

REPORT

Top 10 Customer Service Trends for 2011

CUSTOMER **1**



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The State of Customer Service

The customer service market is shaped by the needs and behaviors of both customers and businesses. As the demands and characteristics of customers and businesses change, the customer service market continues its fascinating evolution.

Over the past several years businesses have increasingly focused on improving customer support. In fact, over 80% of North American companies use customer experience as an area of differentiation.

Customers have more control of the customer service experience than ever before, and increased competition means they will not hesitate to abandon a business over poor service. Companies realize this and continue to adopt customer support as a sustainable competitive advantage.

So how will the customer service market evolve in 2011?

1

1. Out-Sourcing Is Out, In-Sourcing is In

Many large North American companies have been outsourcing customer service and support overseas in an attempt to cut costs. This has caused the quality of service to suffer, causing customers to leave.

Ironically, this resulted in a cost increase because acquiring new customers is a costly proposition. These companies realize customer support is too important to be outsourced, and will increasingly be transferring this function back home.

2. Balancing Service with Cost... The Struggle Continues

Achieving the optimal level of service customers are satisfied with while managing costs is the ultimate balancing act, and one that is very hard to conquer.

The outsourcing VS insourcing point described above is a prime example of this. 2011 will be no different as organizations strive to attain the right balance of service quality and cost.

Top 10 Customer Service Trends for 2011

3. Self-Service Adoption Continues to Grow

Businesses like self-service because it is the most cost-effective way to provide 24/7 customer support. Customers like self-service because they can find what they are looking for without delay (call waiting times to speak with an agent, email response lag time). It is a win-win proposition for both entities. As internet penetration continues to grow, look for self-service adoption to grow as well.

4. Customer 360 Degree View Still A Challenge

One view of a customer across all communication channels. Companies strive for it and it is a key value proposition of many CRM vendors. Yet it is rarely attained. Why? The biggest challenge lies within corporate culture, and bringing various silos of the organization together for a common objective. The larger the company, the more difficult it is to accomplish. Very few have done this well, and this trend will continue in 2011.

5. Social Media for Customer Service Continues

The past two years have seen an explosion in organization delivering customer service through social media channels such as Twitter. Customer service will find its way into any communications channel adopted by consumers, and social media was no different.

Organizations should view social media as simply one channel of their overall customer service, yet too many view it as a band-aid solution for support. If you don't have sound customer service processes in place, don't expect social media service to compensate for this.

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6. Rise in Shared Services Centers

For organizations with different locations delivering customer service and support, business shared services makes a lot of sense. Centralizing the support function streamlines support to ensure it is delivered as effectively and efficiently as possible across all locations.

The cost savings from this streamlining are huge. Look to organizations to increasingly adopt business shared services as a way to deliver higher quality support while keeping costs down.

7. Computer Telephony Interface (CTI) Grows

As mentioned in Forrester's report "Customer Service Solutions, Q3 2010," about half of contact centre costs are tied up in agents. CTI lowers the average call time by providing the agent with details about the customer gleaned from their telephone number and information in a database.

Customers are happy because they avoid answering a list of trivial questions at the start of their call. The combination of lowering support costs while improving customer satisfaction means CTI penetration in support contact centres will grow in 2011.

8. More Power to the Customer

Customer service used to be controlled exclusively by companies with customers having little say or impact in the process. With the growth of communications channels such as forums and social media, poor customer experiences can be communicated to the world in seconds.

The customer increasingly controls the kind of service they would like to receive either by switching organizations, or communicating it through social channels. Look for the balance of power to continue in the customer's favor in 2011.

Top 10 Customer Service Trends for 2011

9. Customer Service An Even Bigger Differentiator

The competitiveness of the market has never been greater. As it continues to grow, organizations strive to seek innovative ways to differentiate themselves, and customer service is a key area to do so. Organizations such as Zappos have built up their brand and success by placing customer support as a core strategy. Over 80% of North America companies view the customer experience as an area of differentiation. Why? Simply put, it works. Look for this number to grow next year.

10. Customer-To-Customer Support

I can't think of the number of times a simple Google search for an issue I have points me to a community forum with the exact answer I was looking for. The customer community itself is often one of the best support channels an organization could have. Its power is due to the sheer numbers of support personnel (customers) it has. They are greater in number than a company's support personnel, and best of all, they are free to the organization. Another win-win scenario for both business and the customer. Look for collaborative community customer support to increase in 2011.

1

About Customer1

Customer1 is a provider of customer service and support solutions that help organizations deliver great support experiences to customers, partners, and employees. Our solutions drive increased agent productivity, operational efficiency, and lower overall support costs for contact centers, shared services centers, and support organizations across a range of industries.

Headquartered in Toronto, Canada, Customer1 has deployments in 10 countries and 8 languages around the world serving enterprise clients such as Anheuser-Busch InBev and Bed Bath & Beyond. For more information, visit www.customer1.com.