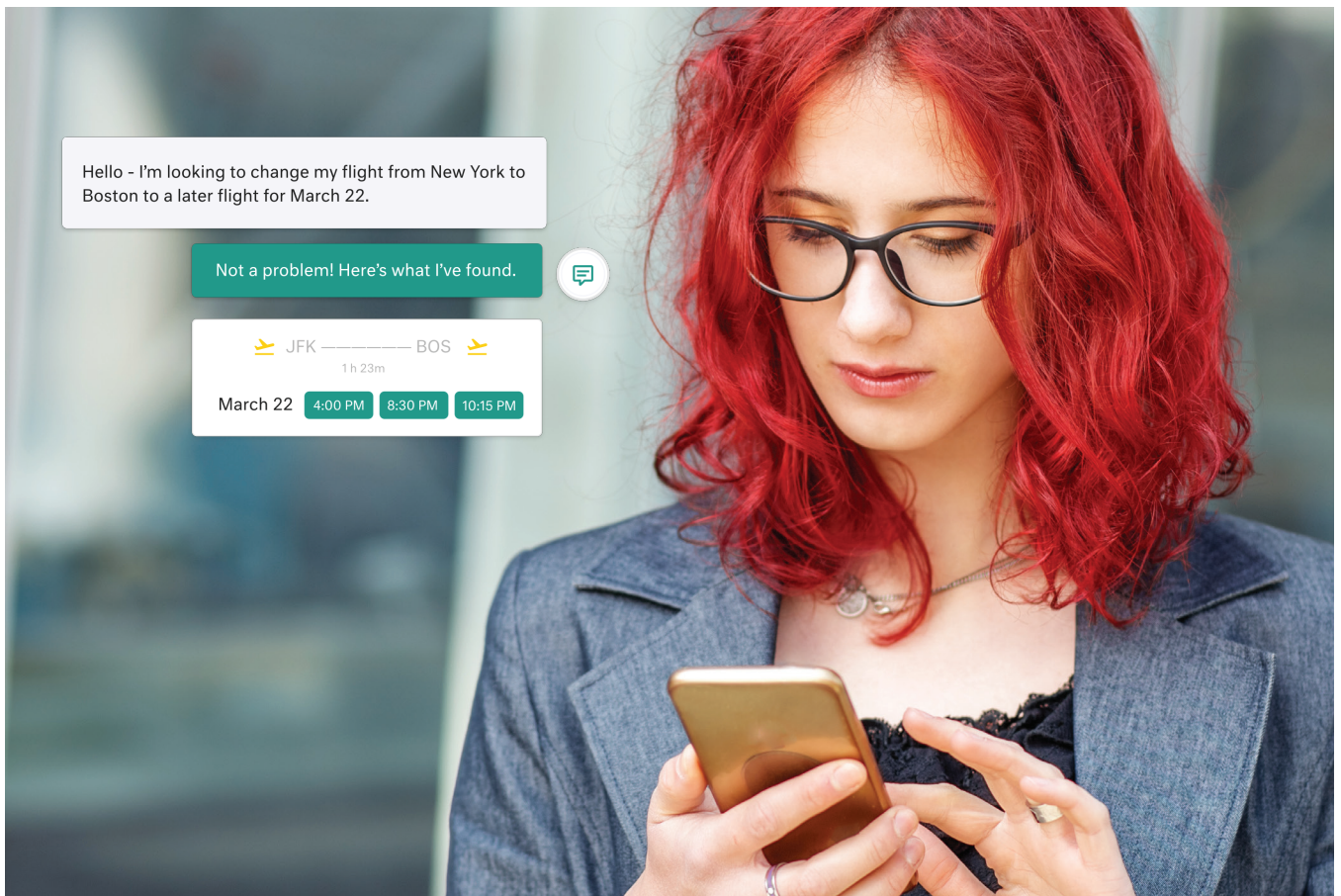
Chatbots

Don't use just any chatbot. If you're looking to deliver a superior experience to your customers, while also remaining efficient, be sure to use a chatbot that leverages sophisticated machine learning models to power incredibly accurate self-service. Top tier chatbots can integrate data sources and complete simple tasks for customers, as well as surface specific sentences from knowledge base articles that answer customer questions. Believe it or not, best-in-class chatbots can deflect up to 40% of all conversations, without compromising the customer experience.

Suggested Content

Beyond freeing up agent time, AI-powered technology can also be used to arm support agents with all the information they need to quickly and accurately service their customers. AI support technology can suggest messages to send to customers based off of historical conversations and customer attributes, which can become more accurate and personalized over time in conjunction with a machine learning model. Sentiment analysis is another benefit of AI technology. By looking at the words and tone in a customer's messages, the technology can identify how satisfied, or dissatisfied, a customer is, and escalate the issue accordingly.

Hello - I'm looking to change my flight from New York to Boston to a later flight for March 22.

Not a problem! Here's what I've found.

JFK ———— BOS
1 h 23m
March 22 4:00 PM 8:30 PM 10:15 PM

 Kustomer

Industry Breakdown

Healthcare

Top Challenges in Healthcare:

1. Challenging inquiries
2. Too many inquiries
3. Unclear / Unknown policies

89% report a need to be more efficient

53% report a greater need than a year ago

67% don't use any of the typical tech tools to deliver efficient support

69% say budget is preventing them from adopting efficiency tools

44% think efficient customer service comes at the expense of the patient experience

---

Food, Beverage and Grocery

Top Challenges in Food, Beverage and Grocery:

1. Challenging inquiries
2. Frequent product issues
3. Lack of unified customer data

85% report a need to be more efficient

54% report a greater need than a year ago

54% don't use any of the typical tech tools to deliver efficient support

77% say their customers like self-service options

46% think efficient customer service comes at the expense of the customer experience

---

Finance and Insurance

Top Challenges in Finance & Insurance:

1. Challenging inquiries
2. Too many inquiries
3. Unclear / Unknown policies

95% report a need to be more efficient

42% report a greater need than a year ago

55% don't use any of the typical tech tools to deliver efficient support

60% say their customers like self-service options

58% report they have limited staff

Breakdown by Business Size

Small Businesses
(1-100 Employees)

85%
report a need to be
more efficient

53%
report a greater
need than a year ago

59%
can't manage 24/7 support

71%
don't use any of the
typical tech tools to
deliver efficient support

74%
say budget is preventing them
from adopting efficiency tools

Medium Businesses
(101-1000 Employees)

97%
report a need to be
more efficient

62%
report a greater need
than a year ago

65%
have limited staff

53%
are leveraging technology
tools to achieve efficiency

50%
are considering adopting
additional technology tools

Large Businesses
(1000+ Employees)

92%
report a need to
be more efficient

50%
report a greater need
than a year ago

62%
have limited staff

58%
have not adopted any
tech tools for efficiency

50%
think their customers
dislike chatbots

To learn how Kustomer can help you achieve efficient customer service, visit Kustomer.com/Demo

Kustomer