



The State of Customer Service in 2021



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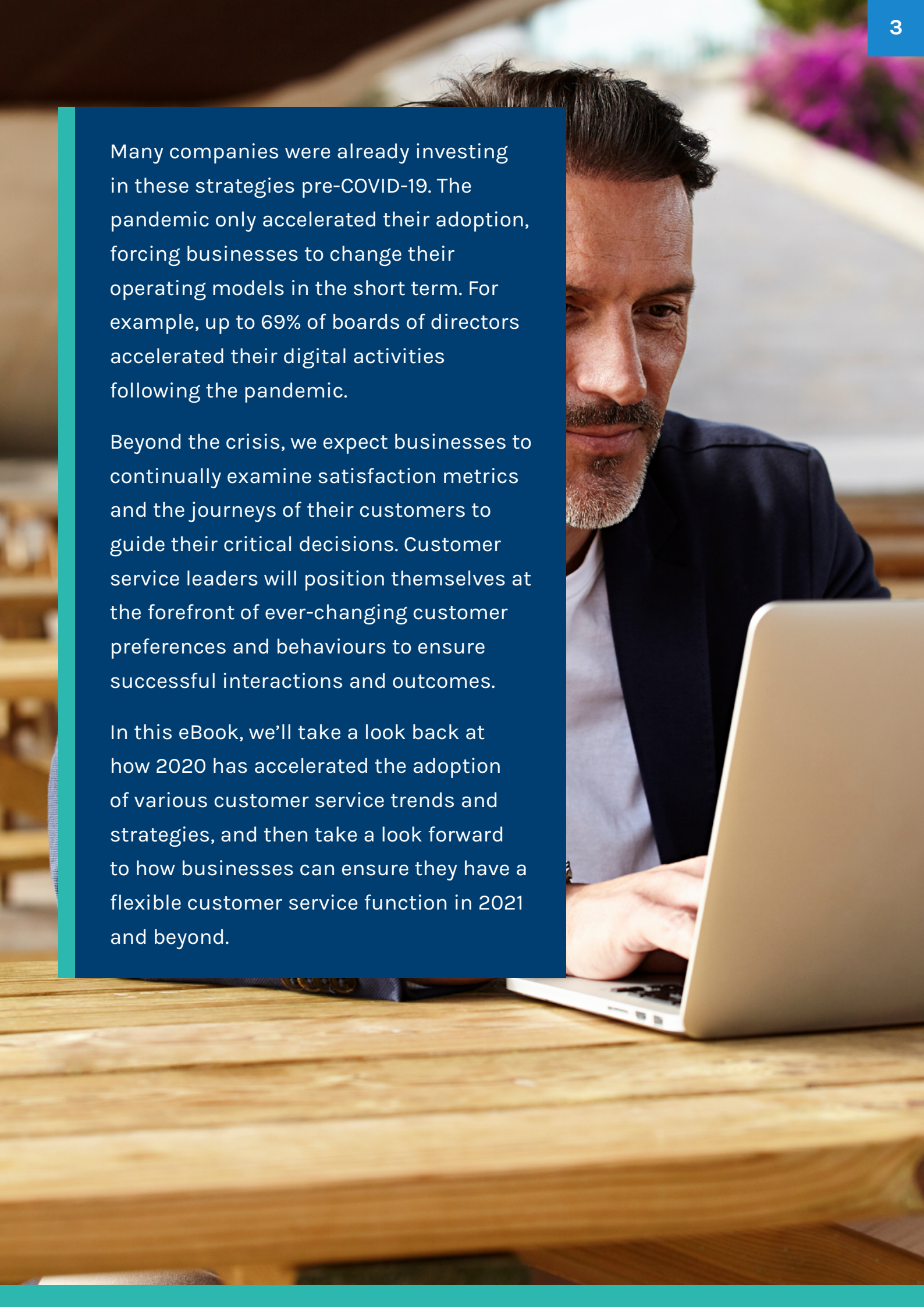
The unprecedented events of 2020 have had a significant and transformative impact on traditional customer service functions.

Adhering to COVID-19 guidelines has meant companies had to condense their internal workforce, and this has resulted in poor customer experiences, with some companies recording an increase of up to 34% in customer calls' hold times.

Nevertheless, the crisis presented companies with an unanticipated opportunity – a chance to reimagine their customer services while leveraging technology and strategic partnerships to deliver better customer experiences (CX).

Savvy customer service managers are now focusing on operational agility to build a sustainable future. They're laying the right foundations for starting strong in 2021 and seamlessly addressing customers' fears and concerns while preventing frustrations. This involves using different strategies, such as:

- Multi-skilling their teams
- Leveraging data for actionable insights
- Digitising different services to offer a self-service experience
- Using third-party support services to deliver flexibility, high-quality agents and low costs



Many companies were already investing in these strategies pre-COVID-19. The pandemic only accelerated their adoption, forcing businesses to change their operating models in the short term. For example, up to 69% of boards of directors accelerated their digital activities following the pandemic.

Beyond the crisis, we expect businesses to continually examine satisfaction metrics and the journeys of their customers to guide their critical decisions. Customer service leaders will position themselves at the forefront of ever-changing customer preferences and behaviours to ensure successful interactions and outcomes.

In this eBook, we'll take a look back at how 2020 has accelerated the adoption of various customer service trends and strategies, and then take a look forward to how businesses can ensure they have a flexible customer service function in 2021 and beyond.

1 How customers perceive customer service

Customer service can make or break your brand. Up to 47% of customers will stop buying from a company that has poor customer service. On the other hand, up to 93% of people are likely to be repeat customers if your customer service is remarkable.

With that in mind, a customer's interaction with your support team usually triggers an immediate and

lingering perception of the quality of your service. So, it's vital to engage with them and satisfy their individual needs. You need to be proactive, accessible, and always follow-up on serious issues. In 2018, Salesforce research highlighted how important a good customer experience is for consumers.



Customers want consistency, responsiveness, and solutions to their problems whenever they're interacting with your support team. They also want personalised experiences and easy access to customer support through different channels. More importantly, they want you to understand their needs and expectations.

Before COVID-19

Before the crisis, there were already notable trends in customer service. COVID-19 only accelerated them, and the dramatic changes witnessed throughout the sector have been quite extraordinary. Companies had to quickly adapt to these new circumstances to acknowledge new customer expectations and needs as well as shifts in behaviour.

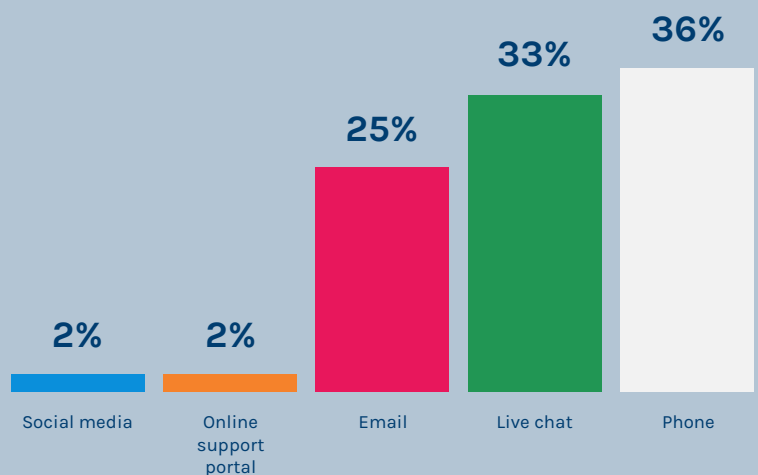
Generally, within customer service, there has always been the need for timely delivery, quality, and flexibility. Technology has been an enabling factor for these parameters as well as the key catalyst in the ever-growing expectations of the customer. As such, noting the trends pre- and post-COVID-19 is vital in formulating strategic and problem-solving solutions for 2021.

Here are some of the key trends before the crisis:

> Multichannel support

Different customers wanted different methods of communication when contacting customer service. They were evenly divided between different options, including phone calls, live chat, and email, as illustrated in the graph to the right. Some also used online support portals and social media.

Most preferred channel of communication by customers



This means companies had to offer different channels of communications to provide customers with easy access to assistance.

> Attitudes towards automation

Up to 30% of customers expected companies to know their previous interactions. So, these channels had to be connected to accommodate customers that switched between different channels (omnichannel). For example, some customers reported an issue via email and later on follow up via live chat or phone.

Also, another key point to note in the graph above is that customers prefer human experiences. The 2019 CGS Customer Service Chatbots & Channels Survey revealed that 71% of customers are unlikely to use brands that don't have human agents available. Besides, 65% of customers believe that using AI in support has some negative connotation.

However, flexibility is still a crucial component in delivering quality customer service. Offering chatbots together with live chat helps to provide 24-hour support. Chatbots proved effective in handling standard queries before the crisis. In fact, 64% of agents who use chatbots freed up more time for handling complex customer problems.



> Omnichannel support

As mentioned, omnichannel is an important part of customer service. In fact, 51% of companies used at least eight channels to connect with their customers. This was important in meeting customers on any channel at every level of their interactions.

All consumers want access to good agents, through different channels, and they don't want to have to repeat themselves. For example, 72% of customers expected companies to know their purchase history regardless of the method of communication.

With omnichannel support, companies basically meet customers where they are – at the channels that customers are using. More importantly, it enables agents to access conversation history and customer information via any channel they're using. This strategy allows for a holistic approach to customer service, helping teams to deliver a cohesive and seamless experience.

Companies using this strategy can:

- > Reduce customer churn
- > Resolve issues faster
- > Deliver personalised experiences
- > Identify opportunities for improving customer satisfaction

A good omnichannel experience creates a cohesive journey for customers as they cycle through different channels. They can reach out to support teams at any point in their journey and get an immediate response.

The importance of streamlined experiences

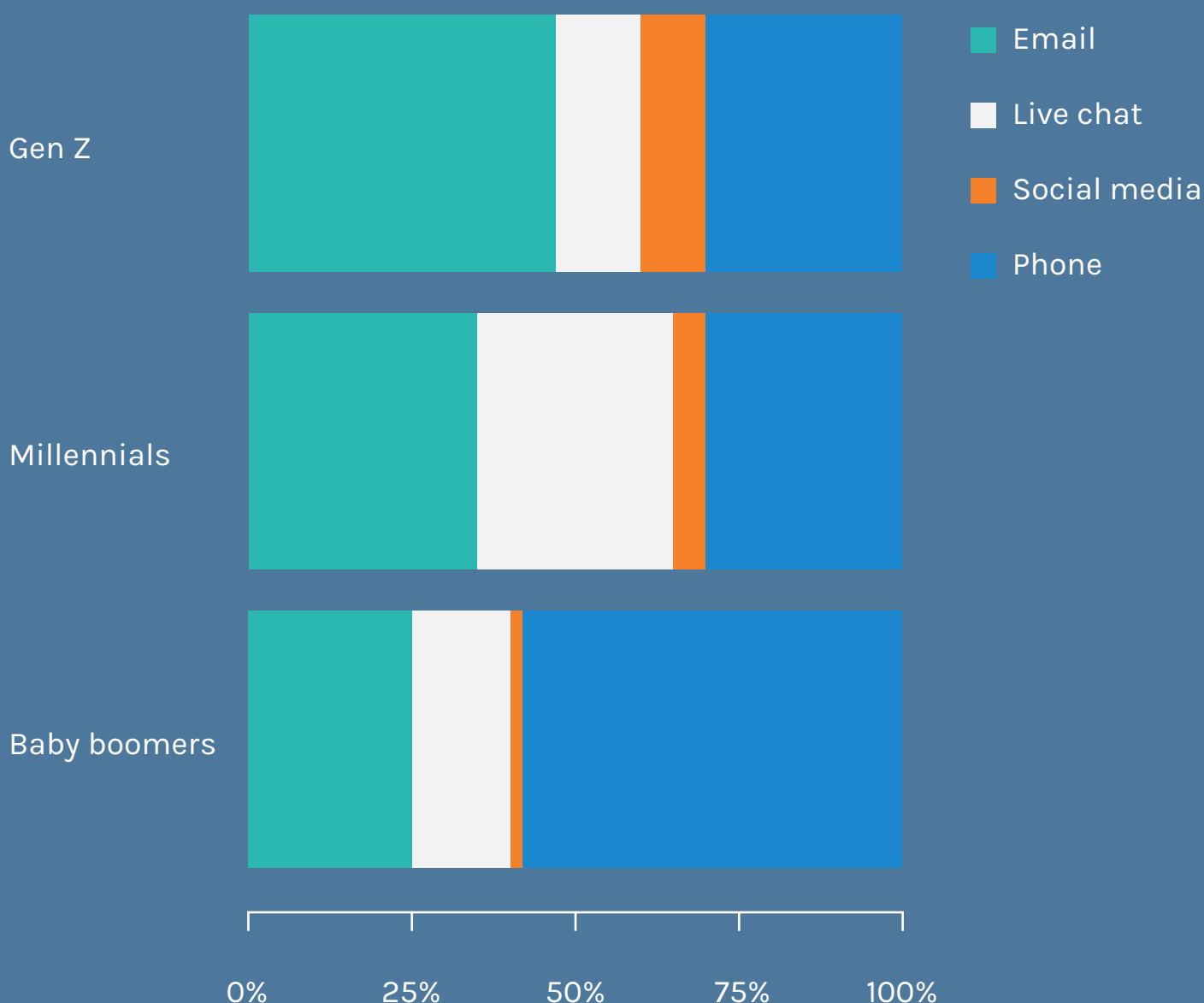


> Customer demographics

The use of customer channels also varied widely among the different age groups. Largely, younger demographics (46%: Gen Z, 47%: Millennials) veered towards live chat, social media, and email. Older demographics preferred phone calls.

This means companies can't use a one-size-fits-all approach when attending to their customers' needs. Customer pools comprise different people, each with different preferences and cultures. As such, it's important to segment your customers into categories to provide tailor-made customer support.

Preferred customer support mediums by generation





Millennials and Gen Zers are heavy users of social media and mobile apps. So, most companies strived to offer and optimise these channels for them. They focused on:

- Offering self-service customer care
- Adopting a mobile-first approach
- Enhancing user design and experience
- Catering to their technological expectations

Keep in mind that these two age groups were raised in the digital age, so they expect companies to respond to their queries promptly. For example, 85% of these customers

usually expect companies to respond within six hours when they contact them via Facebook.

It's also important to note that channel usage may be dependent on the customer's requirements at the time, for example, a customer will most likely call if there's an emergency, whereas a potential customer who is just browsing might be more likely to use a less immediate channel like email. While response time expectations vary by channel, companies should always aim to provide a range of ways for customers to contact them, and ensure they provide speedy customer support no matter the issue.

After COVID-19

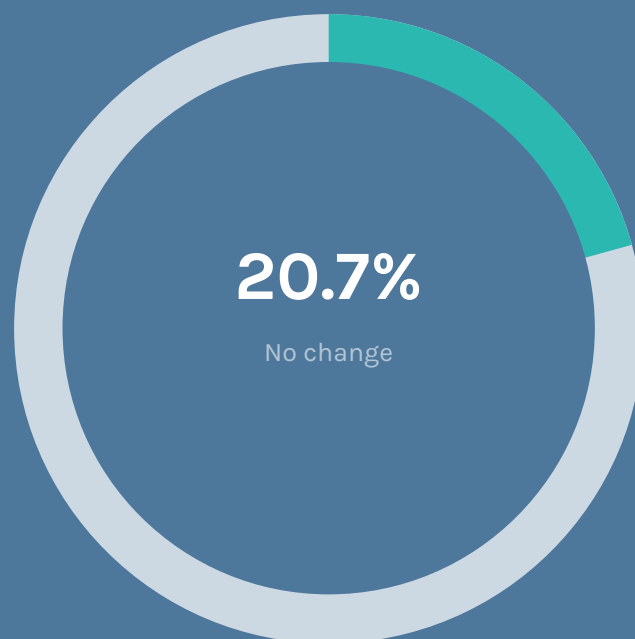
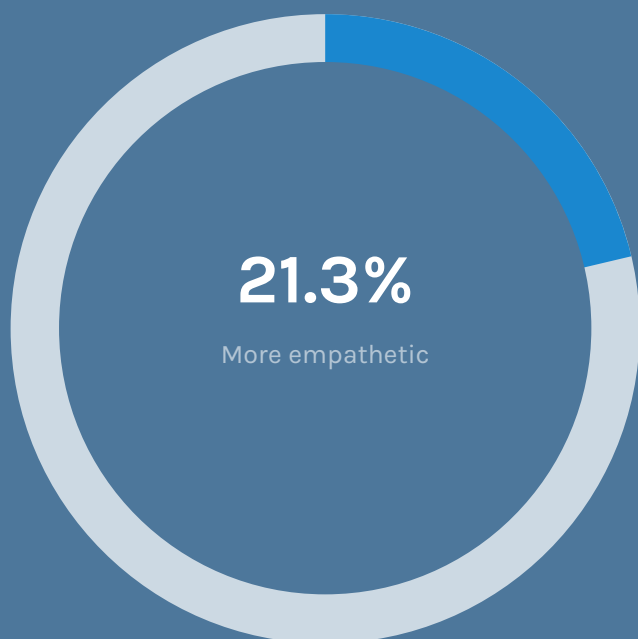
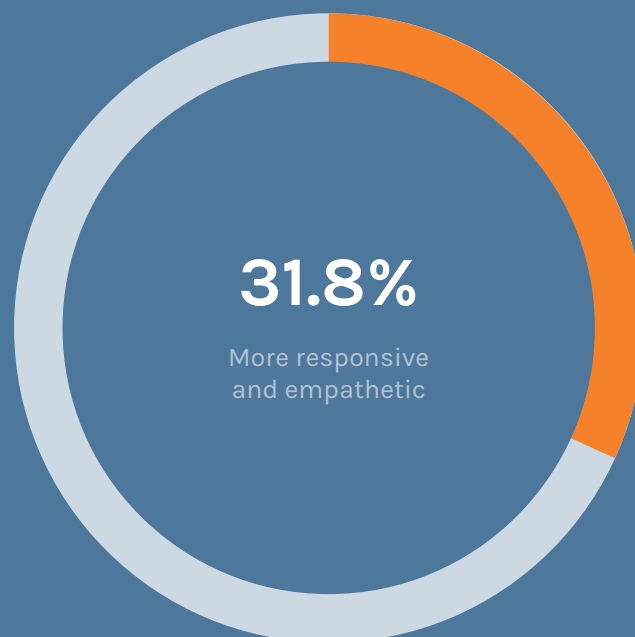
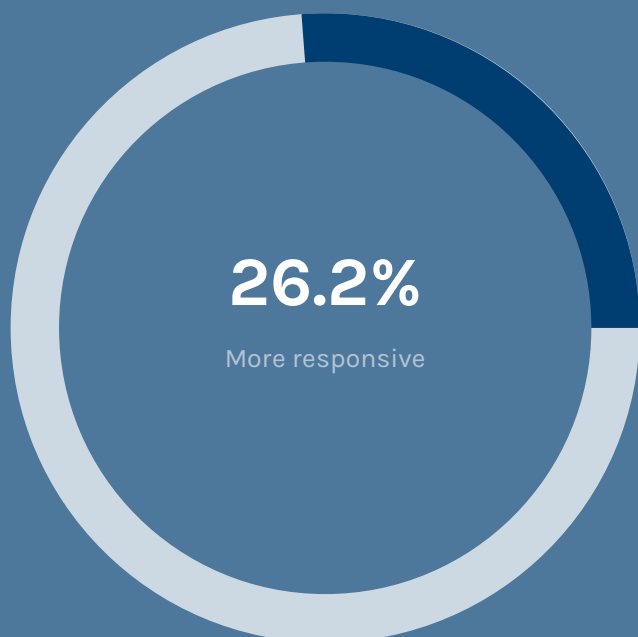
The big takeaway from the pandemic is that customers expect higher-quality support. The crisis has had a profound impact on their behaviour and habits. For example, a reported 58% of consumers said they expect to shop online more even after the pandemic. This increased digital interaction underscores the importance of being customer-centric.

Bear in mind that crises usually put customer-brand relationships under a spotlight. So, how you navigate the many friction points of these difficult circumstances is important. You should be able to communicate with honesty and care to build lasting trust with customers. Your customer service approach shouldn't be just about selling a product – but helping your customers.

Research found that 80% of consumers expect better customer service during the pandemic. Some customers expected customer service to be more responsive or more empathetic – and some expected both.



How customers expect customer service to change post pandemic



Now more than ever, they need extra support, information, and guidance to navigate the new challenges created by the pandemic. In response, you should build a strong customer experience that addresses the new pain points while creating value for consumers.

> Self-service experiences

One of the ways to improve your customer experience is by making self-service as easy as possible. There are certain basic tasks that customers can complete without reaching out to the support team. So, be sure to provide the information and tools necessary for completing such tasks. You can do this by:

- > Creating detailed FAQ pages
- > Using chatbots on your website to respond to standard queries
- > Offering password reset tools
- > Creating product training manuals for customers

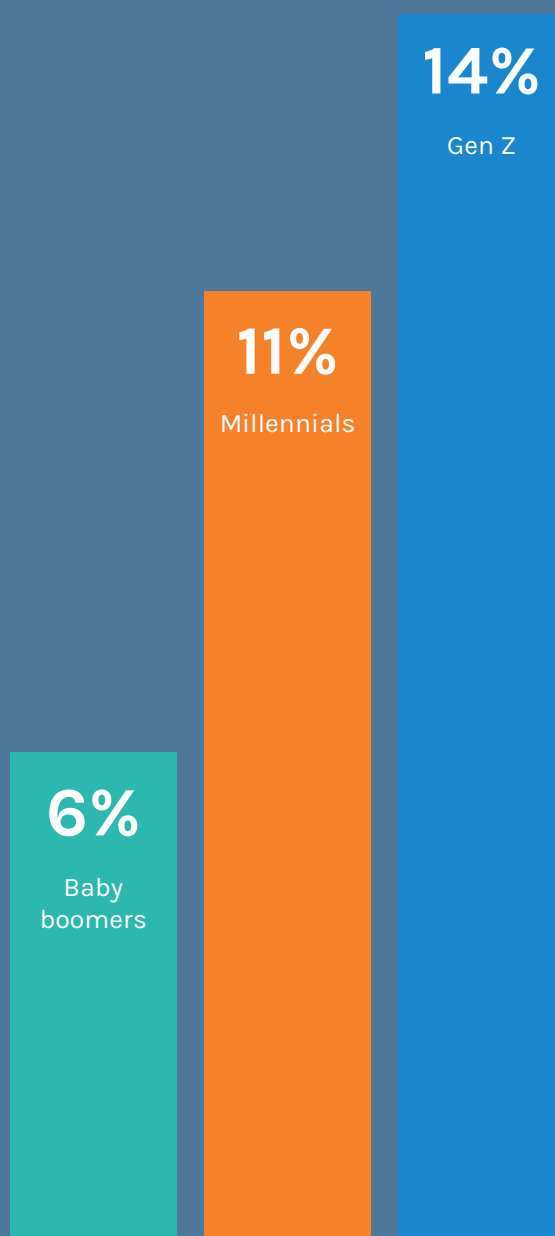
Even while offering such experiences, make it easy for customers to connect with a human agent or escalate an issue.

A survey by Forrester found out that about 60% of chatbots don't offer escalation options, and this can lead to frustrated customers.

Proactively providing information to customers helps to reassure them of your continued support and care during such a crisis.

It shows that you empathise with the prevailing situations, and you're doing everything possible to make your services accessible. Research by Hiver found that younger customers (esp Gen Z) emphasise empathy from customer service, as shown in the graph below.

Importance of empathy by age group





> Delivering outcomes

Even amidst the height of the pandemic, consumers still expect businesses to react to customer requests, and provide what they need. While it's understandable that many companies reduced their capacity, it's still important to point customers to the currently active channels, such as email, social media, and self-service options.

Businesses need to take a prioritised approach to the challenge because up to 80% of consumers expect better customer service during the crisis. Agents should have easy

access to customer information and conversation history to handle requests better or follow up on cases. Bear in mind that 50% of consumers don't like to explain themselves more than once.

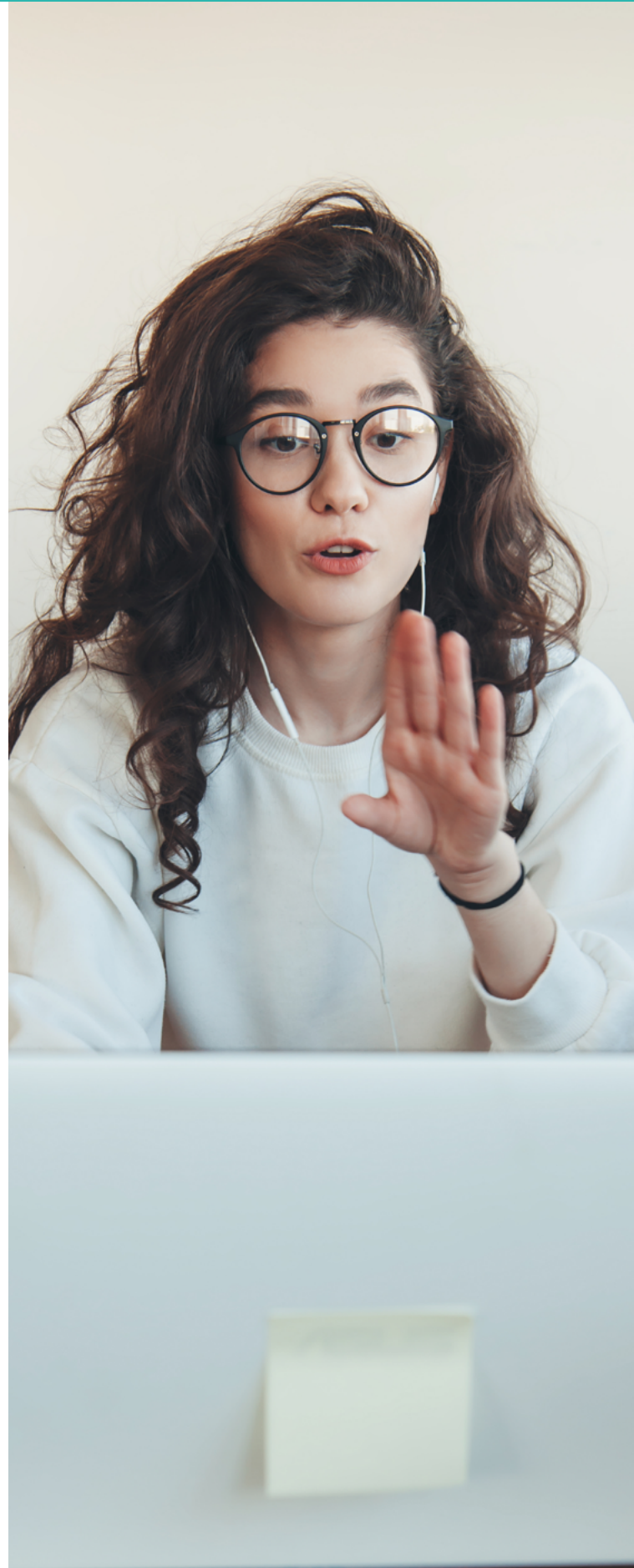
COVID-19 has meant that more people looked to online shopping, and this trend will continue with 63% of consumers avoiding stores and buying more online. So getting customer service right is critical. Companies need to provide the right distributed customer service to meet these pent up demands.

2 How COVID-19 has impacted customer service

In a typical scenario, customer service teams are used to seasonal changes, such as increased demands during Black Friday, Christmas, and Summer Sales. In this case, they know what to expect and how to prepare for the changes.

The COVID-19 impact was like no other, resulting in accelerated trends in customer service – both positive and negative. The limited face-to-face interactions and lockdowns saw companies as diverse as supermarkets and travel companies all grapple with increased numbers of phone calls from customers.

Some industries, such as tourism, entertainment, and home services, experienced a huge drop in support volume. In the tourism industry, most customers were calling to cancel or reschedule their bookings. However, other industries, such as home improvement, remote work, education, home cooking, and at-home health and fitness, became busier. Let's take a closer look at how this affected customers.

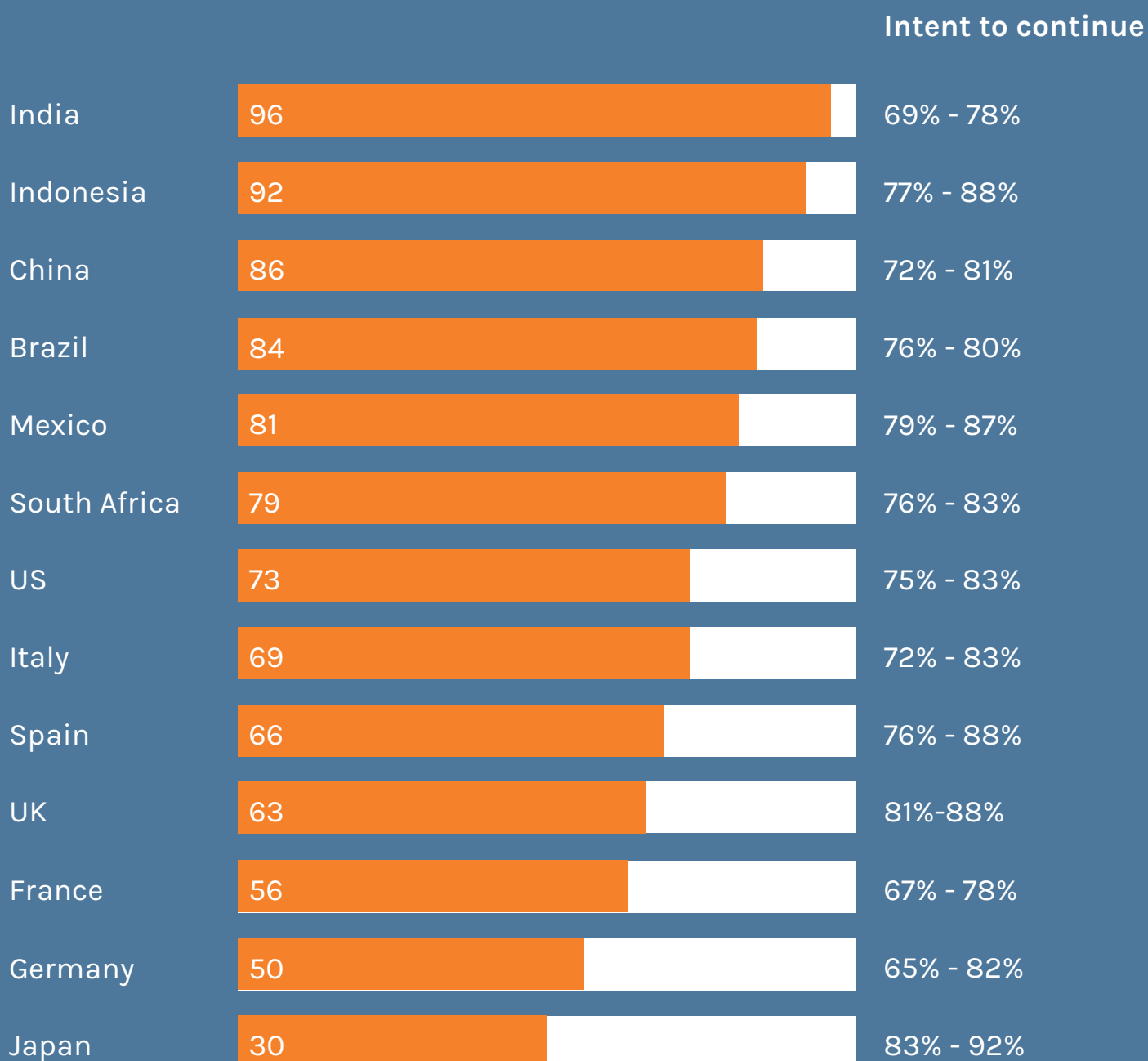


The impact on customers

According to a study by McKinsey & Company, there has been a huge variance in how customers responded to the crisis and adapted

to the new situation. For example, in Japan, Europe, and China, consumers were more optimistic than the rest of the world.

Customers who have tried new shopping behaviours since covid 19



Across the board, consumer spending focused on value and essentials, with most customers cutting back on non-essential services and products. They shifted to buying online more than physical stores, and brand loyalty saw a decline, mounting even more pressure on customer service teams to perform in an effort to retain customers.

For example, the week of 15 to 22 March 2020 saw a 20% upturn in the volume of service tickets being issued compared with the same period last year, revealed Zendesk's Benchmark Snapshot report. The eCommerce sector was the busiest, recording a hike of 40% in service tickets in the last week of March 2020.



A change in customers' needs

As customers became accustomed to staying at home, they started paying attention to things that their home lacked or needed improvement, such as furniture, interior designs, fitness equipment, etc. Online shopping was a convenient option for them, and this fueled increased demands for customer service.

Also, they spent most of their money on food delivery and takeout, entertainment, and groceries. About 47% of customers were buying more online than previously. These unexpected shifts in spending caught customer service teams and call centres unprepared, with many of them scrambling to tackle the unprecedented spike in call volume.



Due to social distancing requirements, remote working became the logical solution to condensed in-house customer service teams. In fact, tech support firm Support.com put out a job announcement targeting the hiring of unlimited remote support agents. This sudden change in operating models was important to deliver a consistent and quality customer service.

Initially, customers were understanding and patient, but things changed when they realised this was the "new normal". They expected brands and organisations to have this figured out, too. So, poor service became unacceptable. About 51% of respondents in a survey believe that the customer service experience (CX) will impact brand loyalty even more than before the pandemic.



3 How COVID-19 has impacted the contact centre



89%
of contact centre leaders in the UK believe that the pandemic has changed the industry forever



63%
of organisations in the industry had a formal Business Continuity Plan before the crisis

When the pandemic hit the UK, 77% of contact centres had 50% or more of the staff working from home. Interestingly, 89% of contact centre leaders in the UK believe that the pandemic has changed the industry forever.

Even though contact centres struggled to adapt to the new circumstances at first, they appear to be better prepared than companies in most industries. In fact, 80% of organisations in the industry had a formal Business Continuity Plan before the crisis.

They quickly moved to remote working, with estimates indicating that between a quarter and a half of all providers now have remote agents.

However, this is still quite low, considering the surged demands for customer service. Businesses need to ensure their customer service is operating effectively, and contact centres must have the right technology and adequate workforce to stay operational and meet the heightened demands for quality service.

Notable trends in the industry

No matter your industry, customer experience was already an issue, even before the crisis hit. So, companies were already responding to it through different approaches. Note that the crisis has just been a catalyst in the acceleration of shifts and trends that were already emerging:

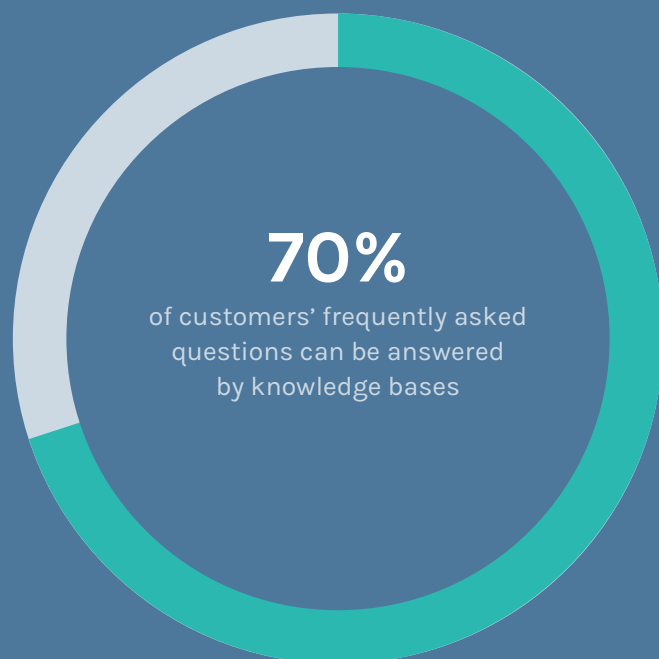
> Automation and a greater focus on self-service

Contact centres were already using intelligent algorithms and other automation tools to handle customer requests, reduce their costs, and offer front-line support. With increased ticket volumes during the pandemic, they deployed chat and voice bots to automate responses to level 1 requests. These are basically low-value enquiries that don't need the attention of a human agent. About 63% of contact centre leaders believe that customers can address some issues on their own using virtual assistants and chatbots.



Companies have also improved their knowledge bases to provide easy access to information. It's vital to note that knowledge bases can provide answers to over 70% of frequently asked questions from customers. In most cases, customers are usually looking for basic information, such as delivery times, shipping costs, store hours, etc, which can be covered in your FAQ pages.

Companies have even offered an interactive voice response (IVR) experience to increase self-service effectiveness. While self-service and automation reduce customer effort, the experience isn't the same as a real human interaction in delivering quality customer care. In fact, 98% of customers think IVR experiences are frustrating. So, companies need to make it seamless for customers to access human agents when automated tools and self-service fail.



> Transition to the cloud and virtualising the contact centre

Even before COVID-19, 60% of contact centre agents felt that they didn't have access to the right tools to fix common customer experience challenges. This resulted in in-house contact centres falling behind. According to studies by Microsoft, customers have higher expectations, meaning virtualising the contact centre, or delivering Contact Centre as-a-Service (CCaaS), is more essential than ever to keep up with customer demand.

As of 2019, 70% of contact centres were using cloud technology to address increasing customer expectations as well as achieve optimal business agility. The transition from on-premise operations to cloud computing provided greater scalability, efficiency, and flexibility.



With many agents now working remotely, cloud solutions have been even more valuable to contact centres. Being able to deliver consistent services to their clients, amidst the disruption, is critical for growth, especially with 90% of customers claiming they need immediate responses to questions. Cloud-based systems empower them to deploy different cost-effective technologies and tools to cater to their clients' needs, which is more important than ever in the current landscape.

Many companies are even investing more in cloud contact centres and cloud-based technologies to support their current customer demands. However, 62% of companies claim that the biggest challenge in making future investments will be due to difficulties integrating with current software. While doing this in-house is possible, they need true flexibility that allows them to scale up or down as needed. This is only possible by working with an outsourced service that allows for dynamic scalability and can adapt to changing circumstances.



> Customer agents multi-skilling

In the face of the crisis, there have been more complex interactions that demand higher-level skill sets to serve customers better. One outsourced call centre, CallCare, reported an increase in calls from 300,000 a month to one million since lockdown began. The firm also experienced a 37% upsurge in demand during the pandemic as compared to the same period last year.

Handling such call volumes needs a skilled team that's flexible and dedicated to delivering better customer experience. Companies need team members that can conduct deep-dive call studies to understand the overall call experiences and identify pain points. They also need to understand how to use collaboration and remote tools, particularly when working remotely.



Contact centres themselves are at risk

At the start of the pandemic, 65% of UK contact centres risked delivering poor customer experience due to increased calls and other COVID-19 related issues. About 42% of the centres admitted that very high contact volumes created 'severe' or 'challenging' CX issues.

Other centres were forced to close or cut down their operations. For example, Sky UK closed its contact centre in Cardiff when it feared an employee had contracted the novel virus, while Barclaycard contacted customers to warn them of expected delays due to reduced staff.

This is continuing even now as the UK's lockdown/tier system is still in place. In fact, 90% of UK contact centres with a business continuity plan considered shutting down their physical operations. The industry employs over 1.3 million Britons, but the pandemic is putting it in a tough situation.

Contact centres have moved to work from home, but only 10 to 20% of the UK workforce is working from home regularly. They're now focusing on providing customers with a blend of human interaction and digital self-service.



4 How to build a better future

Ultimately, every industry has had to shift, and customer service needs to shift towards increased flexibility, self-service, and human interaction. This means CX leaders have to reimagine and improve their processes come 2021. A key takeaway is that customer needs and expectations will always change regardless of the situation.

Even as companies digitise their operations, it's worth pointing out that humans will continue to seek out ways to make a human connection. There's no substitute for a human voice, particularly when handling a complex issue. Sometimes, you just need to speak to a person, and companies need to provide that option.



Humanise your customer service

One thing that CX leaders should learn from the pandemic is that customers want personalised experiences and human interactions. Even if you offer digitised solutions, such as self-service and chatbots, be sure to provide an option for escalating issues to a human agent.

Your online interactions should also show that you care and empathise with the prevailing conditions. Use your mailing lists, social media pages, and websites to show the steps your company has taken to help employees, customers, and partners.

For example, a New York City restaurant, Sugarfish, re-deployed their staff to make home deliveries instead of laying them off. Such an example shows the "human" side of your business, and it can improve your customer trust and goodwill. However, don't overplay it.



Embrace digital transformation

When the pandemic hit, being agile and flexible was a key differentiator. Companies that were quick to move their operations online were saved from some of the adverse impacts of the crisis. As a customer service manager, bear in mind that digitisation can improve customer satisfaction by 33% and cut costs by 25 to 35%.

Customer service digitisation is possible through offering pro-active omnichannel customer interactions. More than 60% of customers interact with businesses via multiple channels. As a result, companies must constantly adjust their support models to deliver such experiences.

You can also nurture customer communities, which can evolve to be a great asset for your company. A customer community can easily grow into a self-help network that generates user content, providing immediate solutions to standard customer queries.



Create a cohesive operating model

Going into the future, your company should be prepared for any unexpected crisis. This is possible by using an operating model that delivers flexibility for handling uncertainty while offering the right experience for resolving complex issues. For example, a flexible model involves using outsourced services, agile teams, home-working arrangements, and fully flexible hours.

The root cause of many CX challenges usually comes down to a company's operating model. So, creating a future-fit CX operating model requires different actions and changes in your:

- **Functions** - Collaboration of CX efforts across different functions in your company should be improved.

- **Talent** - You need the right people to create agile teams and build internal capabilities.
- **Governance** - Your governance style should enable better use of resources and budgets with seamless reporting and transparent measurement.
- **Data** - Companies need the right data governance strategy to turn raw data into meaningful, actionable insights.

All these dimensions are interdependent. So, even if only one is poor, it will impact the others, leading to a rigid and unproductive operating model. You can invest in quality outsourcing to augment some of these dimensions, such as talent, functions, and governance.

Use an outsourced customer service provider

The coronavirus pandemic put a spotlight on customer service. It exposed the weaknesses of CX teams and even further disoriented their already disconnected operations. However, companies with flexible operating models were able to mitigate against some of the effects of the crisis, cruising to improved customer experiences.

Amidst increased customer demands, flexible companies leveraged distributed and outsourced customer service through selective partnerships. They relied on companies like Odondo to deliver quality outcomes that fit their customers' criteria. Ideally, the ability to deliver on-demand and omnichannel services makes a huge difference in your CX operations.



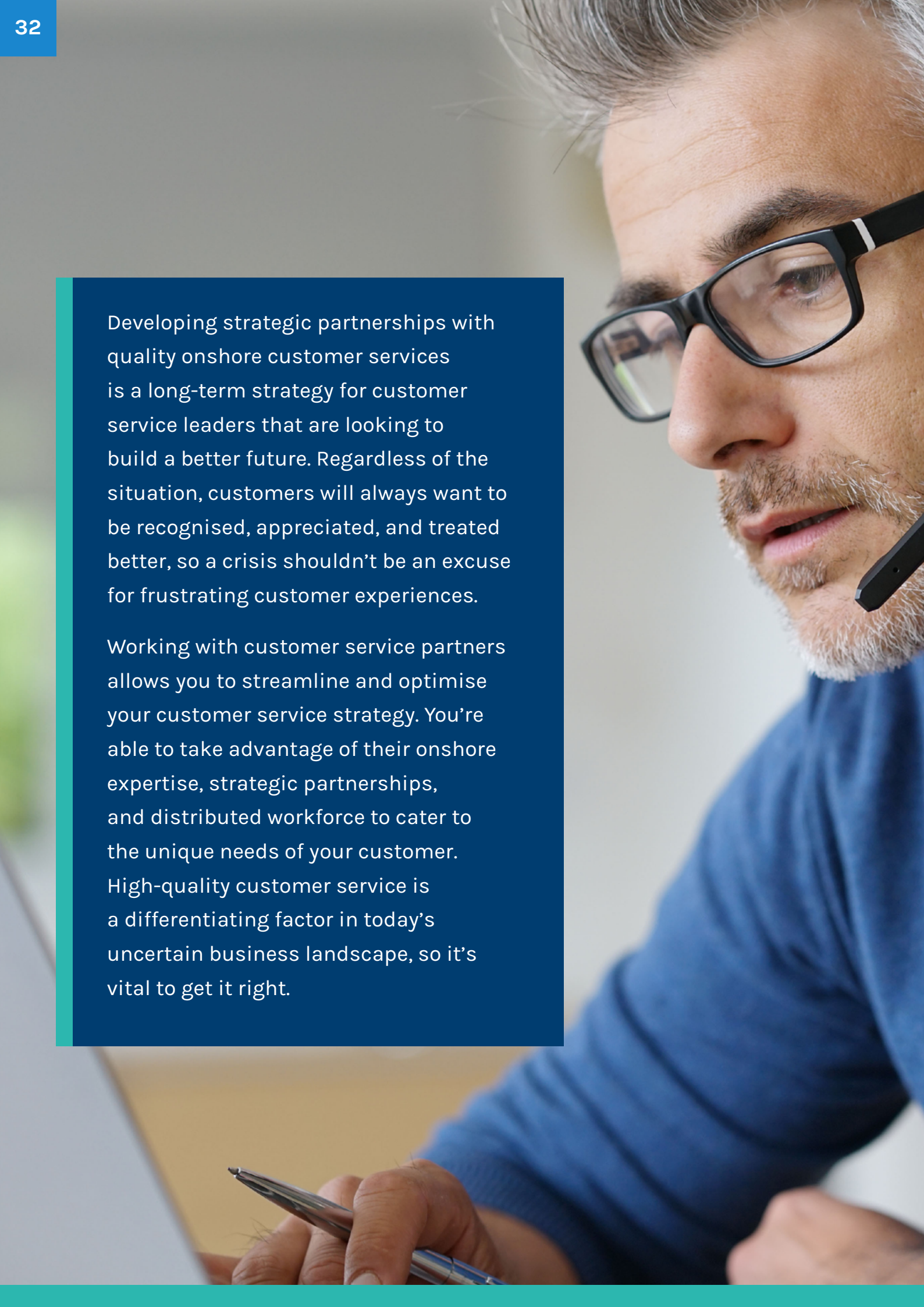


At Odondo, we realised that traditional outsourced customer support is completely static. It's prone to long hold times during peak times, and it wastes budget during off-peak seasons. Therefore, we created a distributed customer service agent model that's completely scalable and flexible, giving you access to quality agents on demand at low costs. This is possible through our:

- > **Distributed network of agents** - Our work-from-home model means agents are not bound by physical spaces. This means you can work with as many agents as needed while solving social distancing problems.
- > **Pay-as-you-use model** - Odondo doesn't lock you into a long-term contract – you only pay for what you use. You can control your costs by scaling down without the risk of unused resources.
- > **On-demand flexibility** - We match our resources to your demand, allowing you to scale up or down as needed. This allows you to control your costs as well as keep customers happy.
- > **High-quality agents** - Our distributed model attracts the best agents with diverse backgrounds. They have industry-specific experience and we train them to meet your campaign and brand needs.

Developing strategic partnerships with quality onshore customer services is a long-term strategy for customer service leaders that are looking to build a better future. Regardless of the situation, customers will always want to be recognised, appreciated, and treated better, so a crisis shouldn't be an excuse for frustrating customer experiences.

Working with customer service partners allows you to streamline and optimise your customer service strategy. You're able to take advantage of their onshore expertise, strategic partnerships, and distributed workforce to cater to the unique needs of your customer. High-quality customer service is a differentiating factor in today's uncertain business landscape, so it's vital to get it right.



Agile customer service is the future, are you ready to embrace it?

Improve customer experiences, increase retention and drive repeat purchases through a scalable, cost-effective and agile customer service offering.

[Get Started](#)