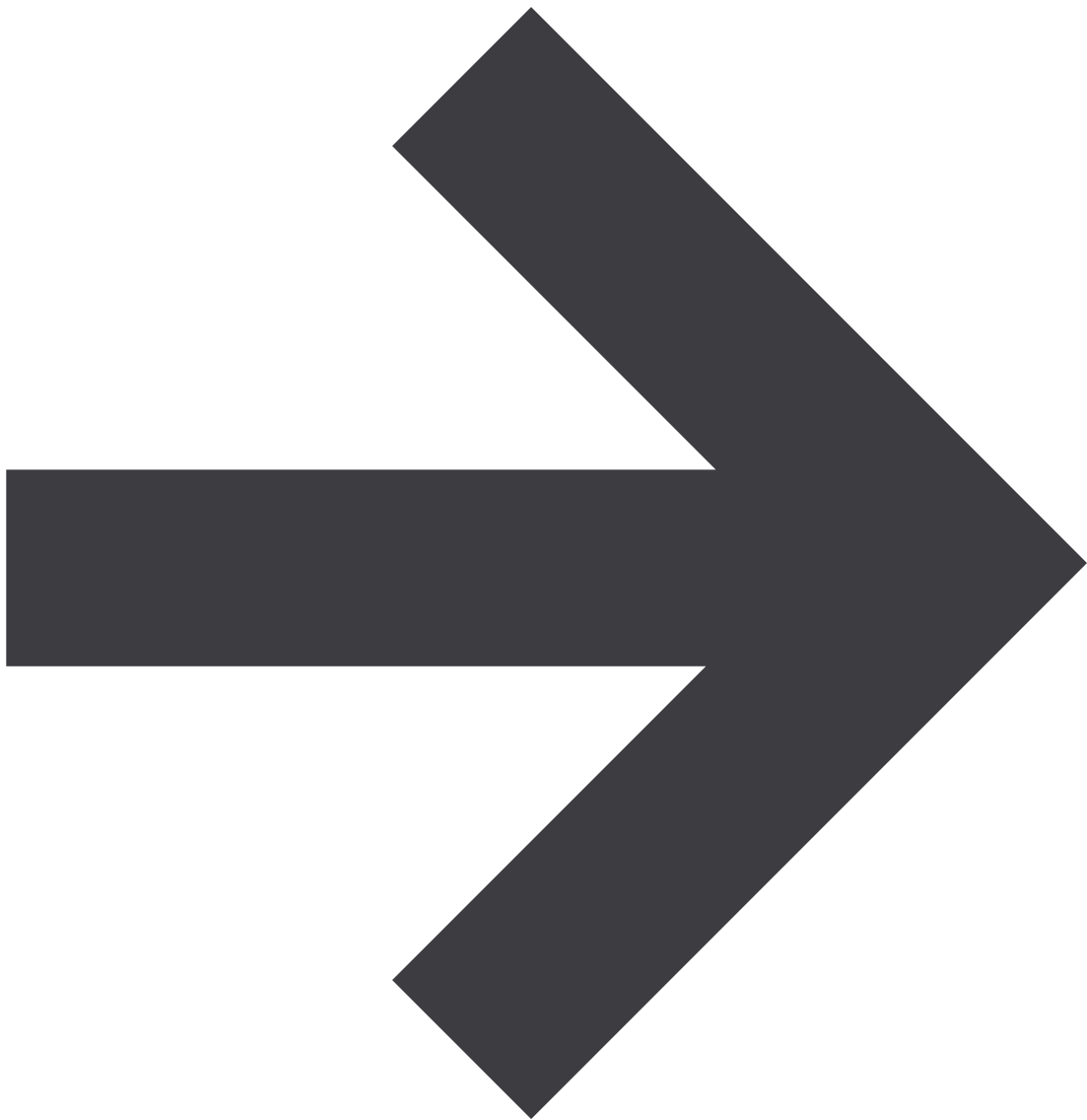


E-book series

State of global customer service report





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emerging trends

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Takeaways and
conclusion

Customer expectations continue their steady climb

As customer expectations continue to climb, it becomes more challenging for brands to set themselves apart from the competition. Markets are increasingly crowded, and both price and product are being steadily overtaken by customer experience as the number one brand differentiator.

Customer service organizations are often the face of a brand and play a critical role in shaping the overall customer experience. But to have a positive impact, service organizations first need a clear understanding of customer behavior, preferences and expectations. That knowledge, combined with the right technology and a willingness to reimagine the way they provide service, can empower them to offer the kinds of experiences that transform customers into brand ambassadors.

The Microsoft 2018 State of Global Customer Service survey polled 5,000 individuals across Brazil, Germany, Japan, the United Kingdom, and the United States. Our results confirm that customer service remains a cornerstone of customer experience and can serve as a brand differentiator. In fact, 95% of our survey respondents indicated that customer service is important to their choice of and loyalty to a brand.

We hope you find the insights from this year's report beneficial as you continue to find new ways to provide value through exceptional customer service.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

March 2019

Brand loyalty

4

Brand loyalty

Build brand loyalty with exceptional customer service

In our real-time, always on, digital world, customer expectations continue to rise. As technology evolves at breakneck speed and brands leverage data to create personalized, value-add experiences that are available anytime and anywhere, customers carry increasingly elevated expectations to every interaction—including customer service. In fact, nearly two thirds (59%) of our survey respondents have higher expectations for customer service than they did just a year ago.

An overwhelming 95% of respondents cite customer service as important in their choice of and loyalty to a brand. And 61% of our

respondents have switched brands due to poor customer service, with nearly half having done so in the past 12 months. Customer service is about more than simply solving customer inquiries—it should be an integral part of your customer acquisition and retention strategy.

Great customer service builds loyalty through personalized, value-add experiences, and creates brand advocates by transforming negative experiences into positive outcomes. Our survey offers several insights—directly from customers—that will help you move beyond table stakes to redefine the customer service experience.

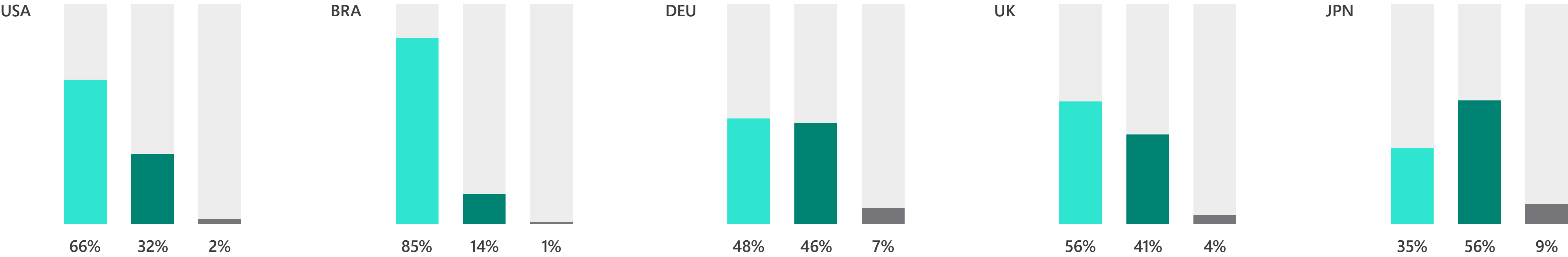
01 /

How important is
customer service
in your choice of, or
loyalty, to a brand?

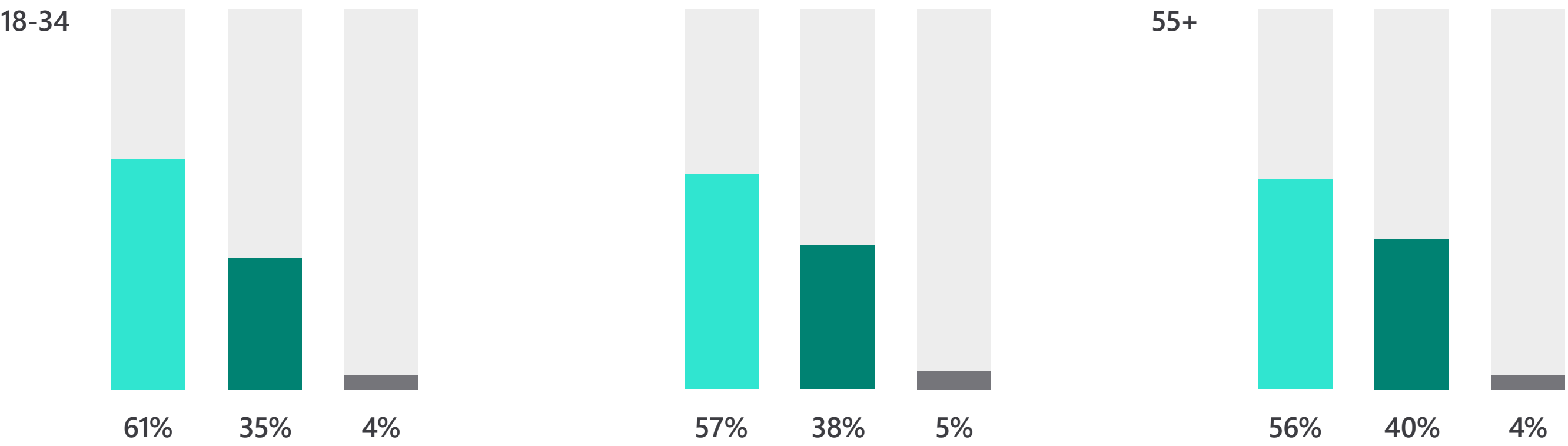
Very important Somewhat important Not important



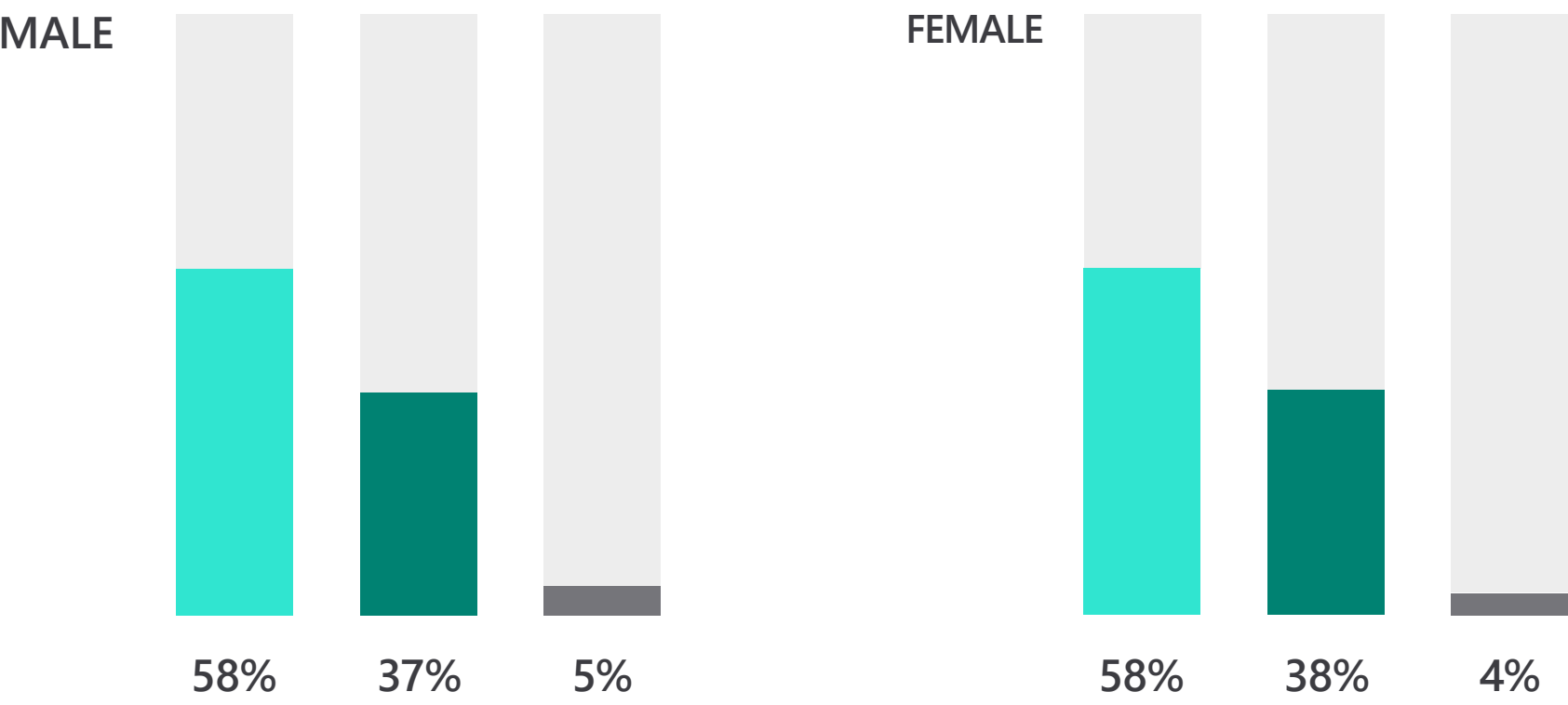
BY COUNTRY



BY AGE

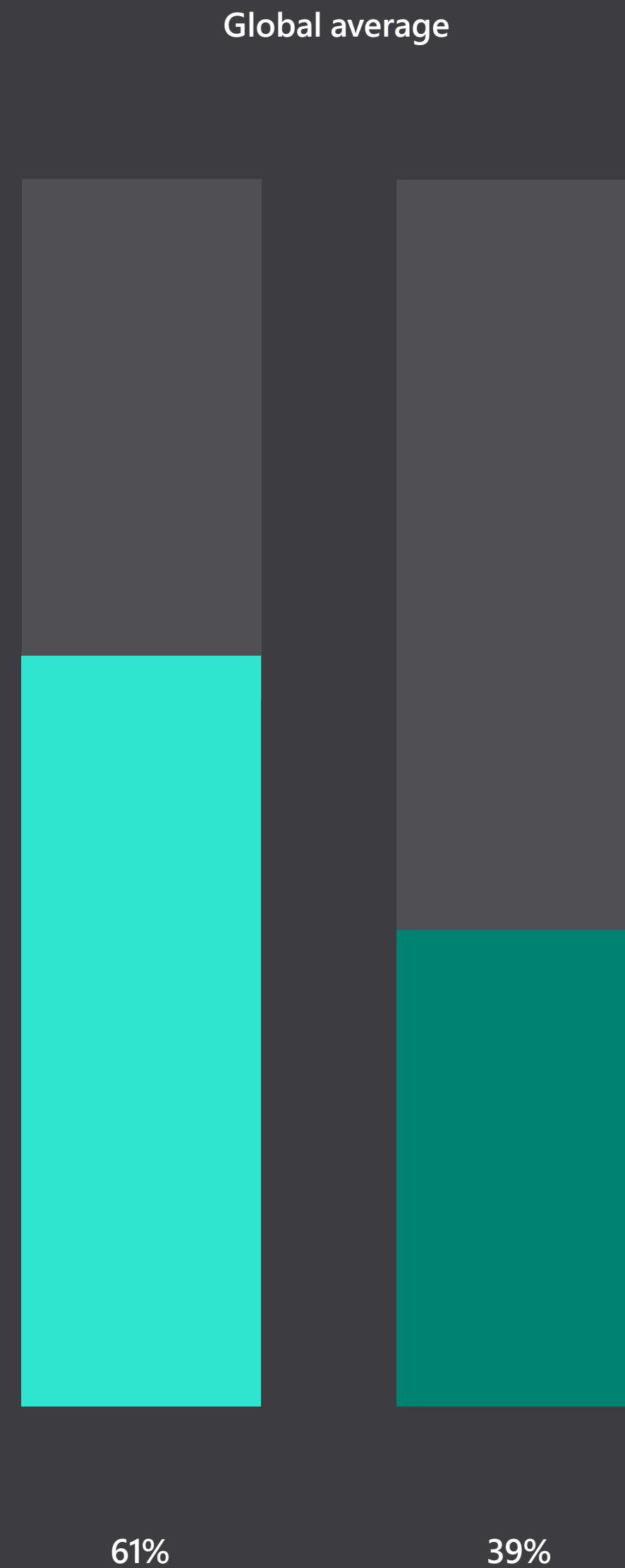


BY GENDER



How important is customer service in your choice of, or loyalty, to a brand?

Very important Somewhat important Not important

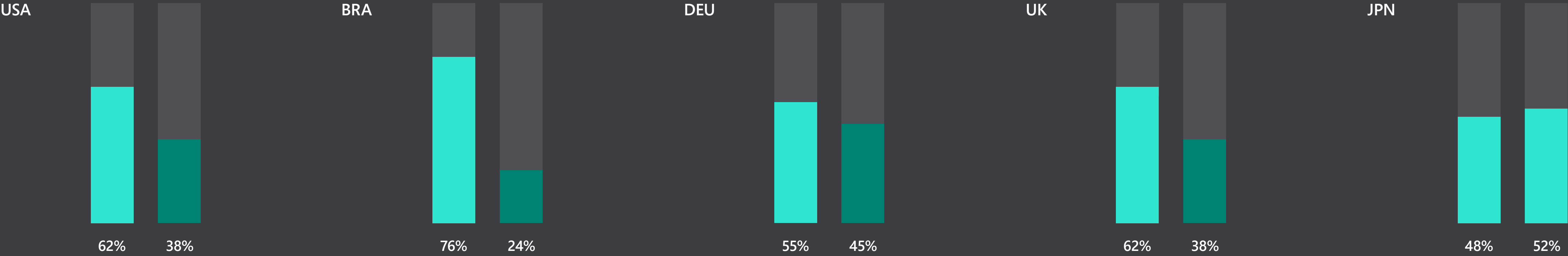


02 /

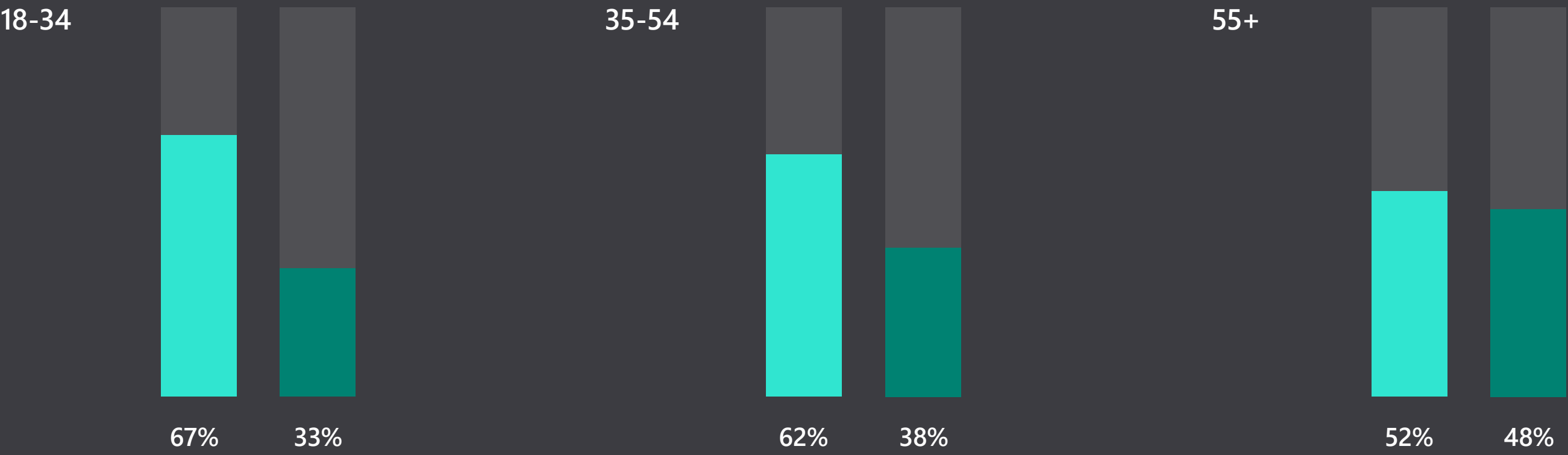
Have you ever
stopped doing
business with a
brand due to a poor
customer service
experience?

Yes No

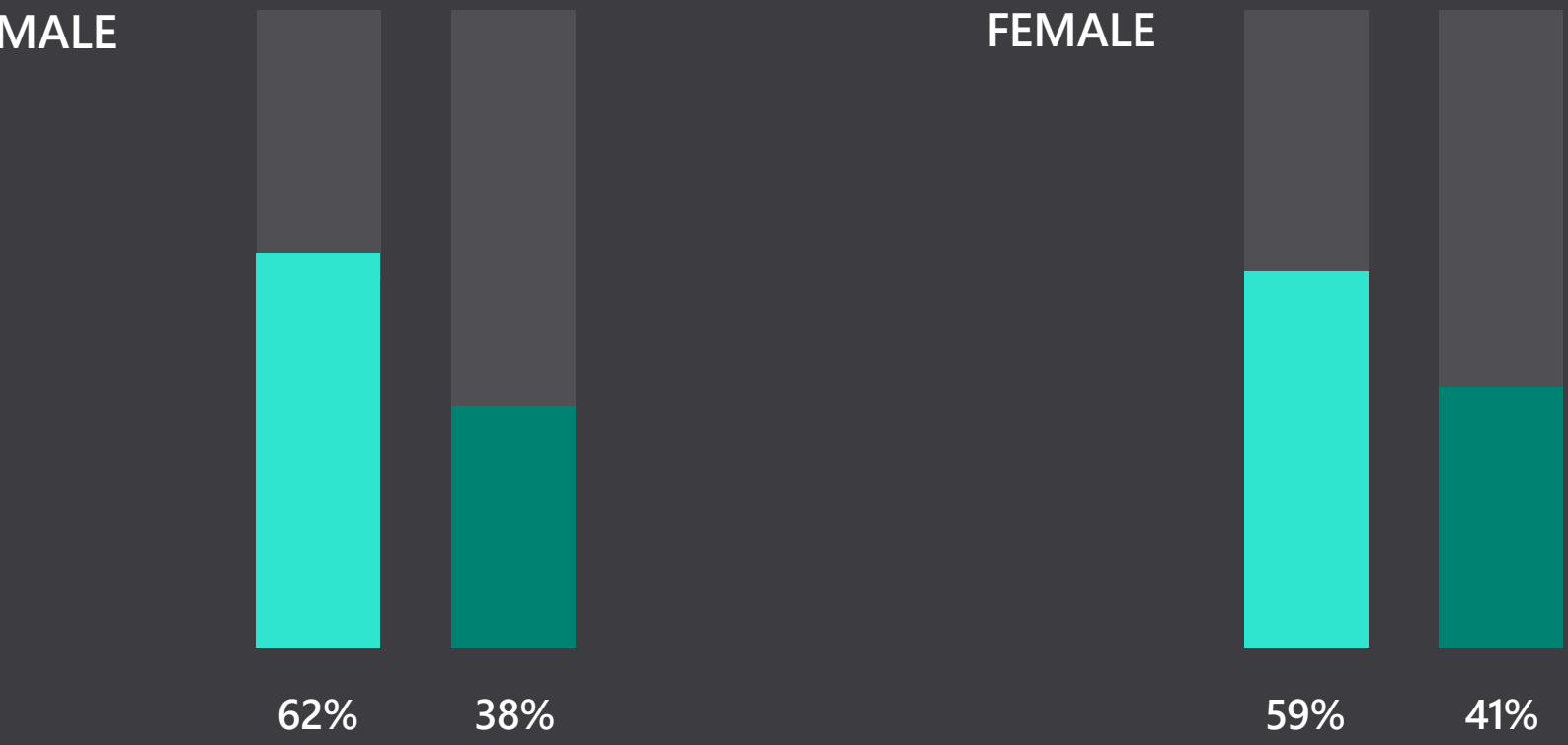
BY COUNTRY



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BY GENDER



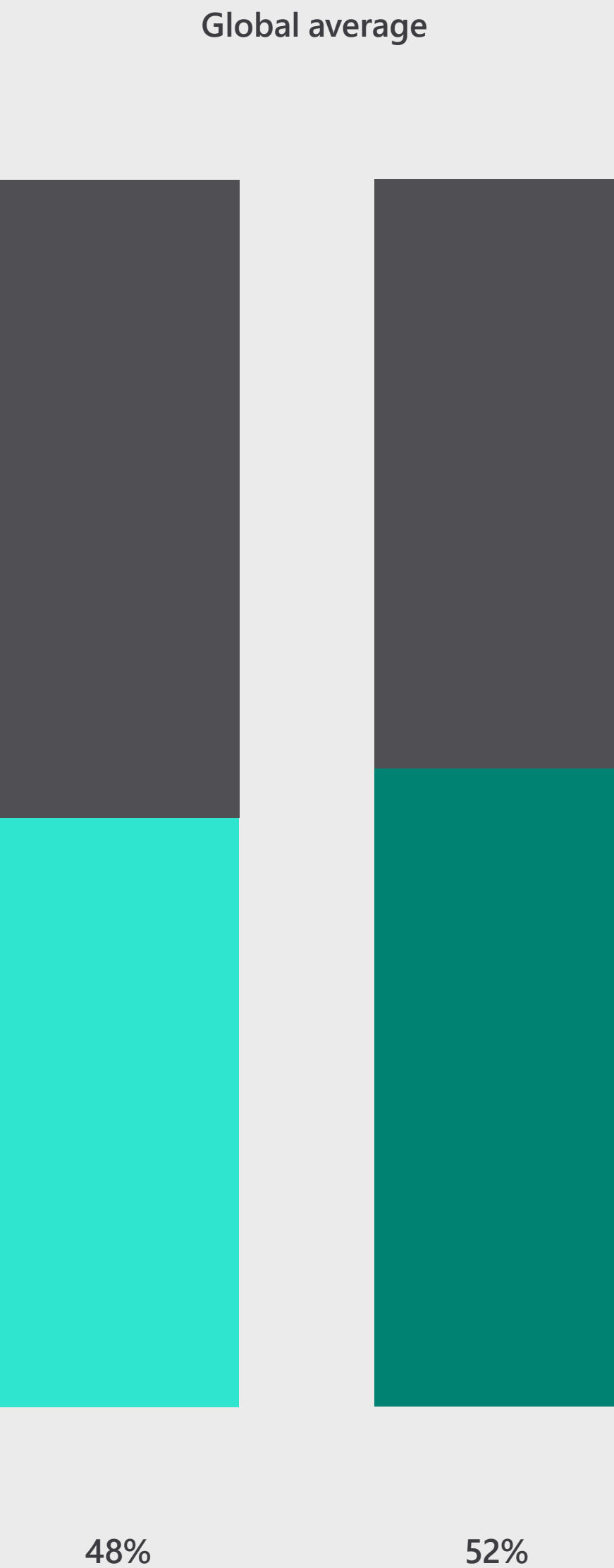
Have you ever stopped doing business with a brand due to a poor customer service experience?

Yes No

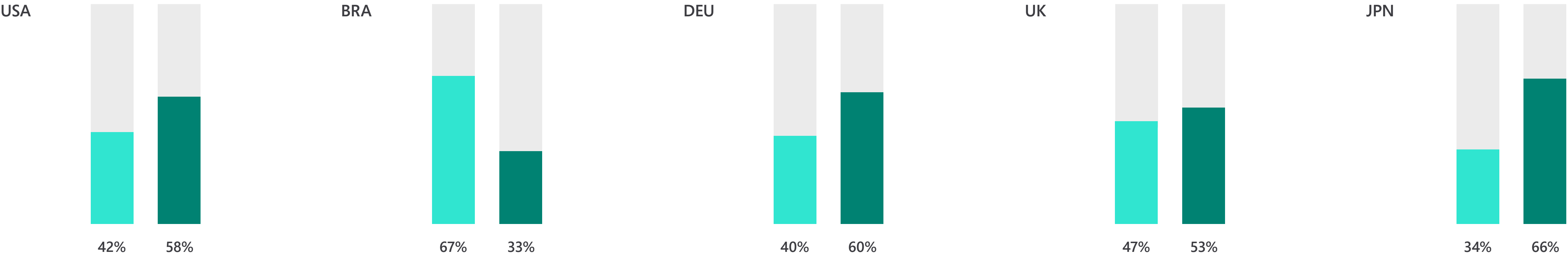
03 /

Did you stop doing business with a brand due to a poor customer service experience in the last 12 months?

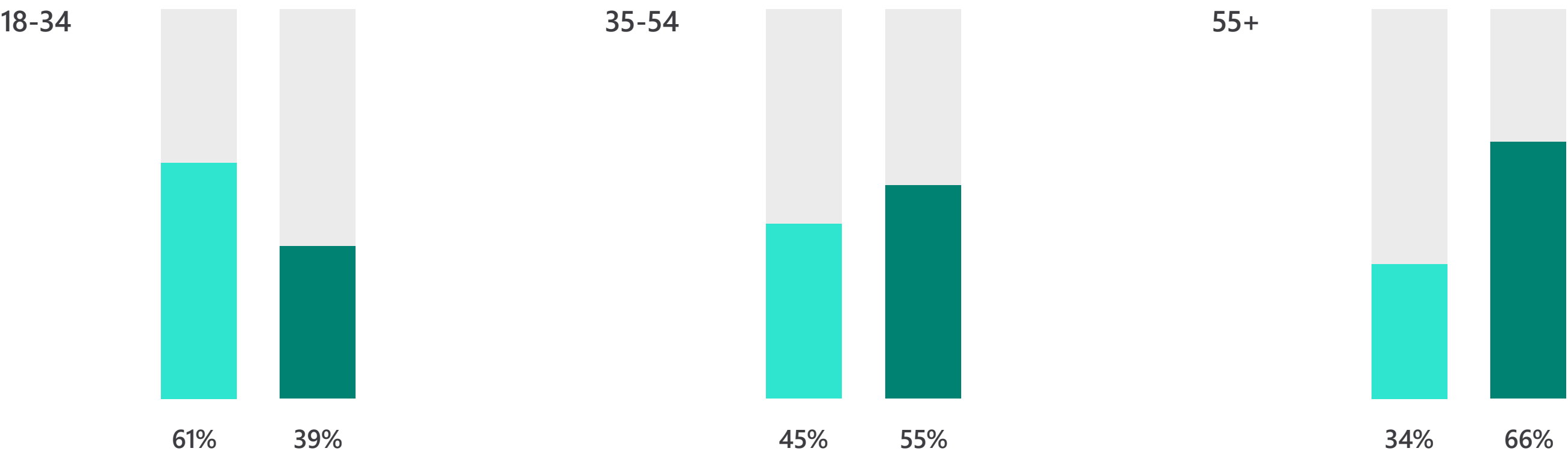
Yes No



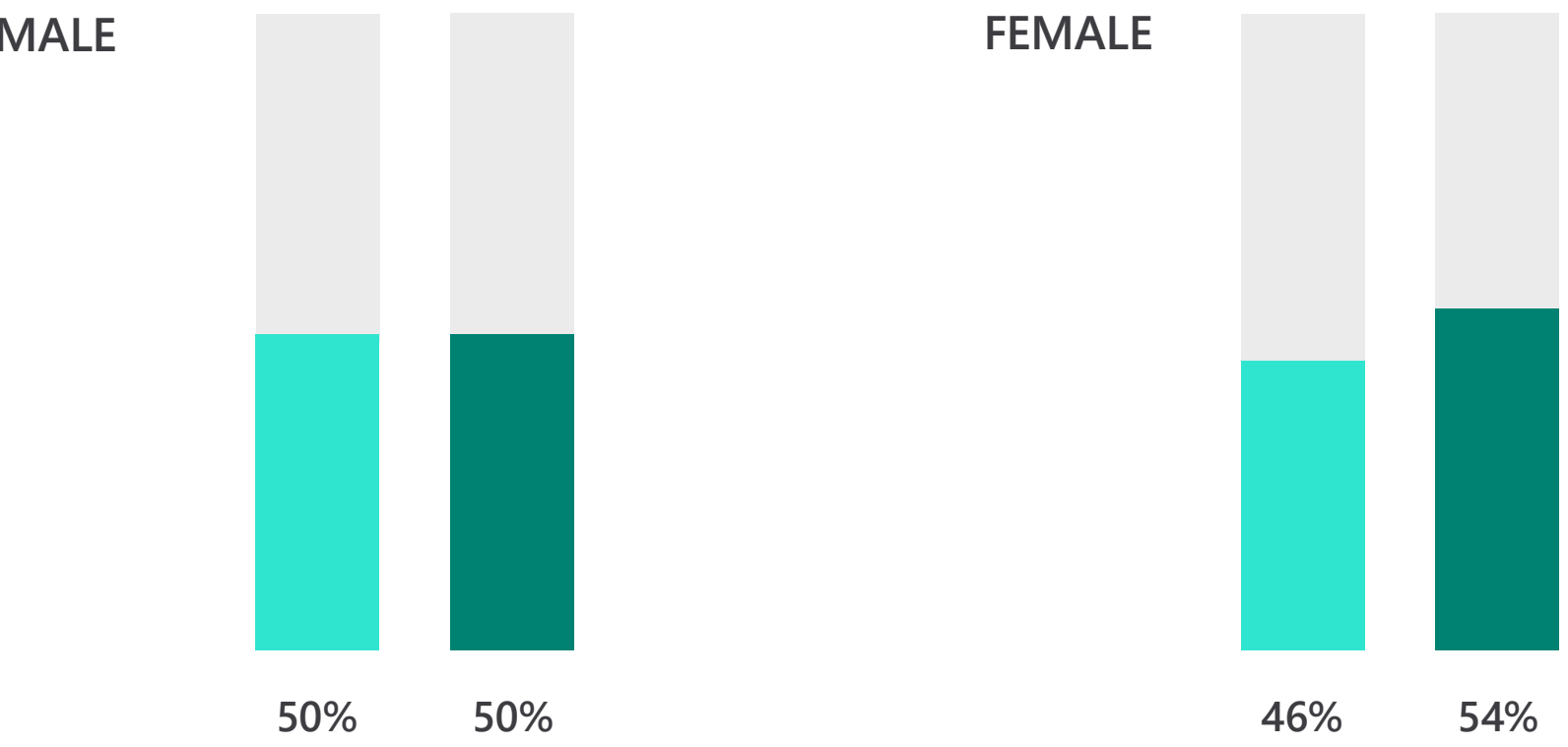
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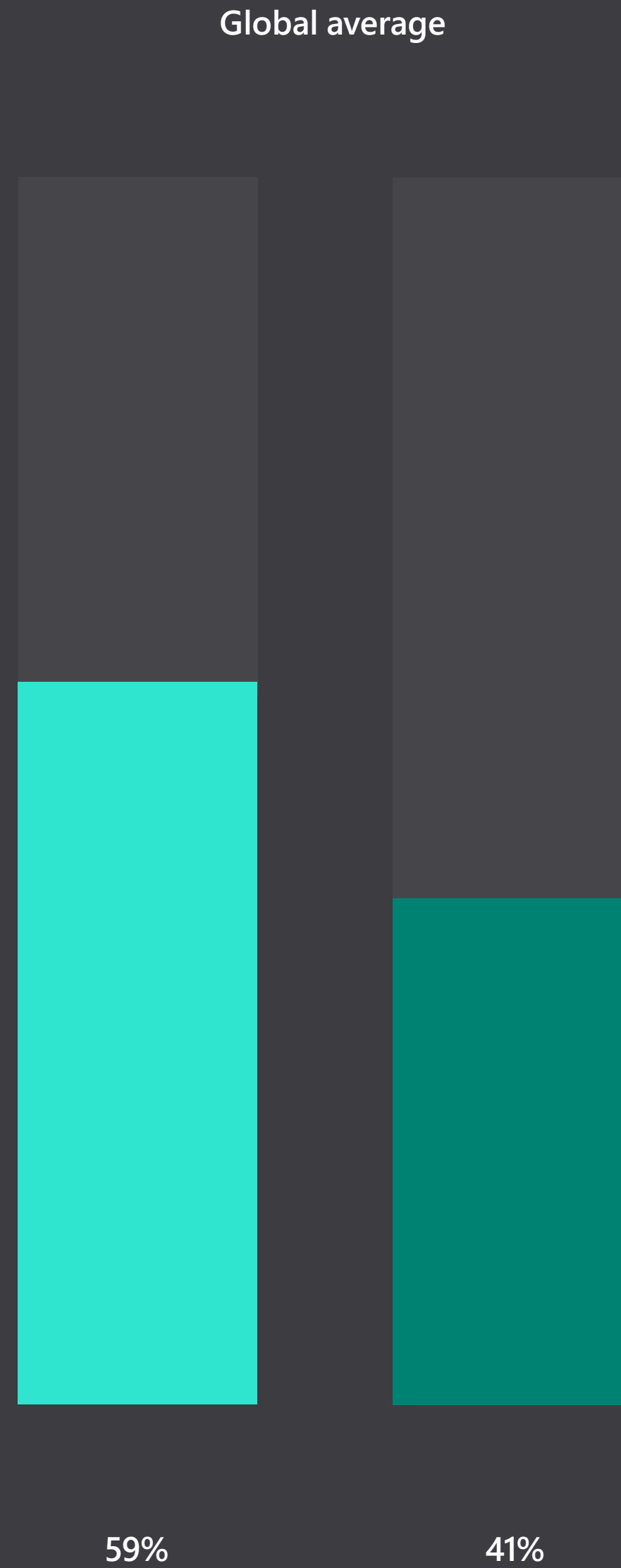


BY GENDER



Did you stop doing business with a brand due to a poor customer service experience in the last 12 months?

Yes No

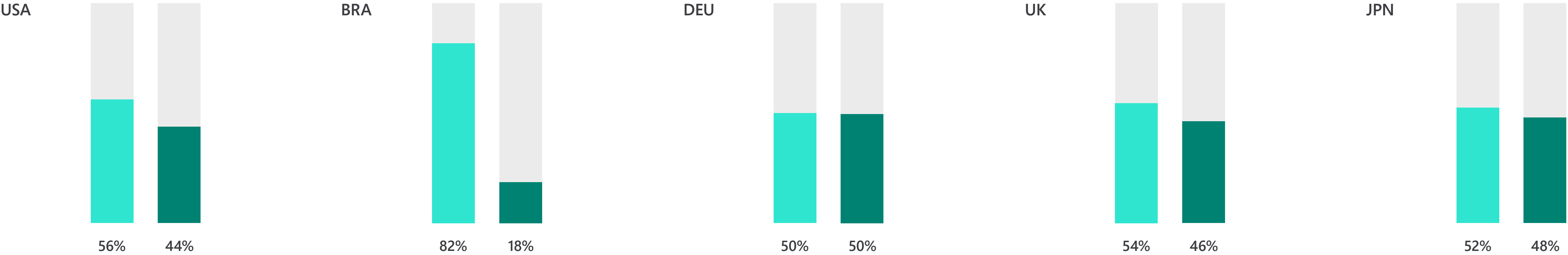


04 /

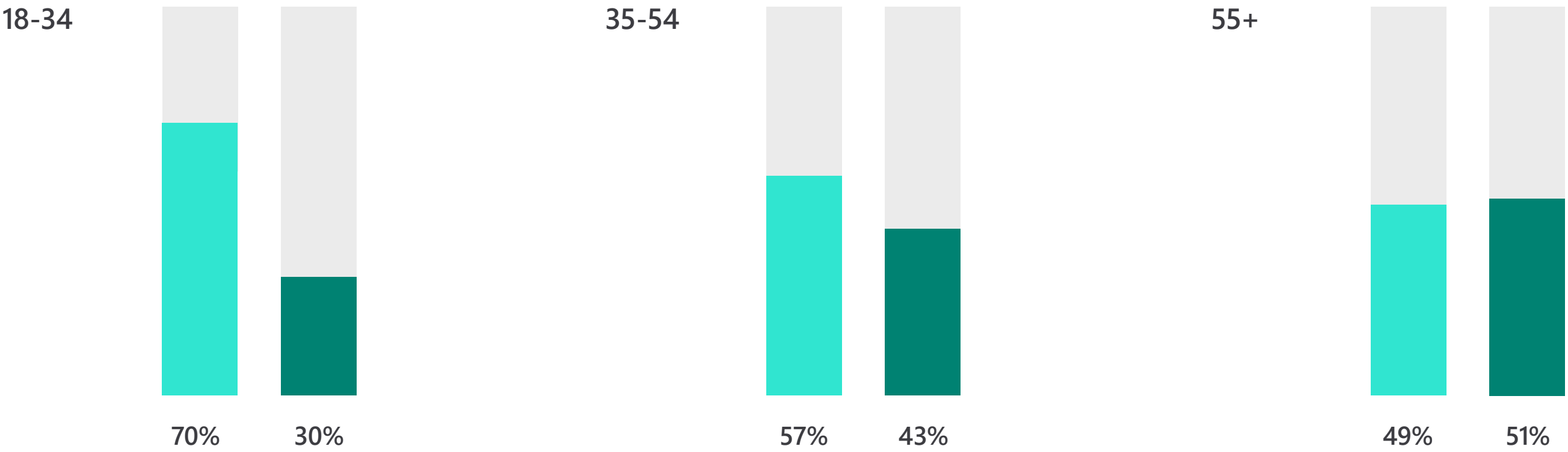
Do you have higher expectations for customer service now than you had a year ago?

Yes No

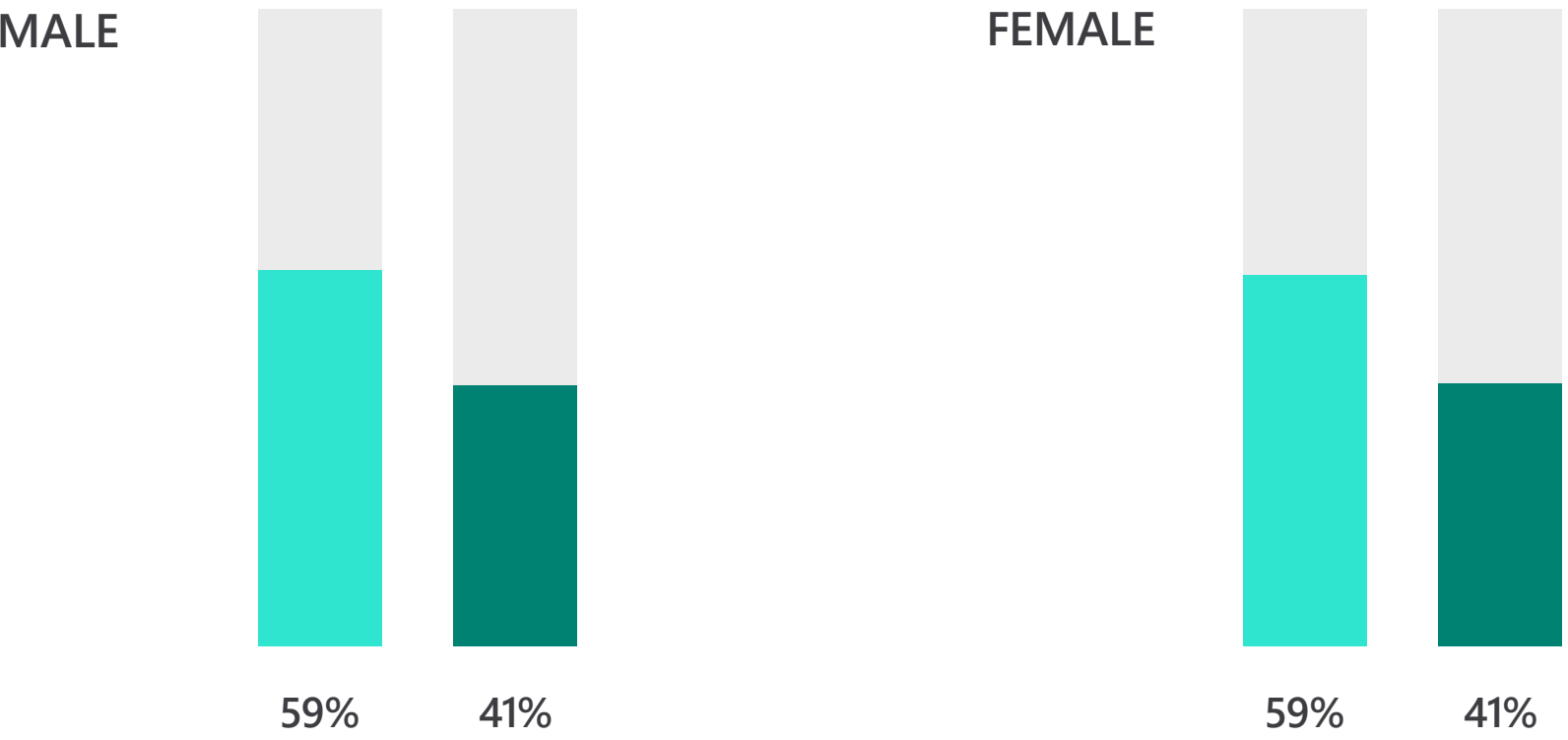
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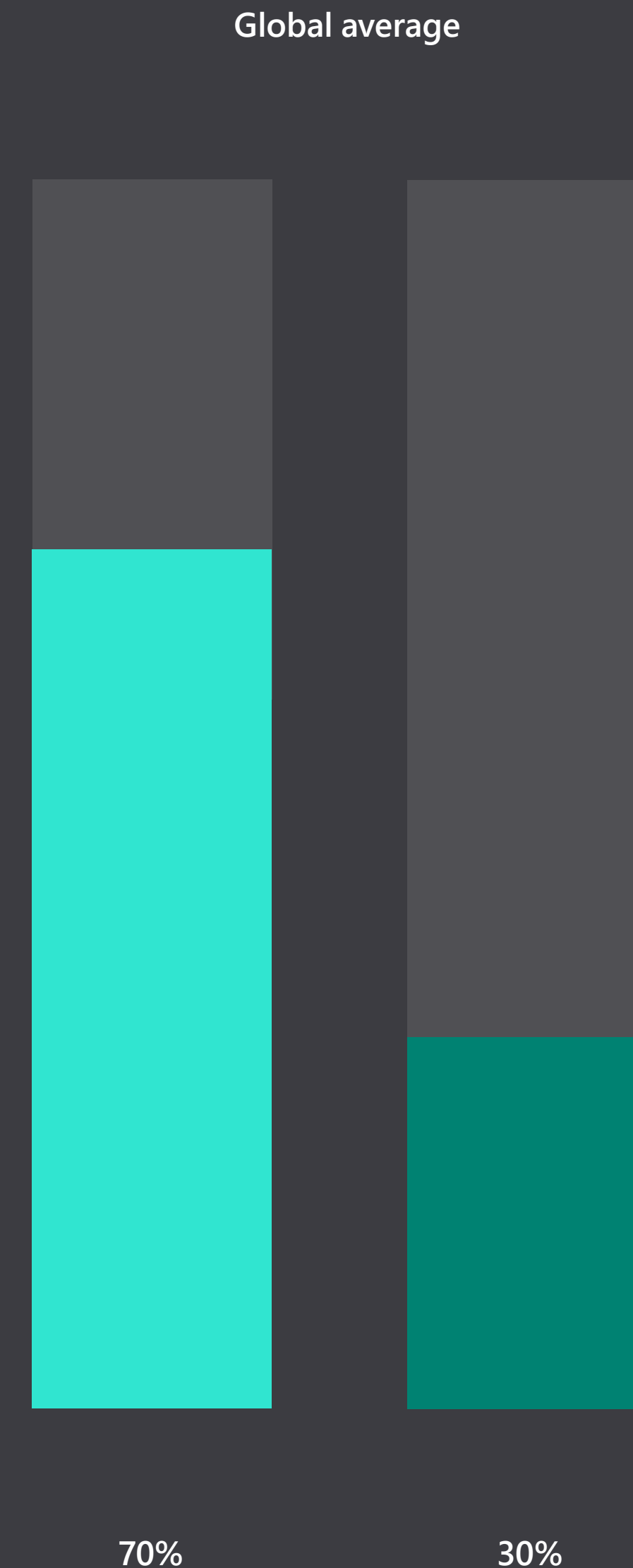
Do you have higher expectations for customer service now than you had a year ago?

Yes No

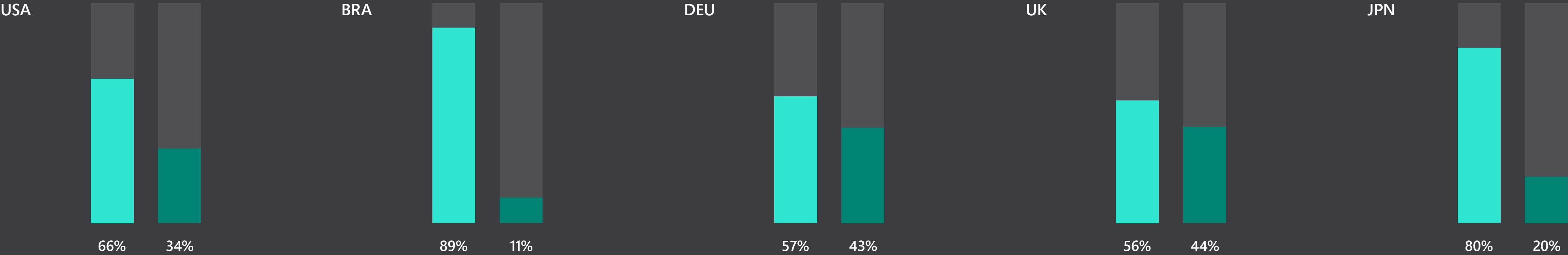
05 /

Do you have a more favorable view of brands that offer or contact you with proactive customer service notifications?

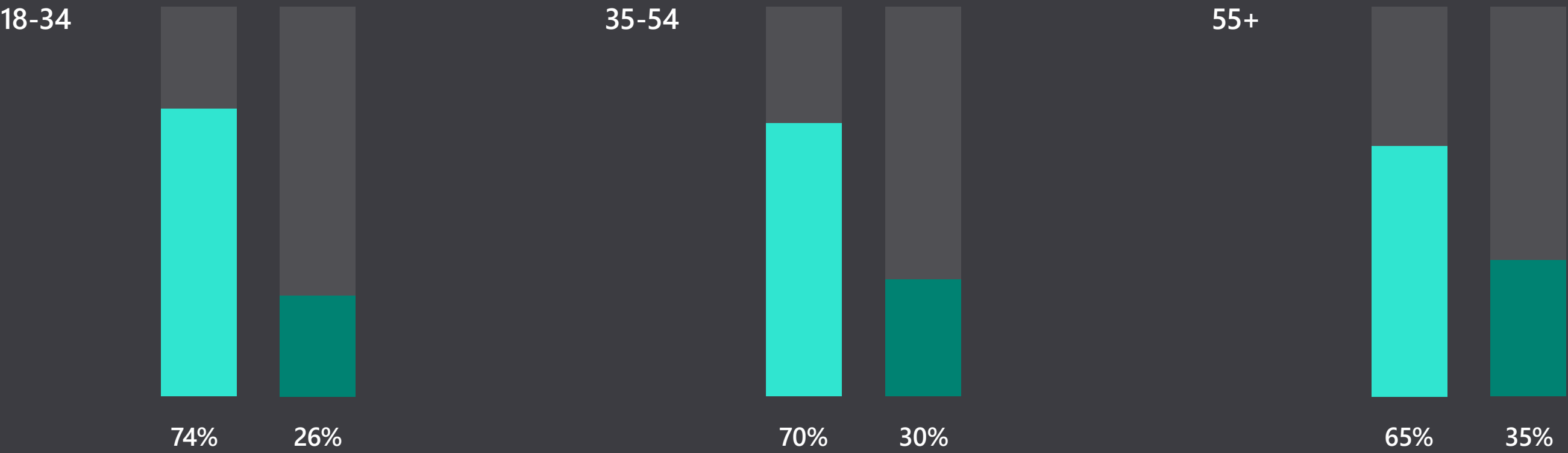
Yes No



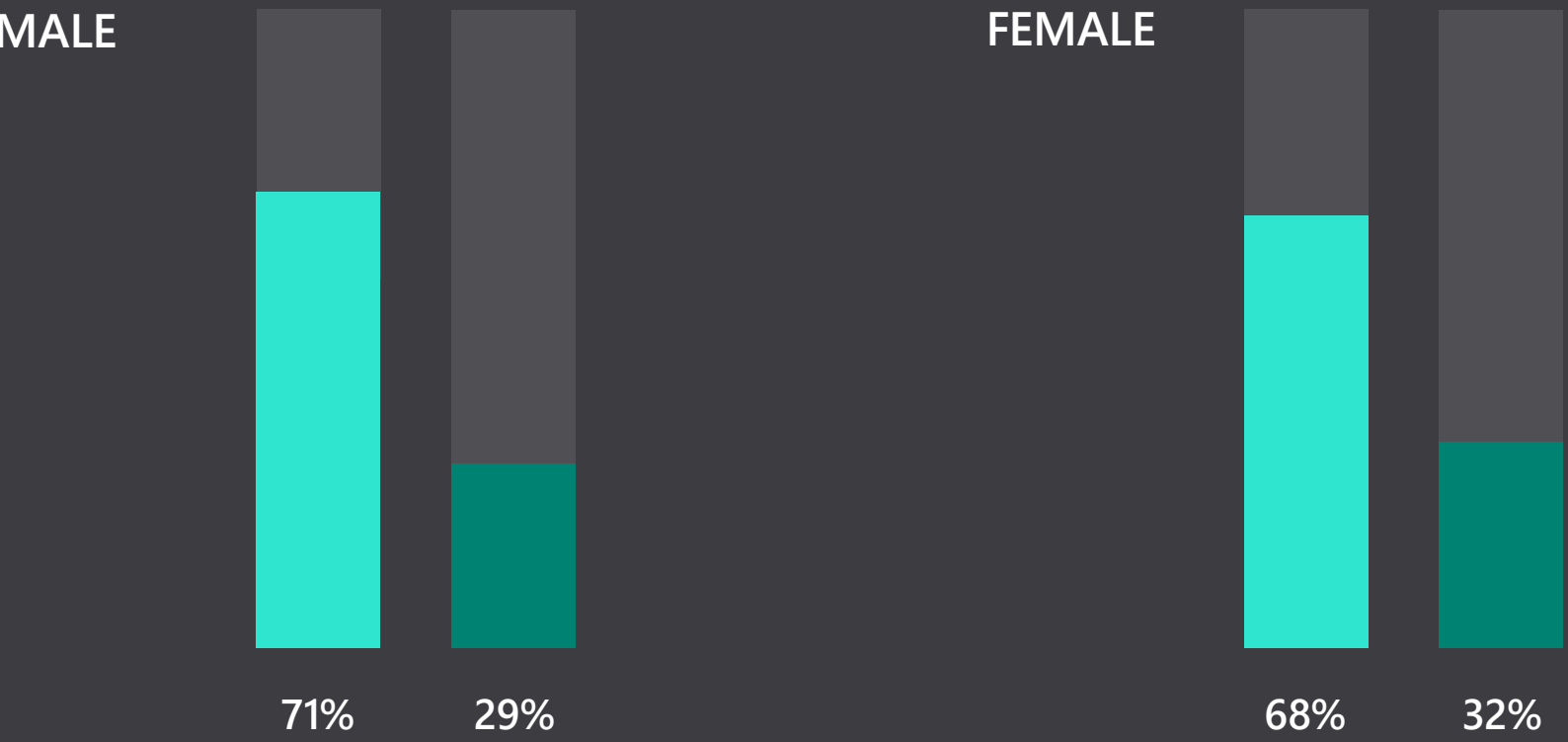
BY COUNTRY



BY AGE



BY GENDER



Do you have a more favorable view of brands that offer or contact you with proactive customer service notifications?

Yes No

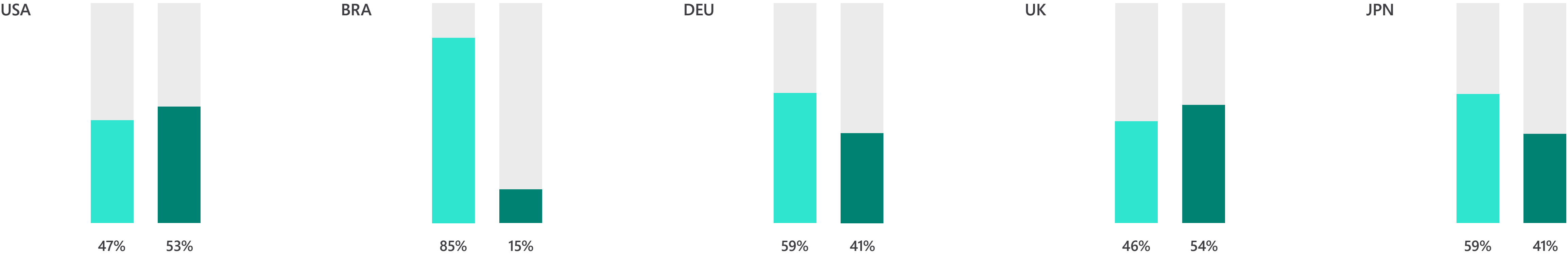


06 /

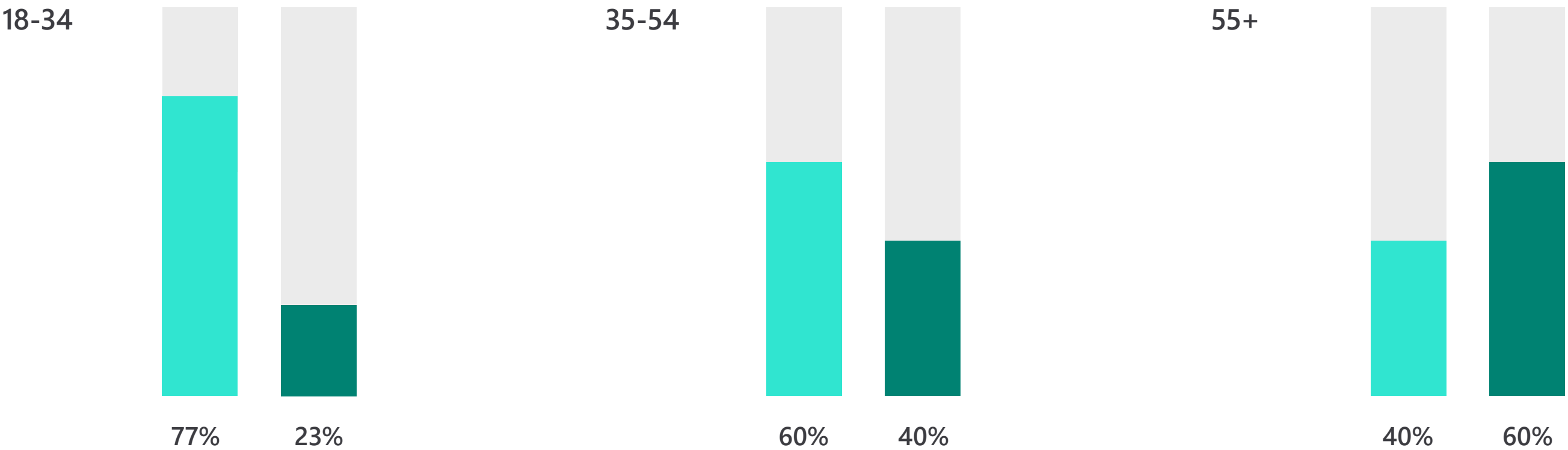
Do you have a more favorable view of brands that respond to customer service questions or complaints on social media?

Yes No

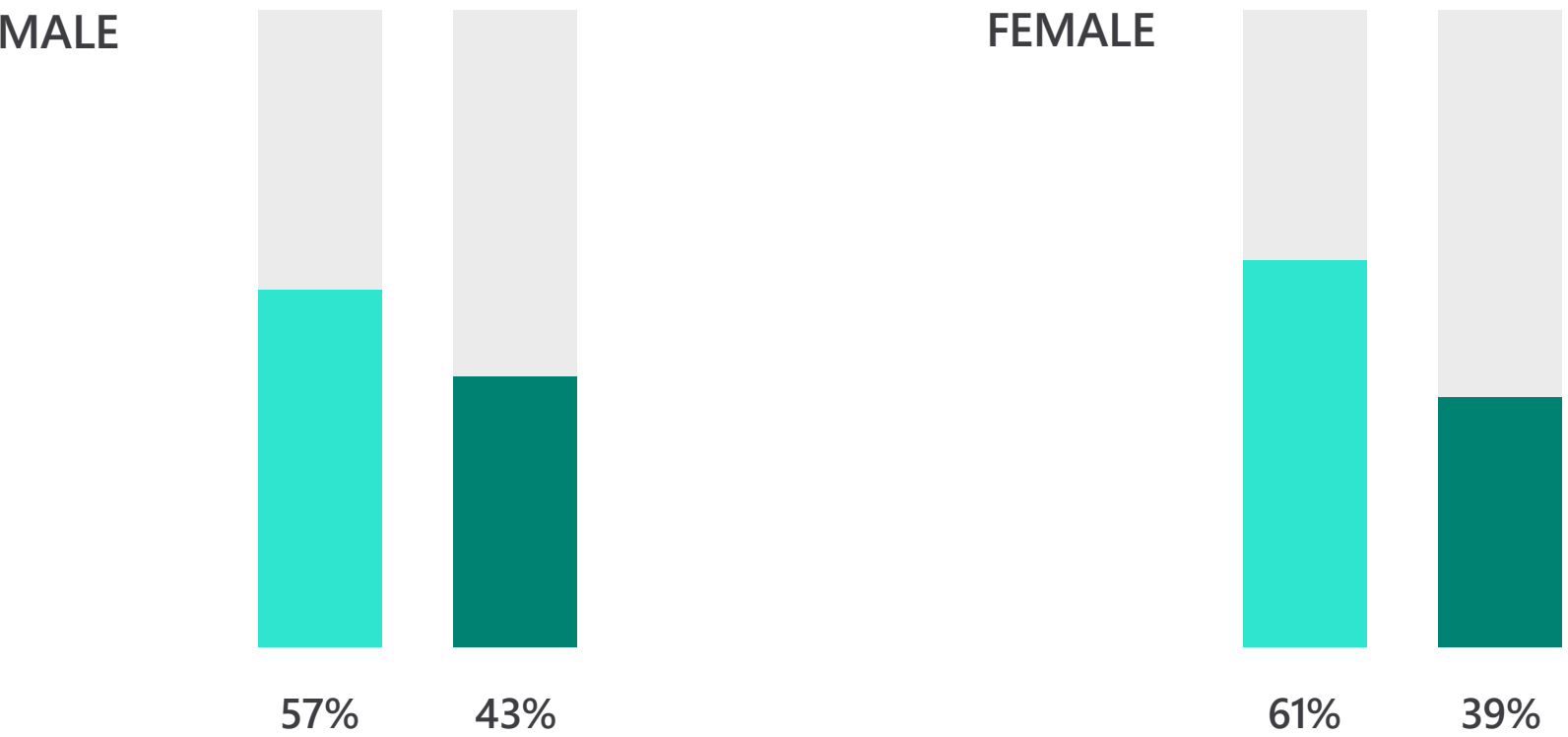
BY COUNTRY



BY AGE



BY GENDER



Do you have a more favorable view of brands that respond to customer service questions or complaints on social media?

Yes No

Perceptions and frustrations



Avoid common frustrations to create better experiences

The good news is that 66% of respondents feel the quality of customer service is getting better. However, more than a third (34%) think customer service is actually getting worse, and more than 60% don't see it as getting any easier—which means there is plenty of room for growth for brands that want to stand out from the crowd. So, what's working and what could be improved?

Providing support teams with a 360-degree view of the customer stands out as one of the biggest opportunities to improve the service experience. More than 75% of respondents expect customer service representatives to have visibility into previous interactions and purchases. Yet nearly half of those surveyed said agents almost never or only occasionally have the context they need to most effectively and efficiently solve their issue. It's no surprise customers ranked a

representative's lack of knowledge about their issue and having to repeat themselves as the two most frustrating aspects of a poor service experience. By providing support teams with a 360-degree view, agents have the context and visibility they need to resolve inquiries during a single interaction, which our respondents rated as the single most important aspect of a good service experience.

A 360-degree view will also help you to create more meaningful engagement experiences, something our data indicates customers are looking for. For example, nearly all customers (90%) have a more favorable view of brands that give them the opportunity to provide feedback. Giving your customers a voice will not only help you create better experiences, it will build loyalty by giving your customers a stake in your brand.

01 /

Do you feel the
quality of
customer service
is getting better
or worse?

20

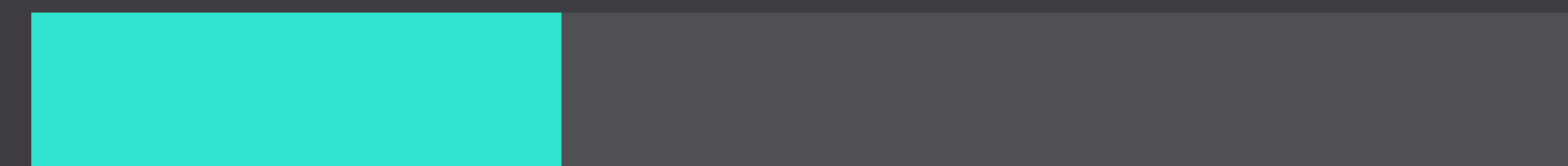
Global average

Better



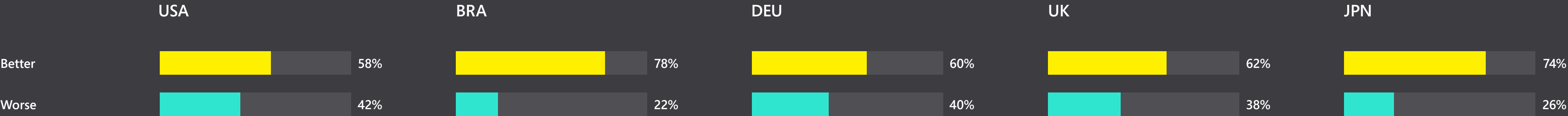
66%

Worse

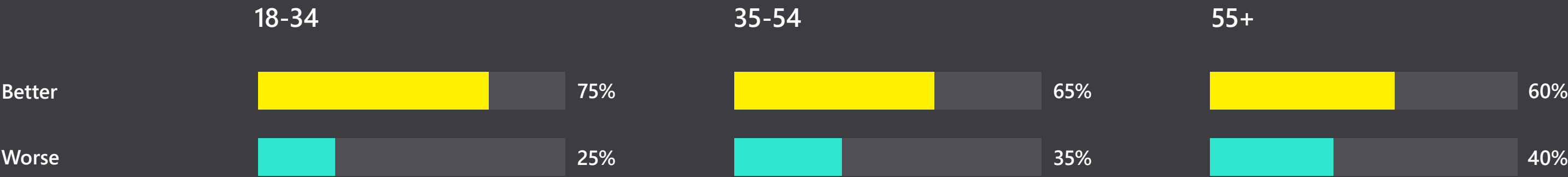


34%

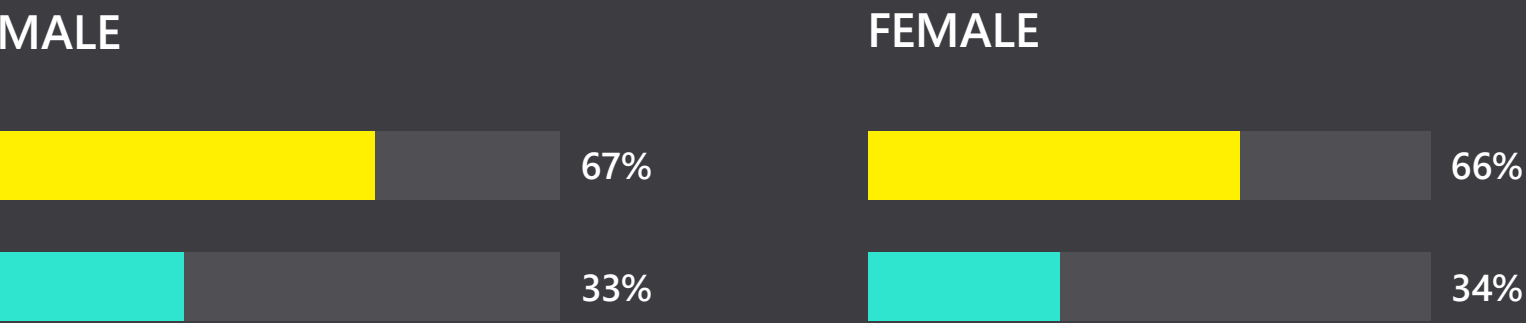
BY COUNTRY



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BY GENDER



Do you feel the quality of customer service is getting better or worse?

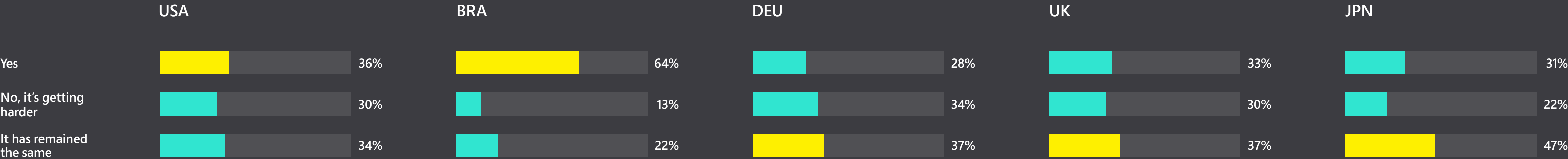
Global average



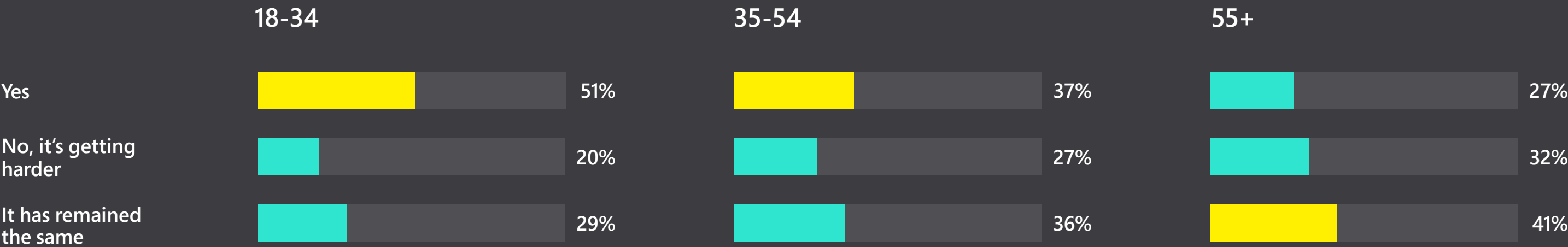
02 /

Do you feel the process of engaging with customer service organizations and getting your questions answered is getting easier?

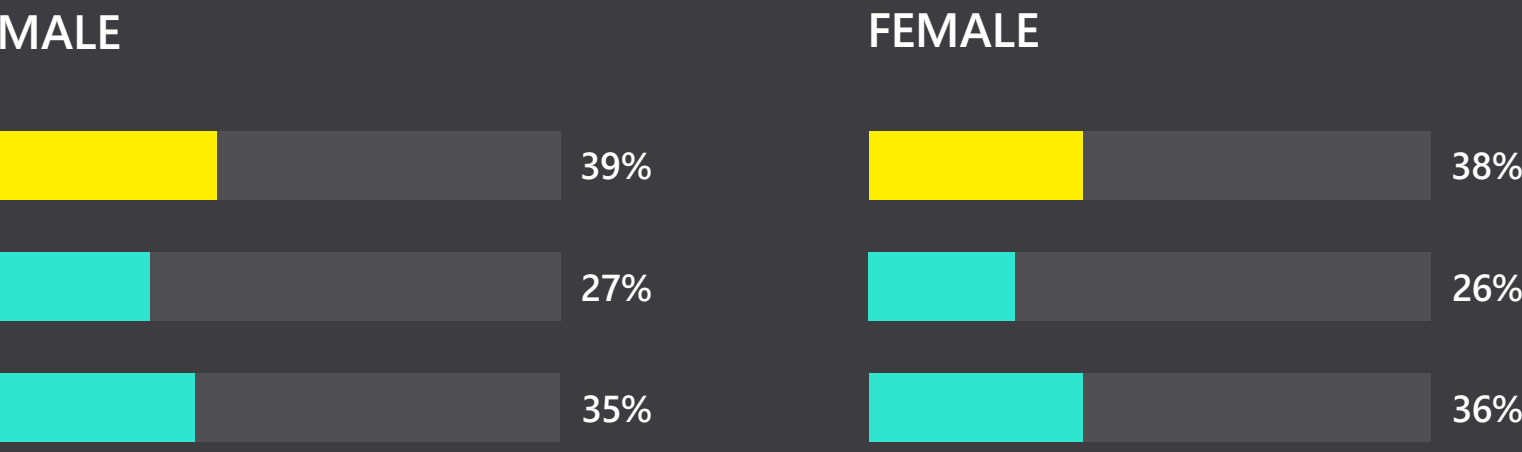
BY COUNTRY



BY AGE



BY GENDER



Do you feel the process of engaging with customer service organizations are getting your questions answered is getting easier?

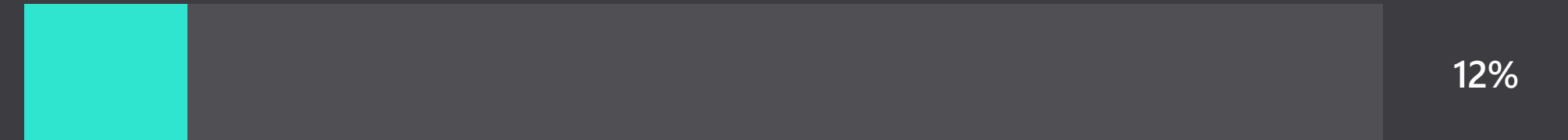
03 /

What is the most important aspect of a good customer service experience?

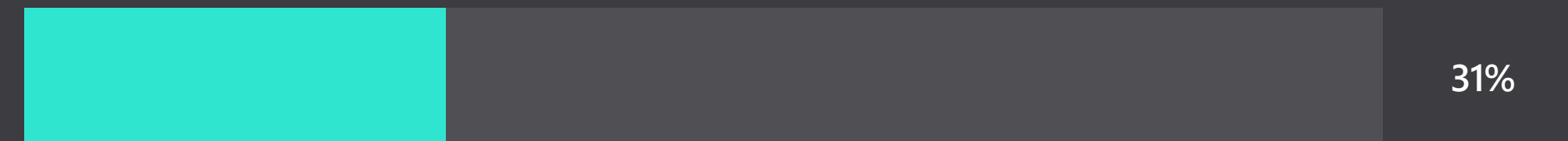
24

Global average

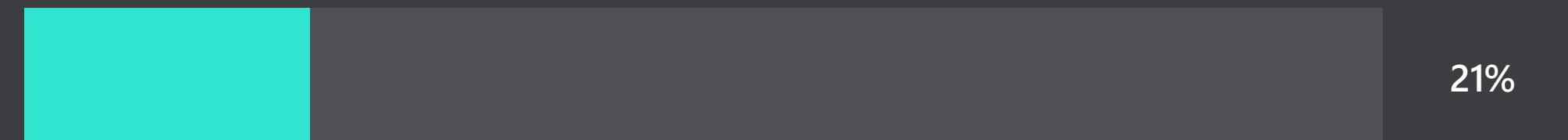
Being able to find the information I need without having to contact a support representative



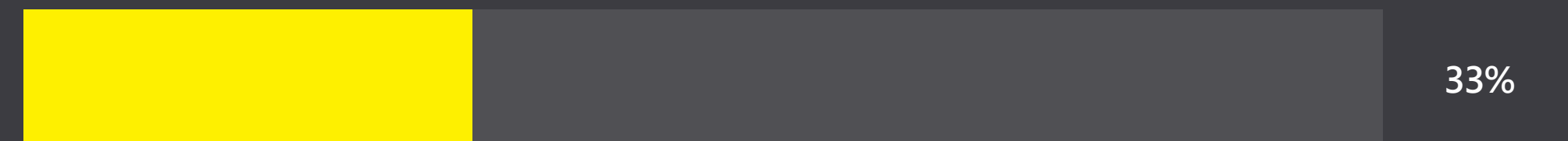
A knowledgeable customer service representative: 31%



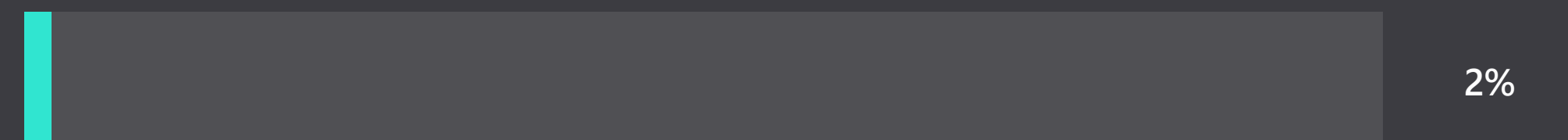
Not having to repeat myself if I'm transferred to a new agent



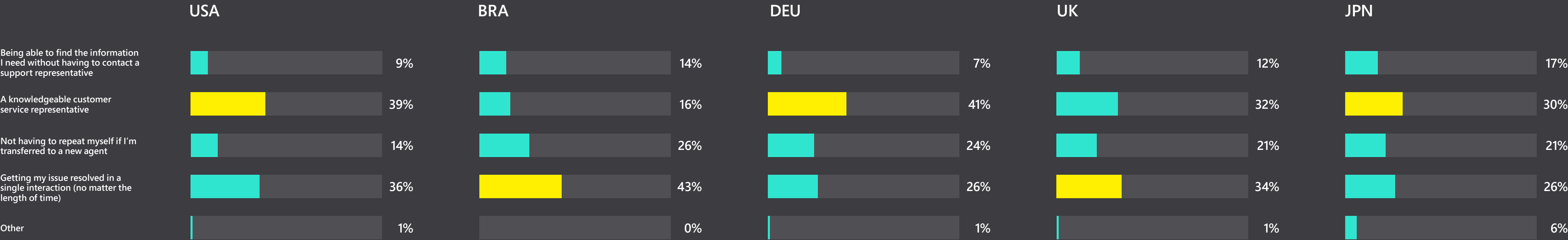
Getting my issue resolved in a single interaction (no matter the length of time)



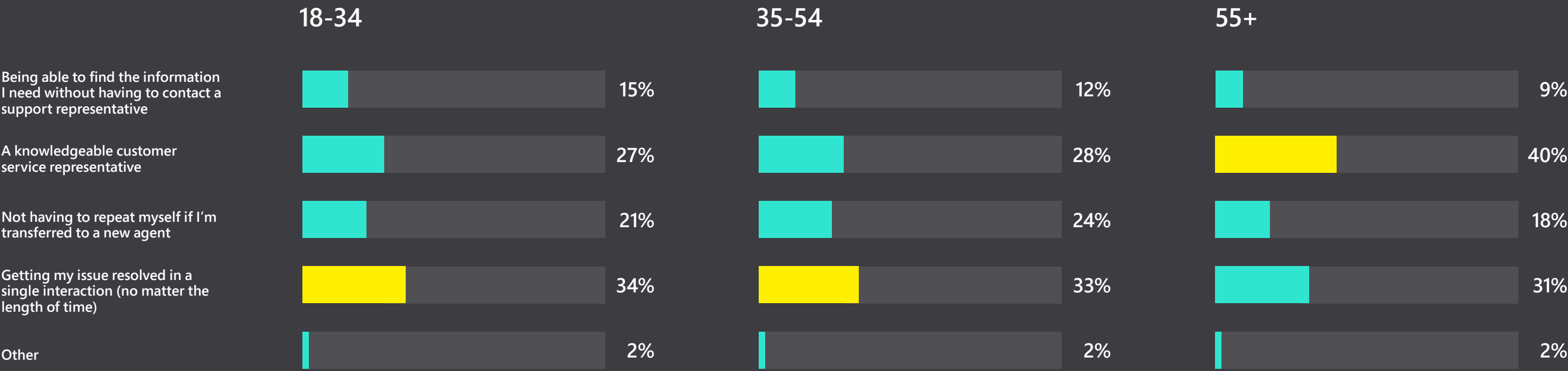
Other



BY COUNTRY

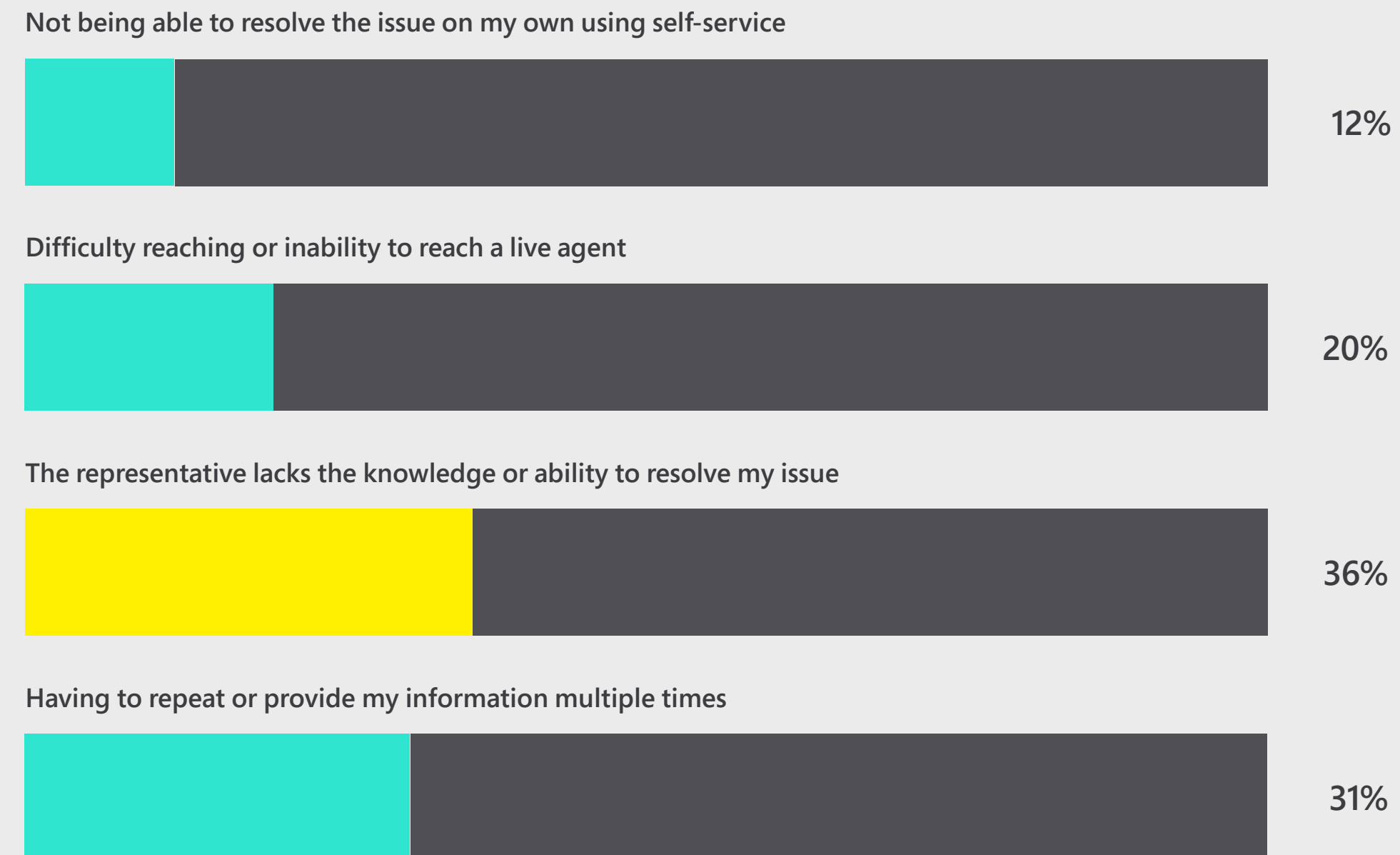


BY AGE



What is the most important aspect of a good customer service experience?

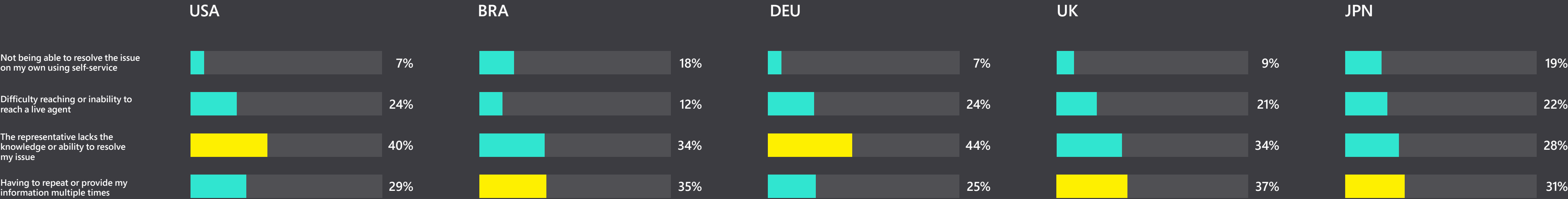
Global average



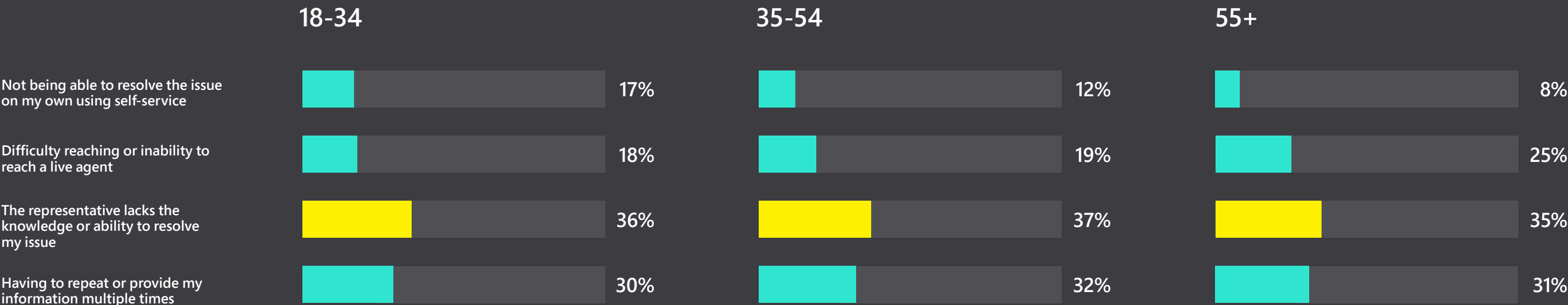
04 /

What is the most frustrating aspect of a poor customer service experience?

BY COUNTRY



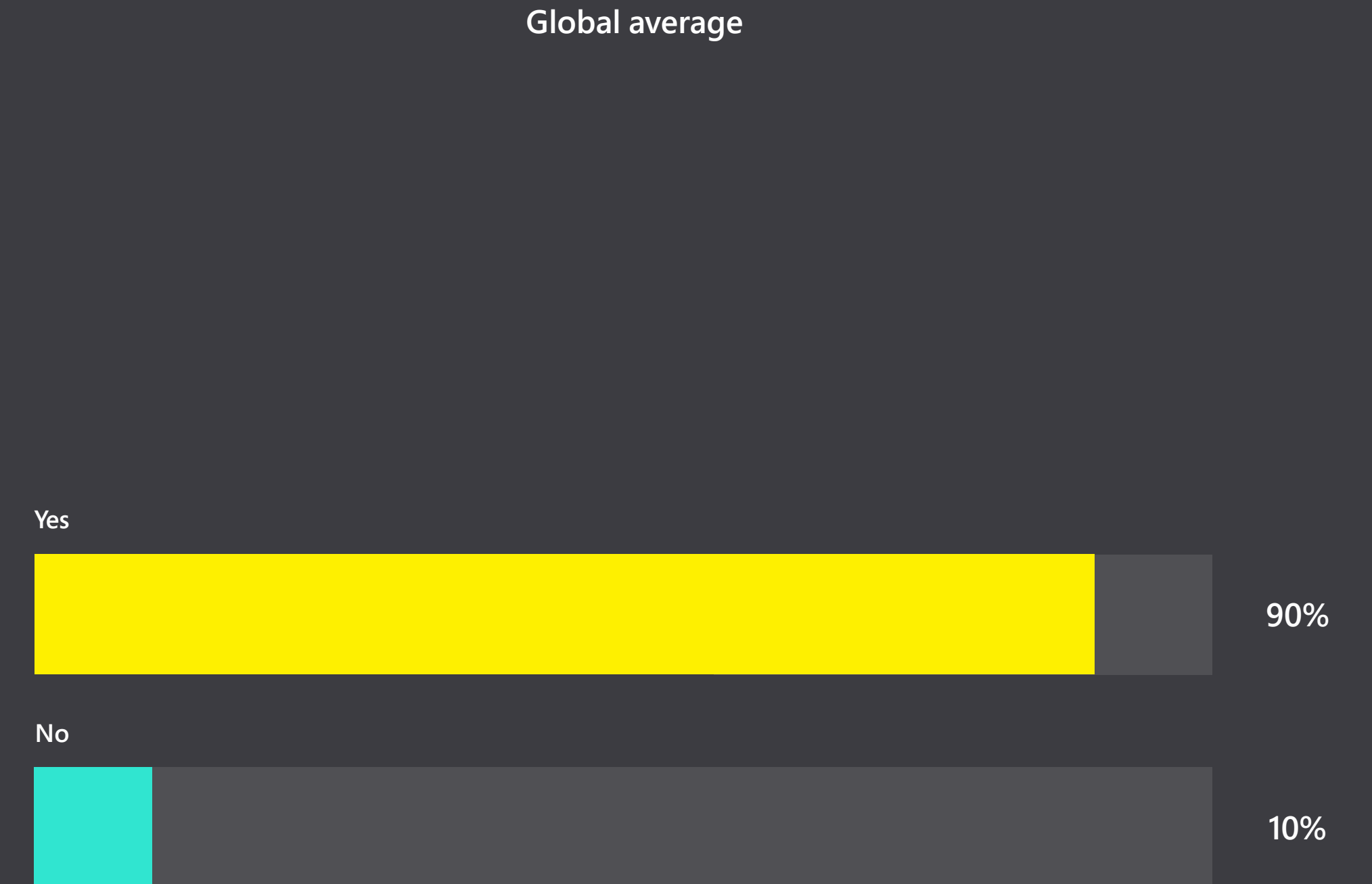
BY AGE



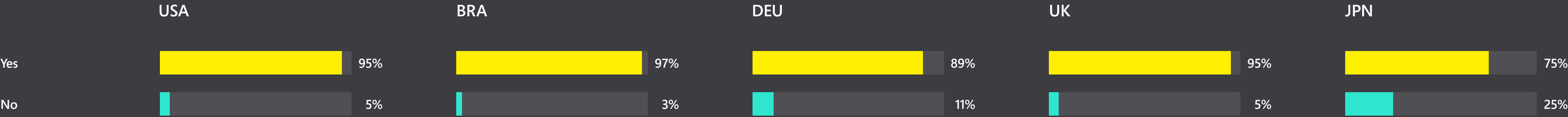
What is the most frustrating aspect of a poor customer service experience?

05 /

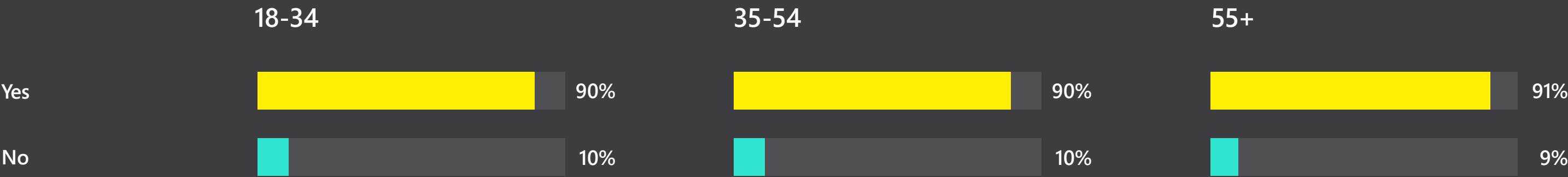
Should organizations
give you the
opportunity to
provide feedback?



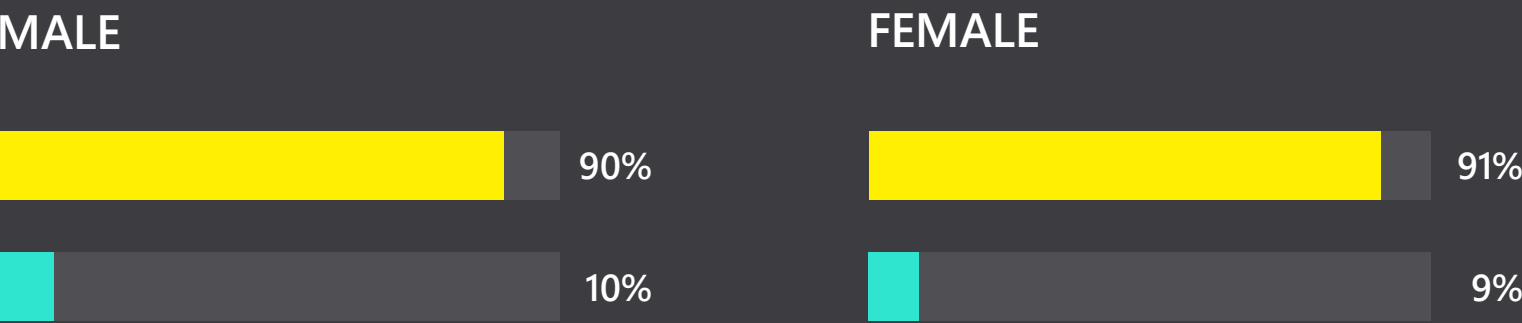
BY COUNTRY



BY AGE

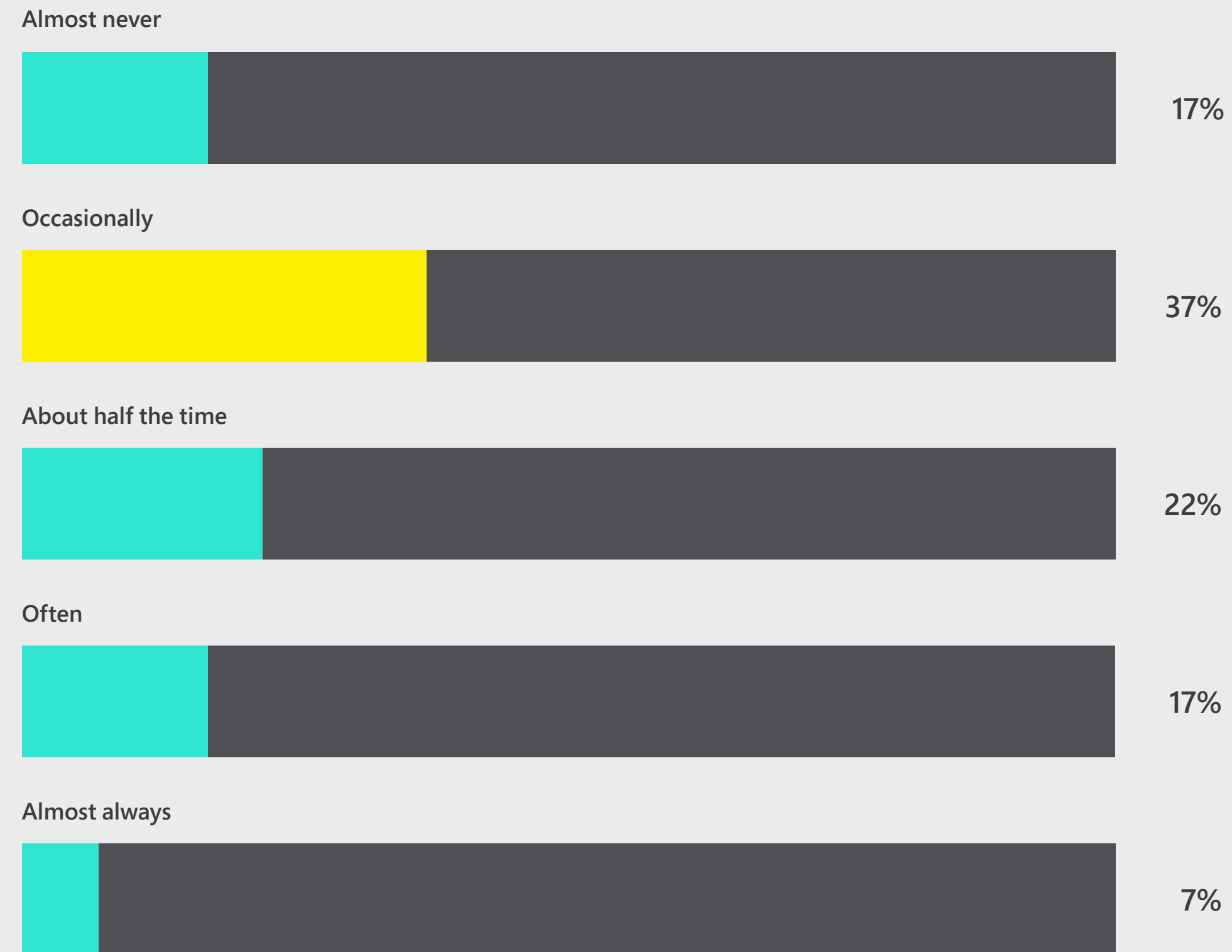


BY GENDER



Should organizations give you the opportunity to provide feedback?

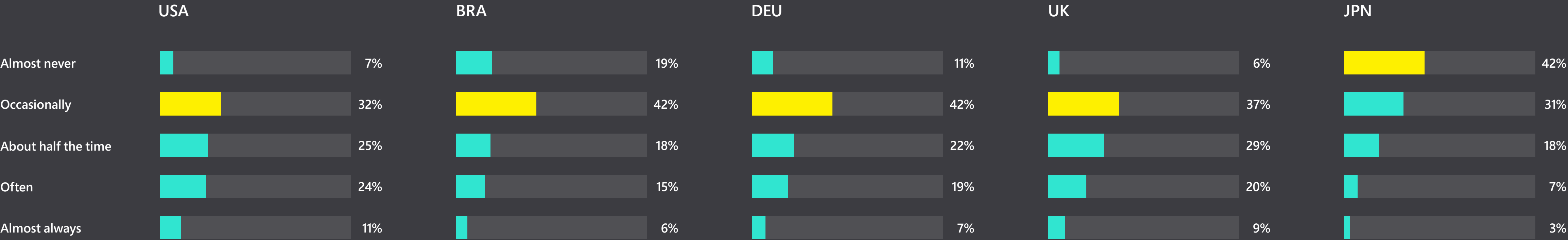
Global average



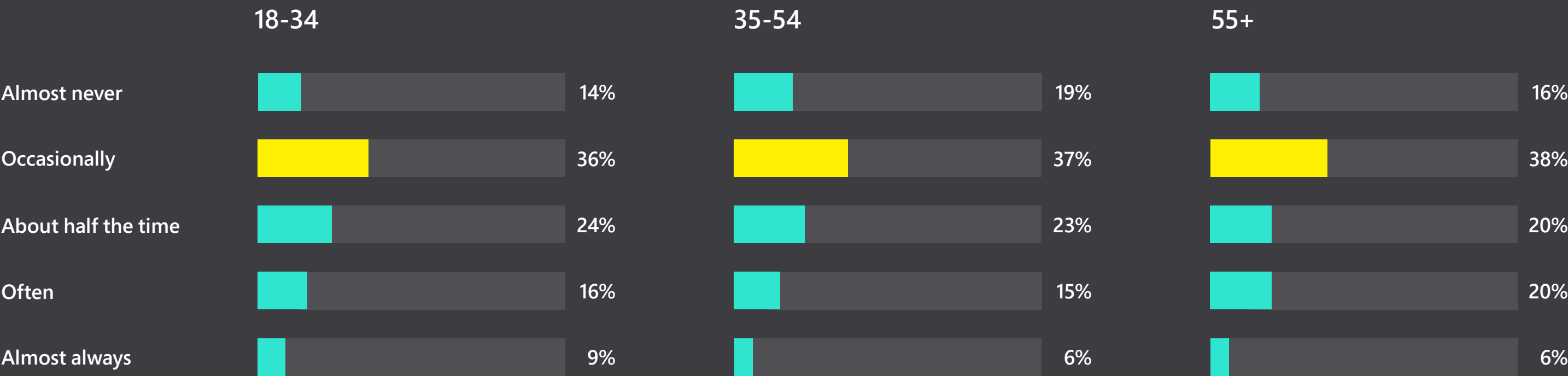
06 /

How often are
you given the
opportunity to
provide feedback?

BY COUNTRY



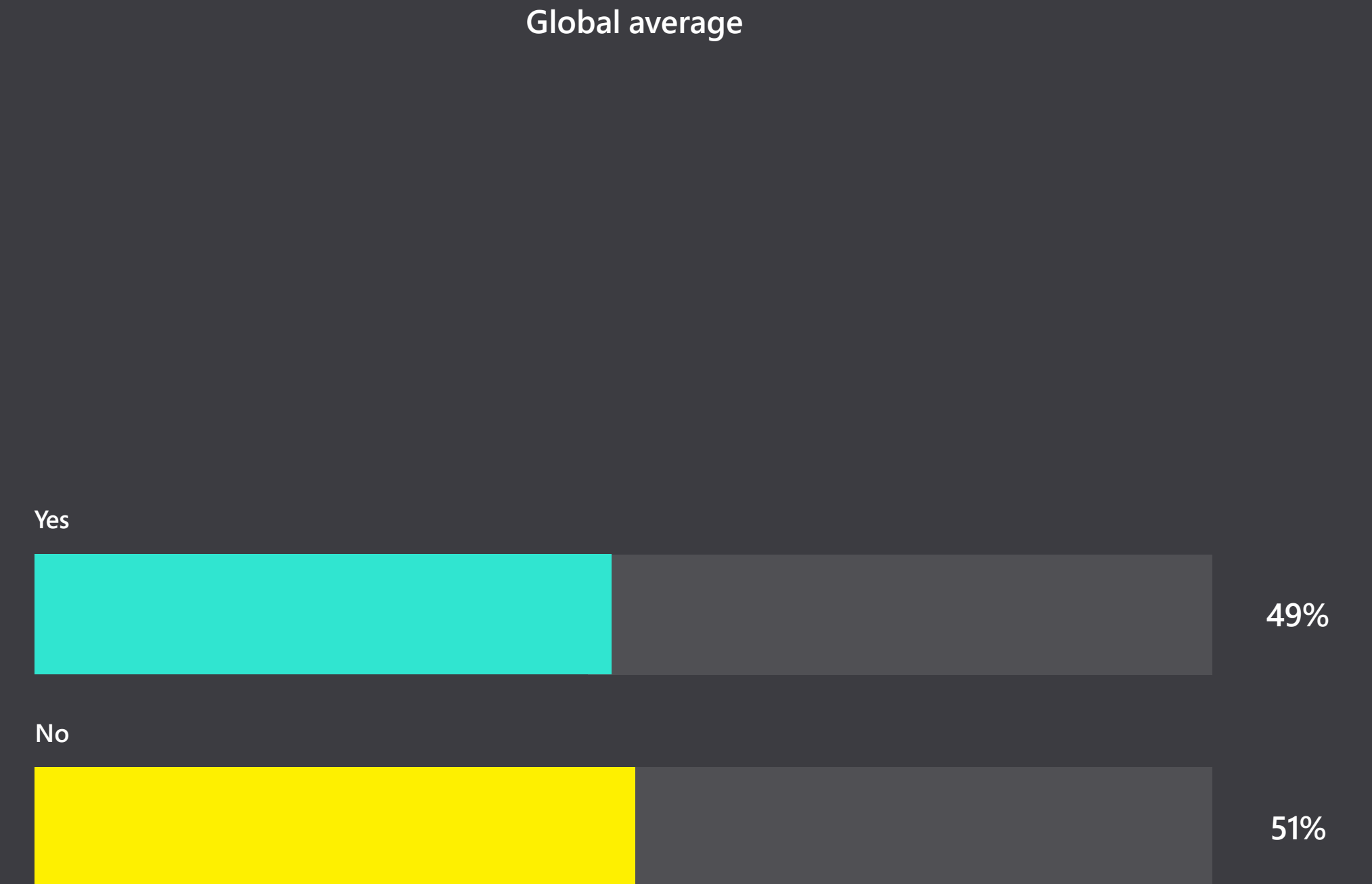
BY AGE



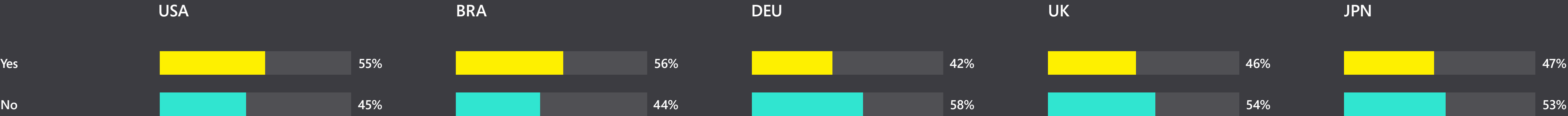
How often are you given the opportunity to provide feedback?

07 /

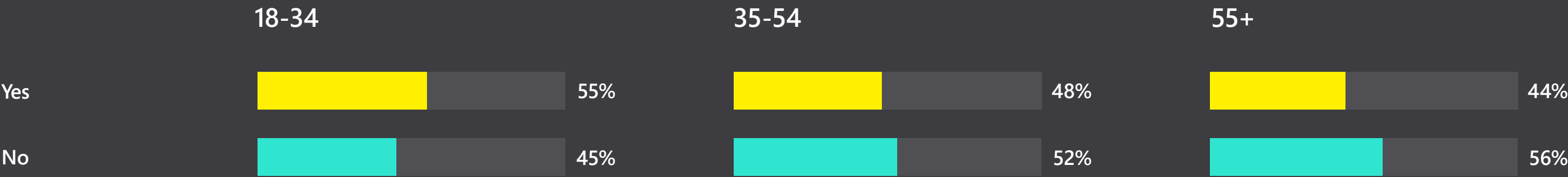
Do you believe most brands take action on feedback provided by their customers?



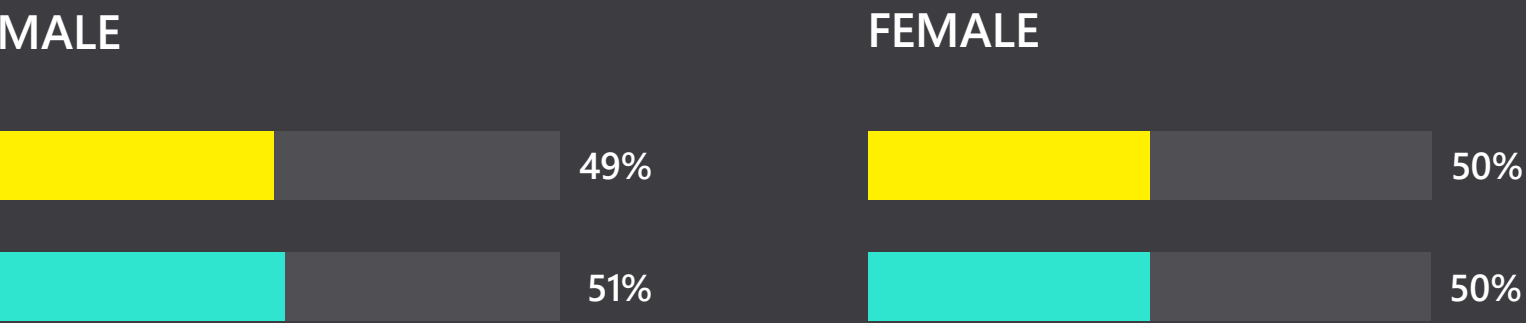
BY COUNTRY



BY AGE



BY GENDER



Do you believe most brands take action on feedback provided by their customers?

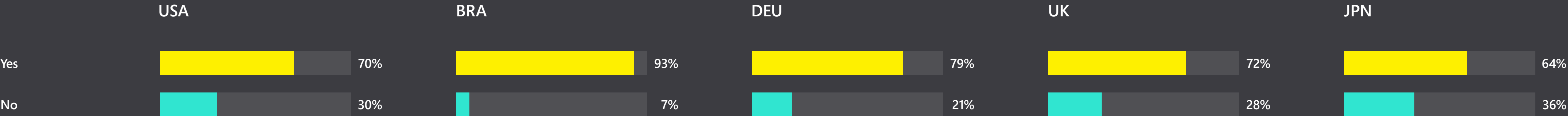
Global average



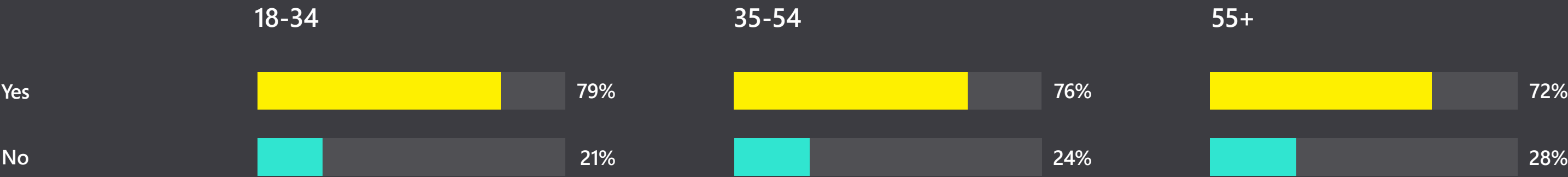
08 /

Do you expect a customer service representative to know your contact, product and service information/history?

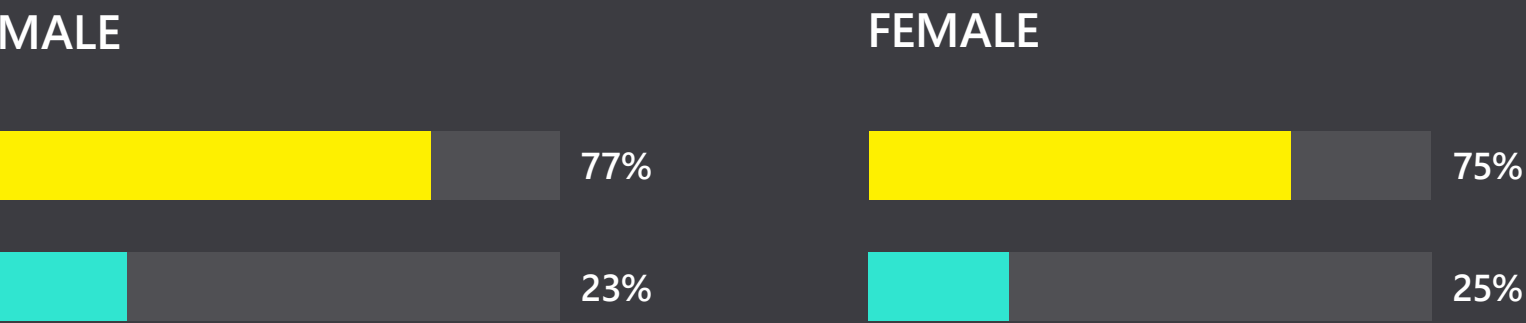
BY COUNTRY



BY AGE

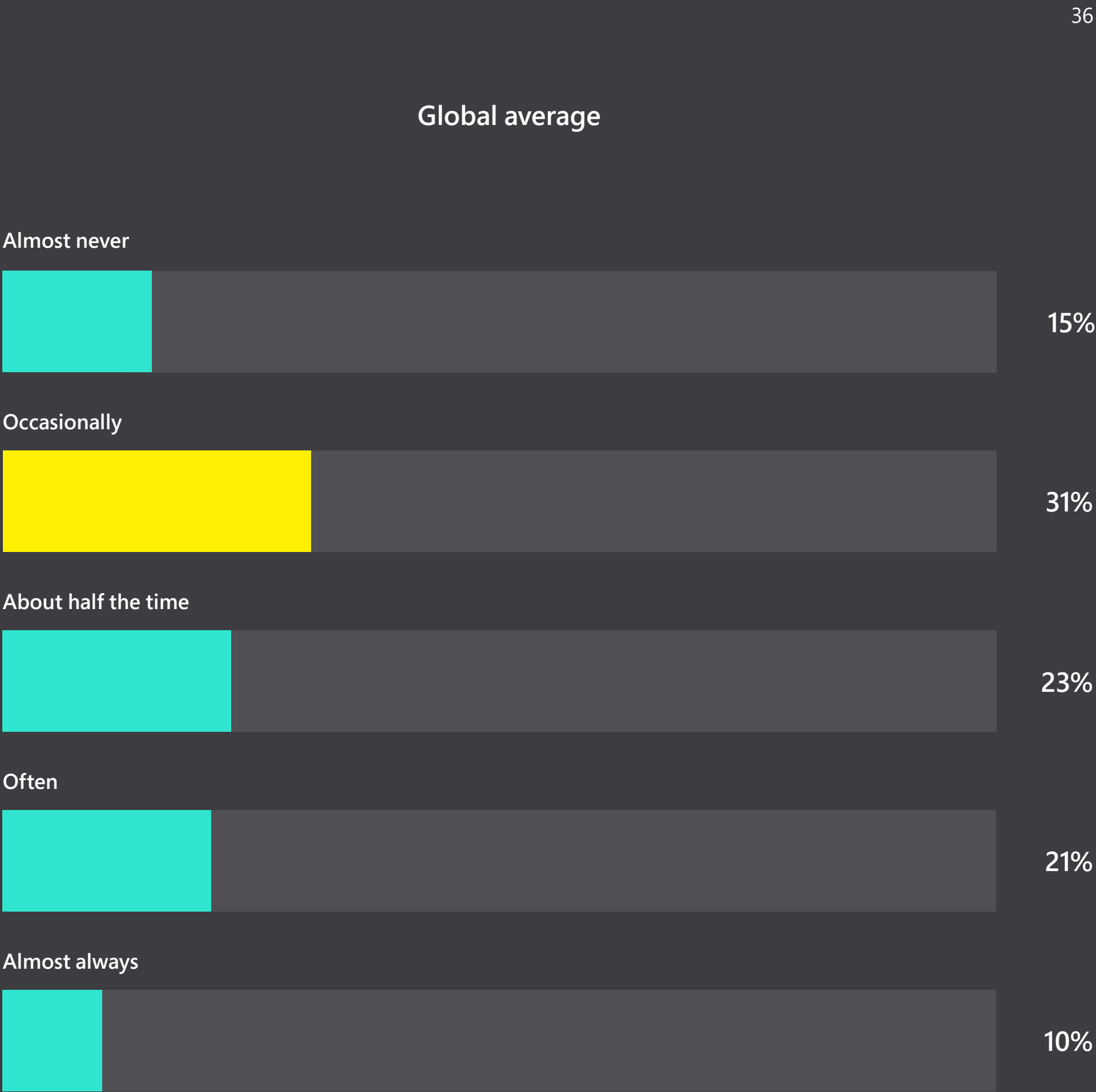


BY GENDER

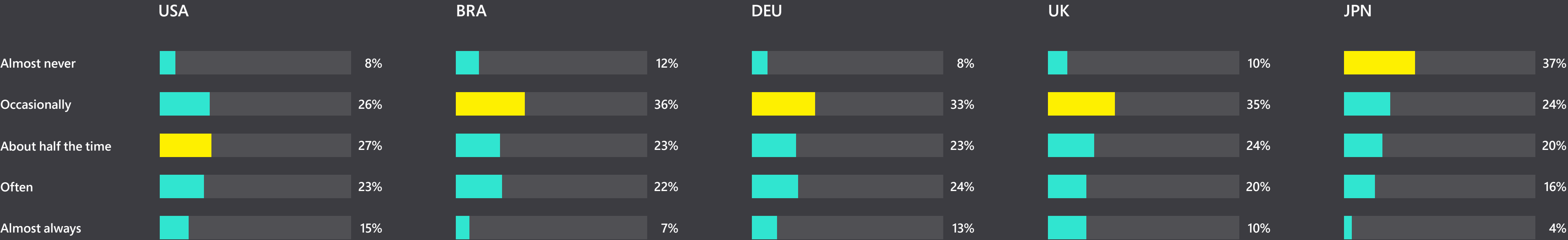


Do you expect customer service representative to know your contact, product and service information/history?

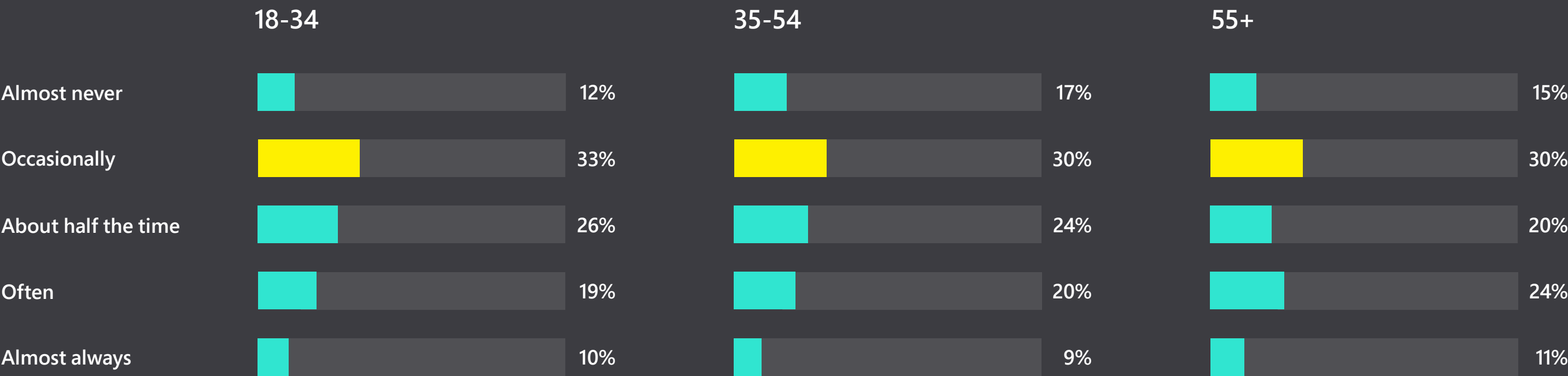
In your experience, how often does a service representative have access to this information?



BY COUNTRY



BY AGE



In your experience, how often does a service representative have access to this information?

Omni-channel



Deliver quality service anytime, anywhere

Today's customers expect to receive service across multiple channels and on any device. In fact, 59% of our 2018 respondents have used three or more channels to get their questions answered. As those customers jump from channel to channel—particularly during a single inquiry—many customer service organizations are unable to transform multiple touchpoints into a frictionless, personalized engagement experience. Regardless of the resolution path, customers should experience a smooth and effortless transition between channels and interactions.

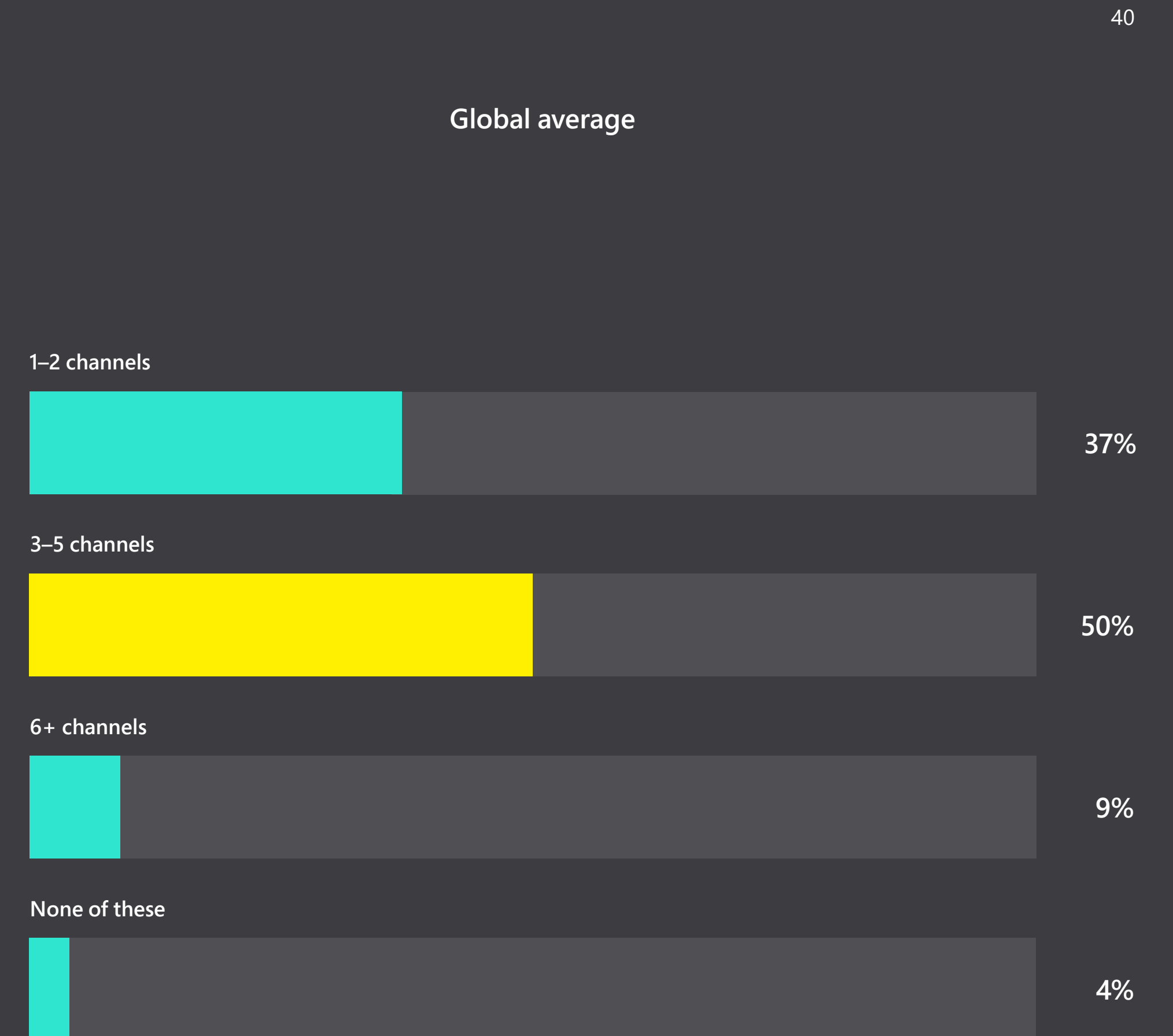
With two thirds of all customers preferring to first try solving issues on their own, self-service should be a cornerstone of any omni-channel strategy. But not every inquiry can be resolved through self-service. For complex issues, customers should also be offered a choice of assisted service channels to effectively address their needs.

Channel preferences vary from phone to chat to social media, so knowing how your customers prefer to interact remains a key priority. And it's important to evolve with your customers. For instance, our study found that the percentage of customers ages 35+ using social channels for support doubled in the last year. No longer just an important option for millennials, social channels are fast becoming a standard for all demographics.

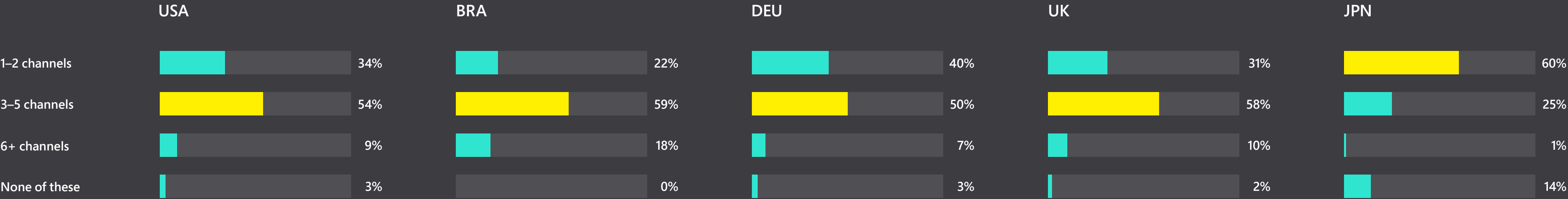
When it comes to channel options, you not only need to offer your customers choice and convenience—you need to deliver a consistent, effortless and unified customer service experience across every touchpoint.

01 /

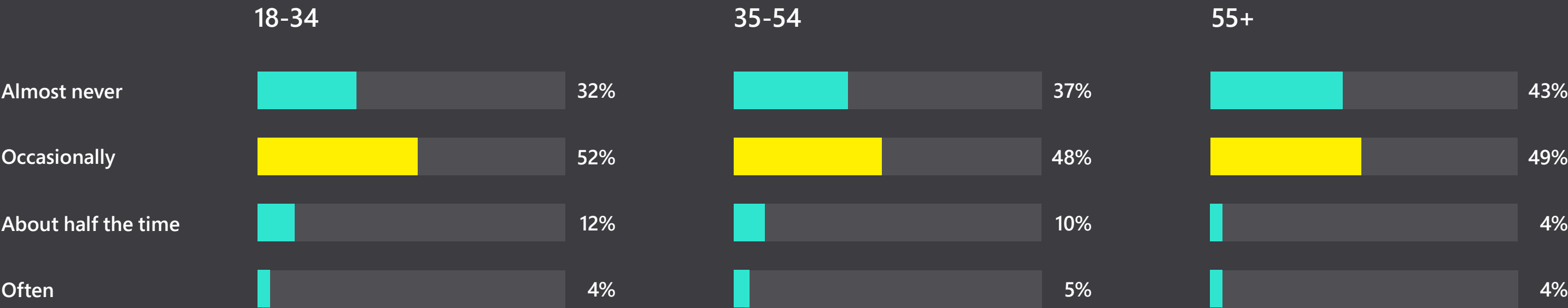
How many different customer service channels have you used?



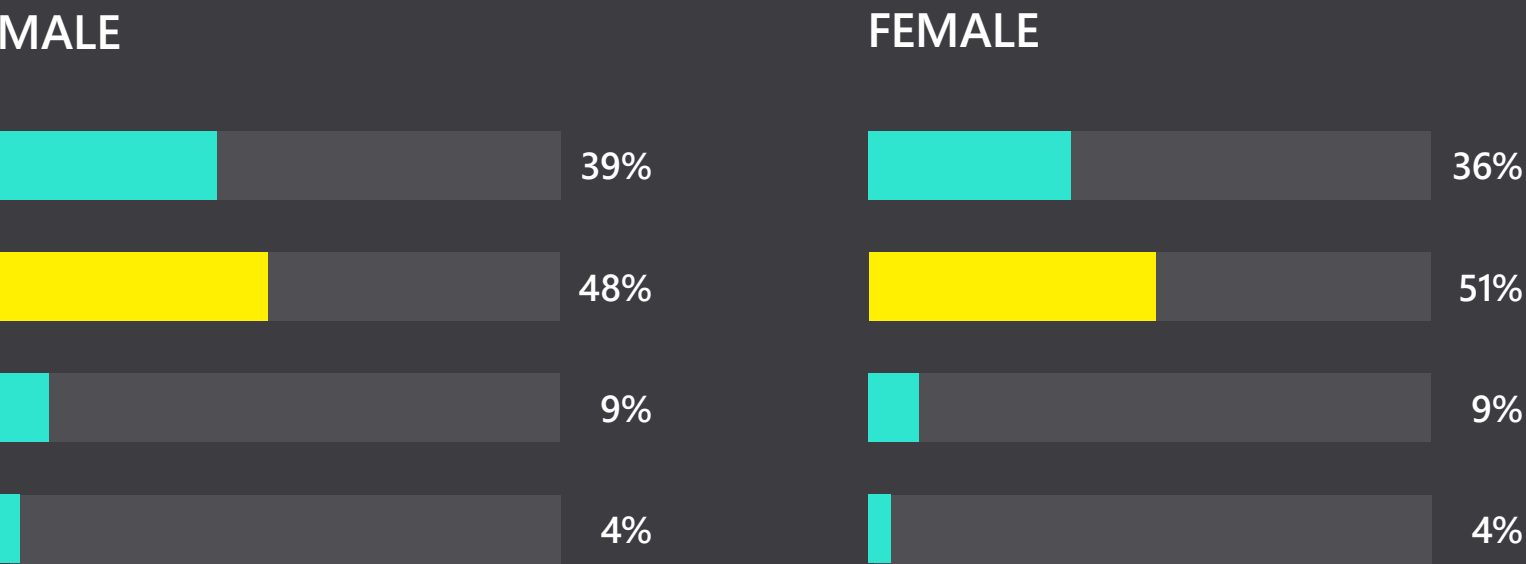
BY COUNTRY



BY AGE

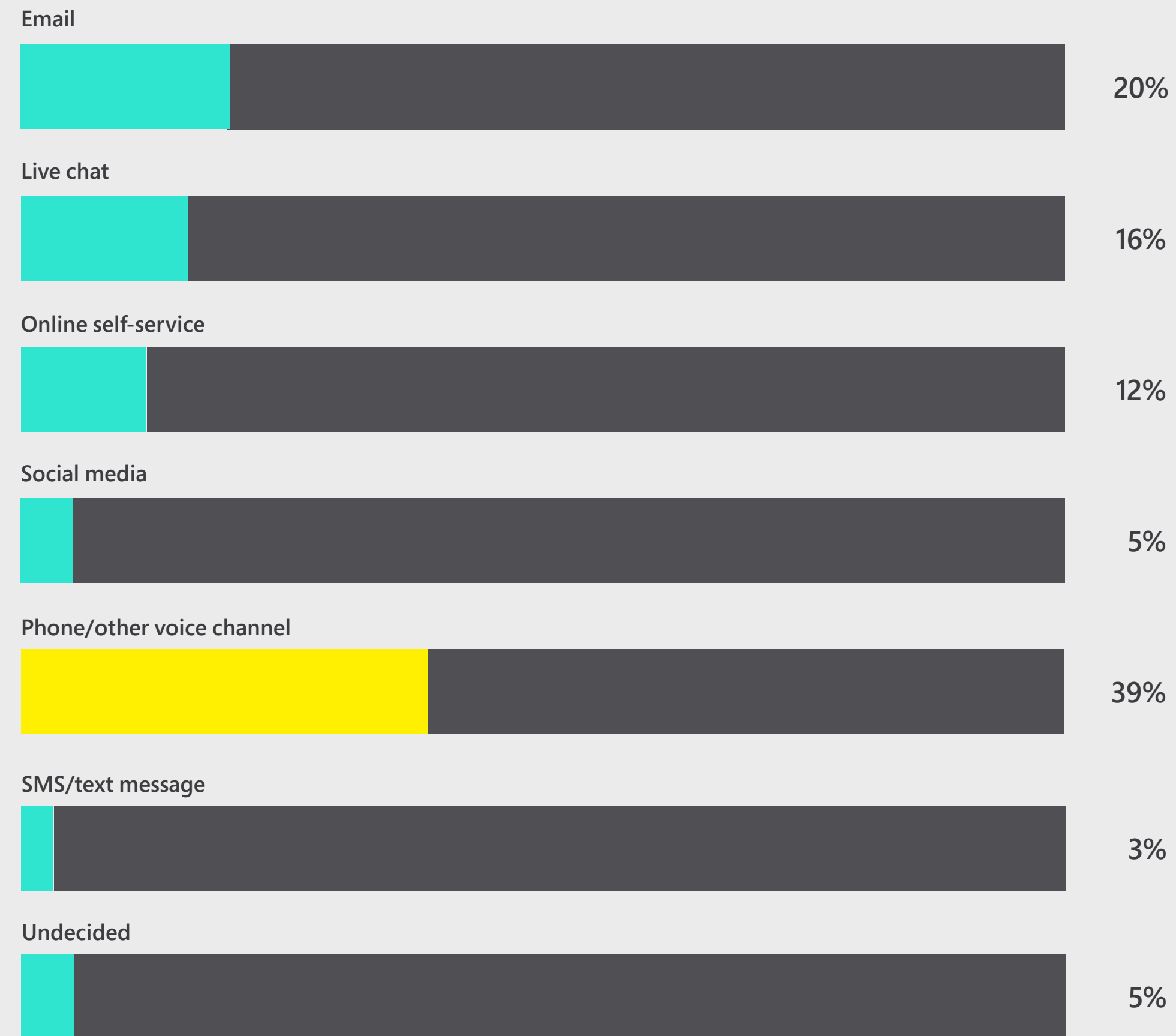


BY GENDER



How many different customer service channels have you used?

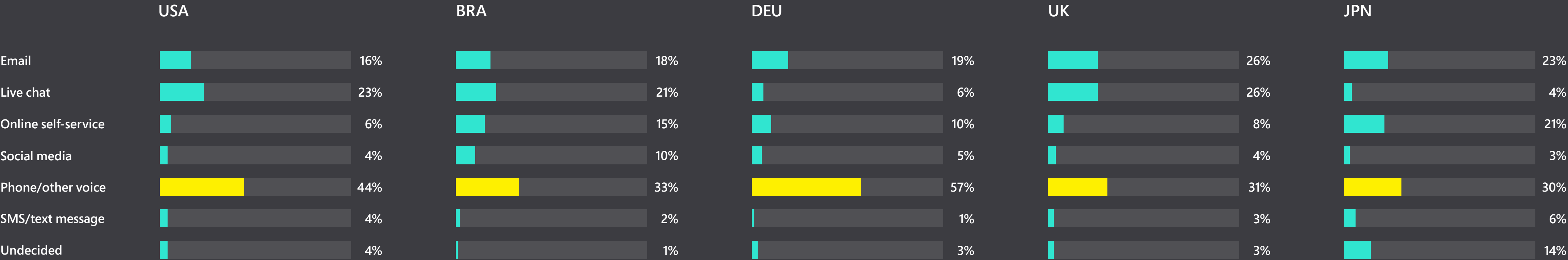
Global average



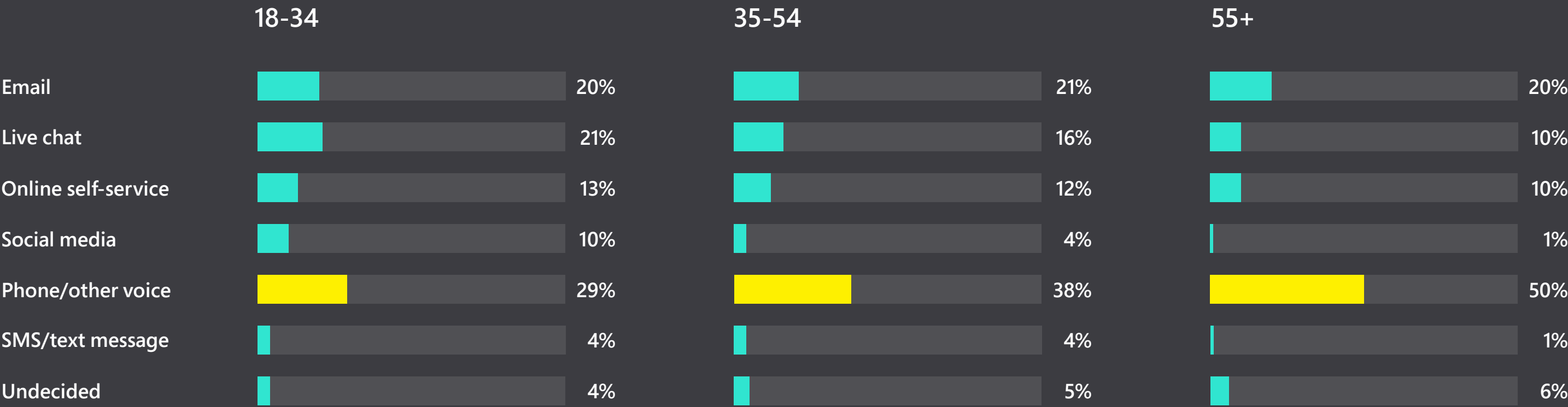
02 /

Which of the following customer service channels do you prefer?

BY COUNTRY



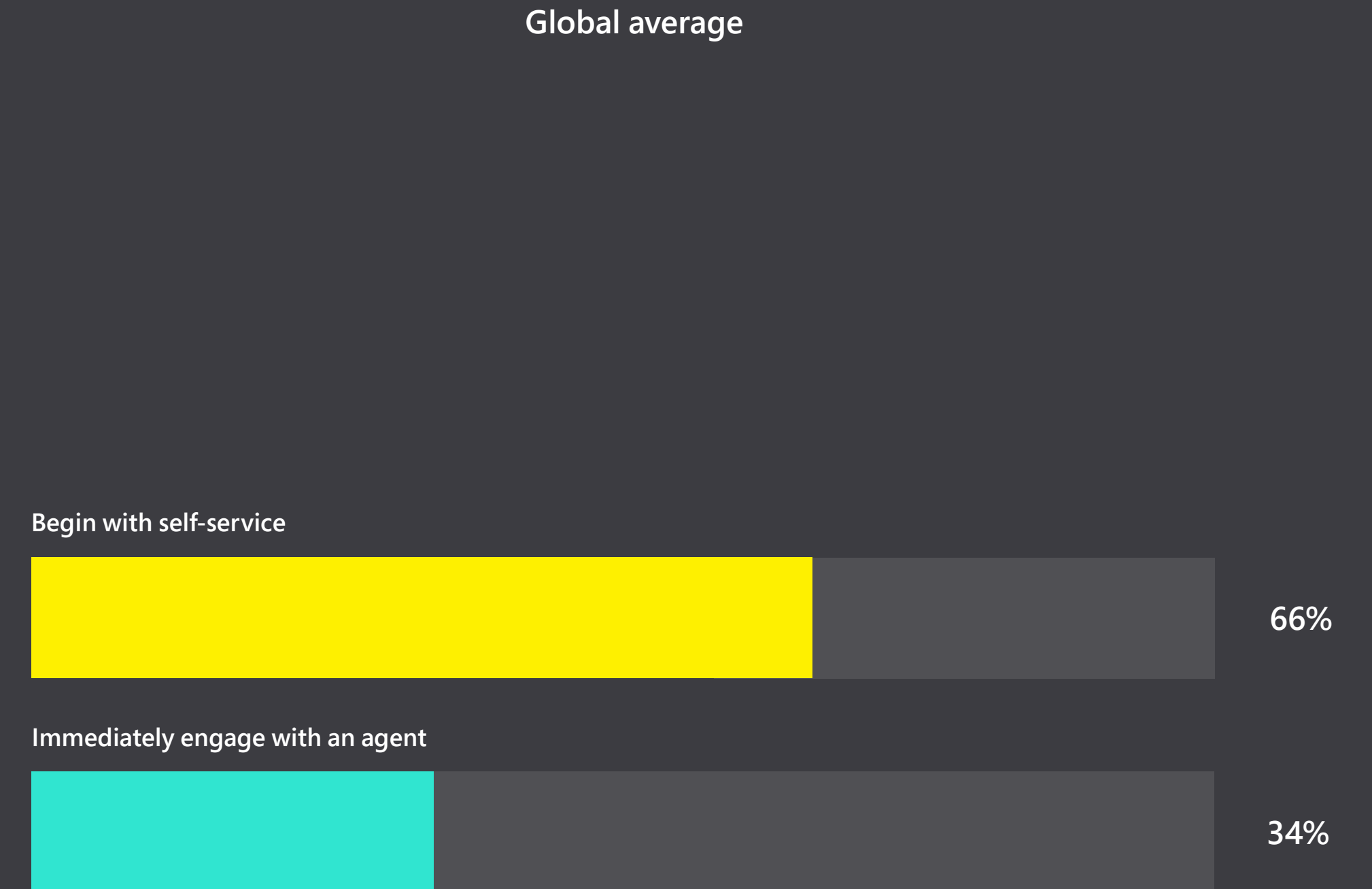
BY AGE



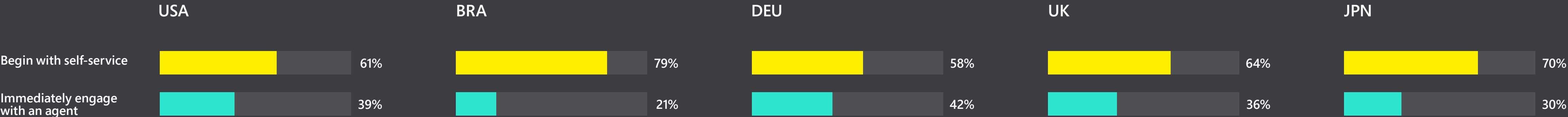
Which of the following customer service channels do you prefer?

03 /

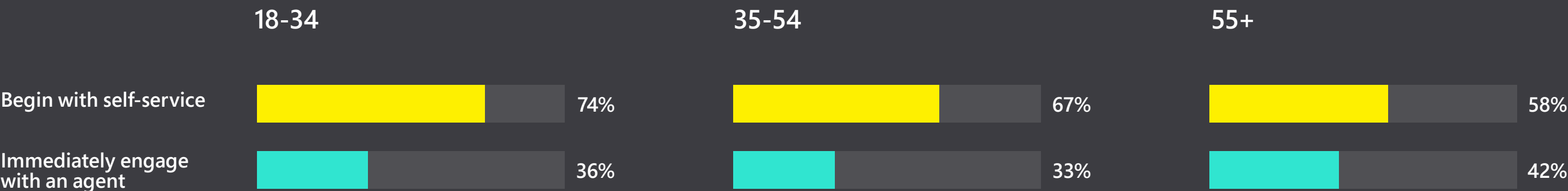
When engaging with customer service, do you try to use self-service first, or do you immediately engage with an agent?



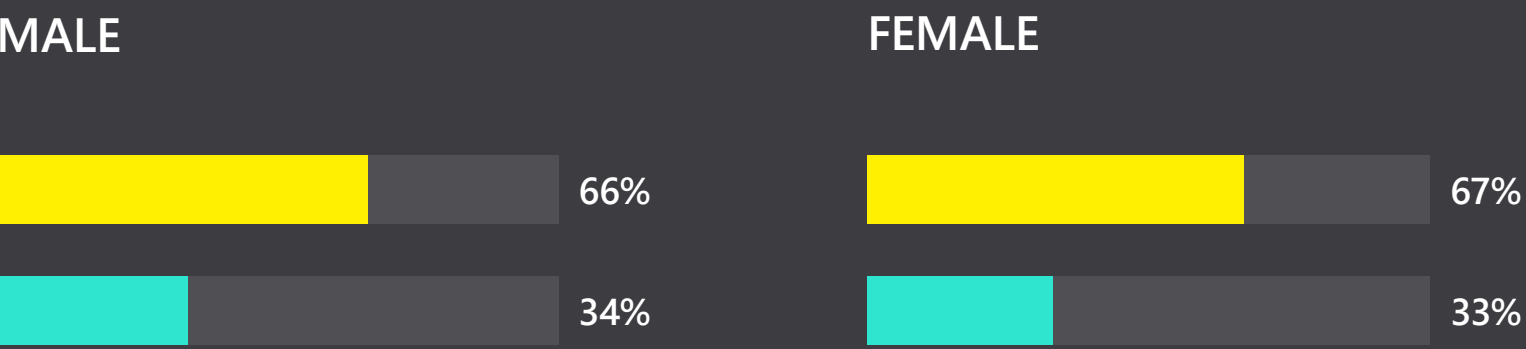
BY COUNTRY



BY AGE



BY GENDER



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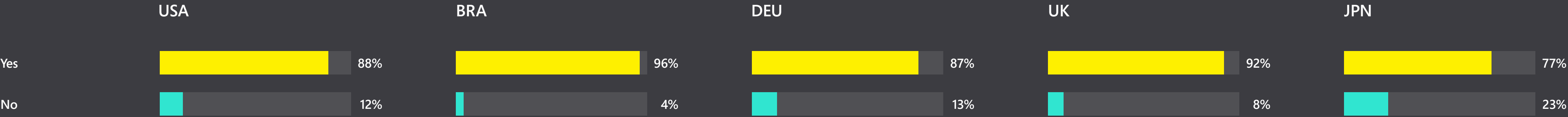
Global average



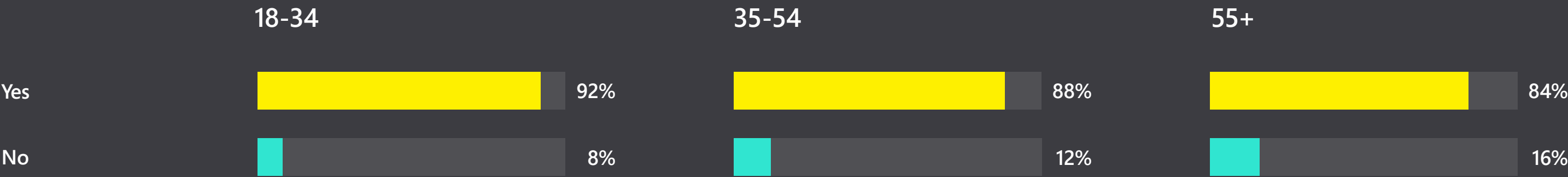
04 /

Do you expect a brand or organization to offer an online self-service support portal?

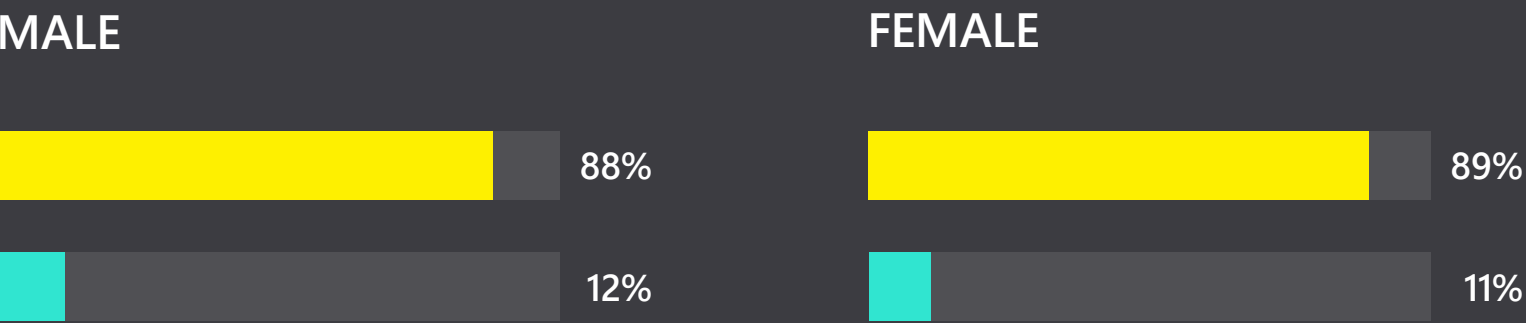
BY COUNTRY



BY AGE

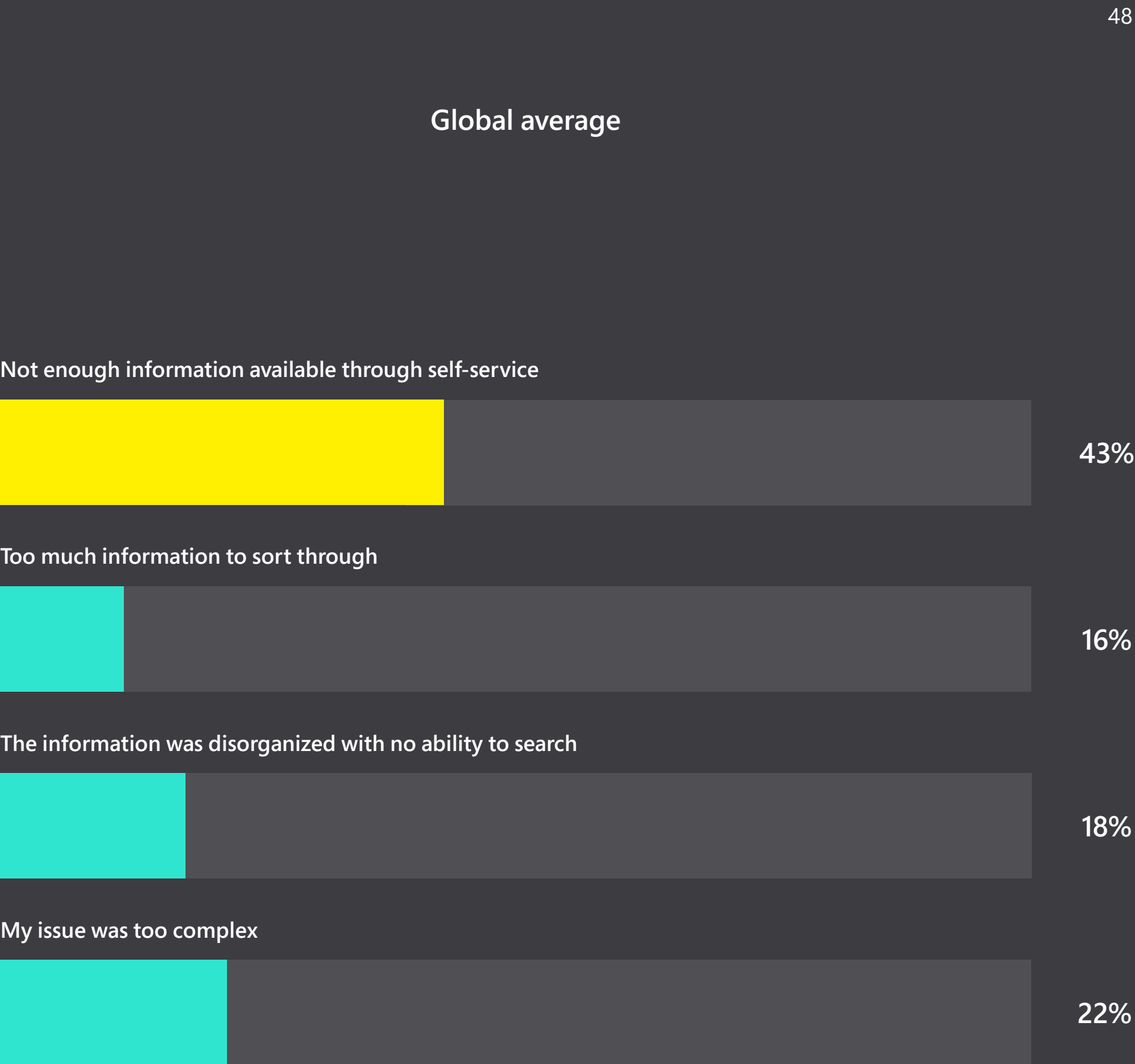


BY GENDER

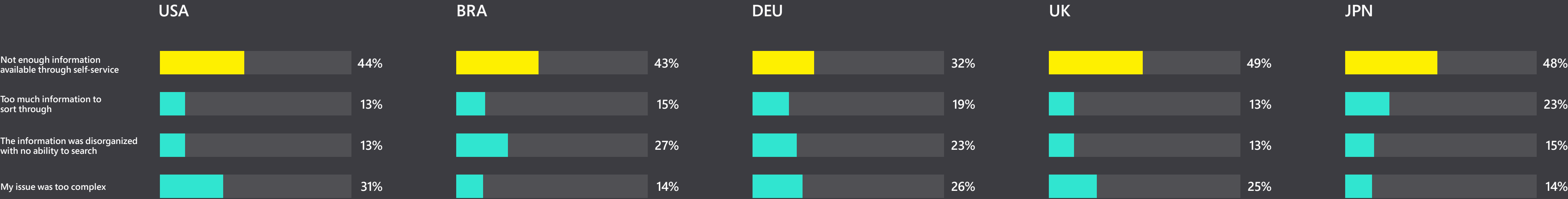


Do you expect a brand or organization to offer an online self-service support portal?

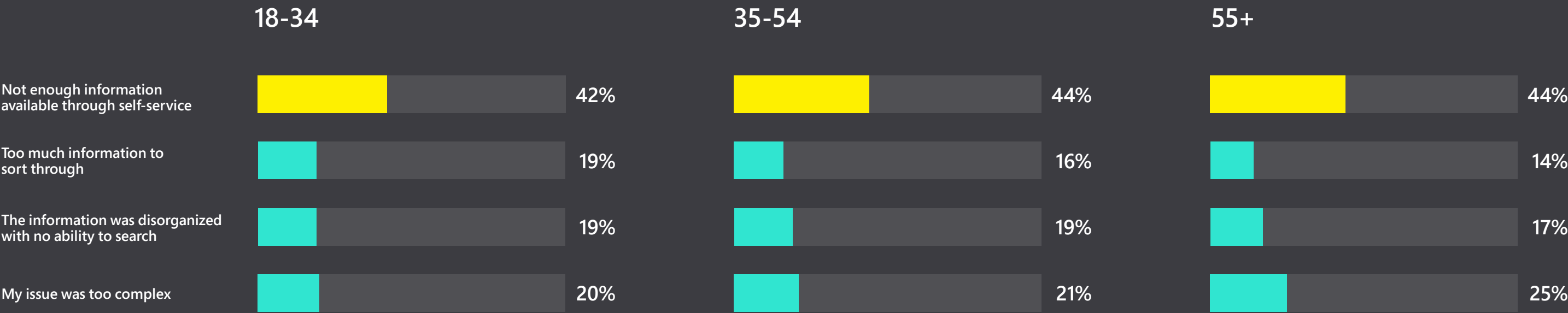
If you did not find the response you were looking for, what was the key issue?



BY COUNTRY

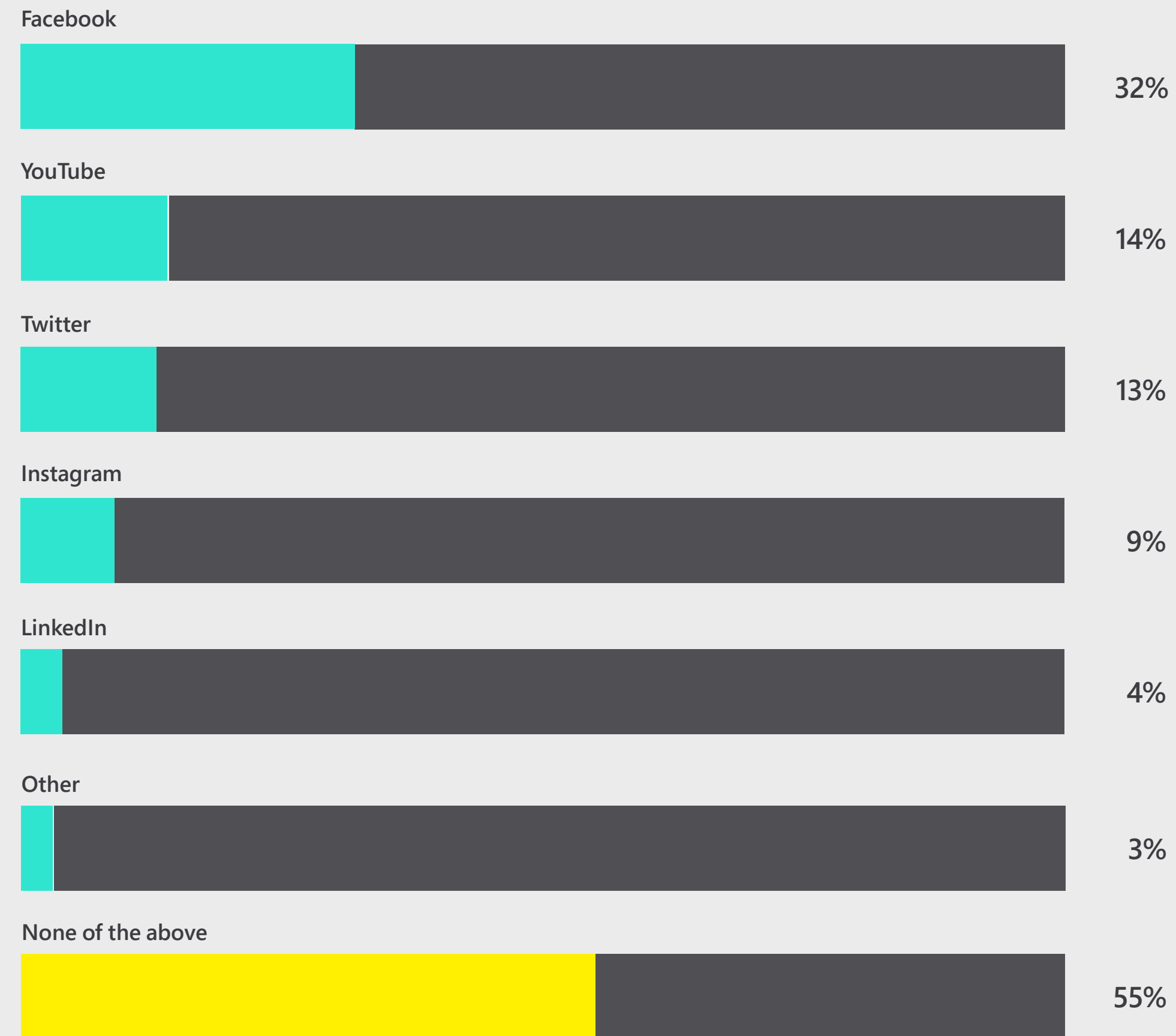


BY AGE



If you did not find the response you were looking for, what was the key issue?

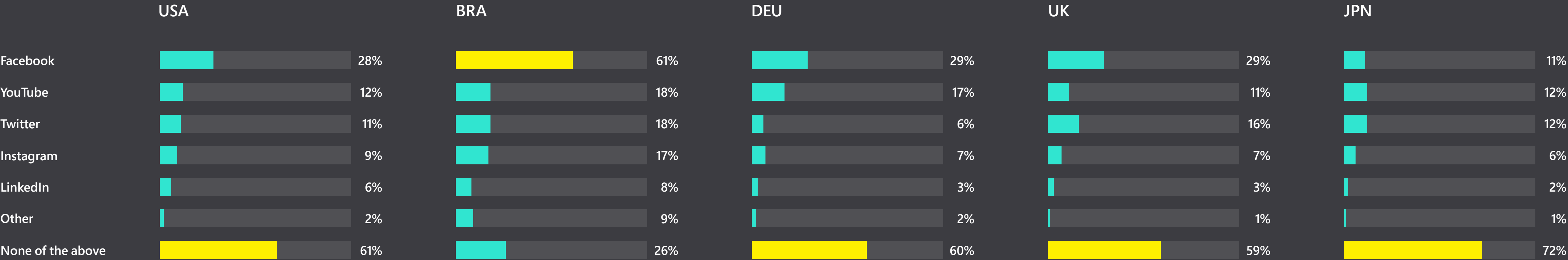
Global average



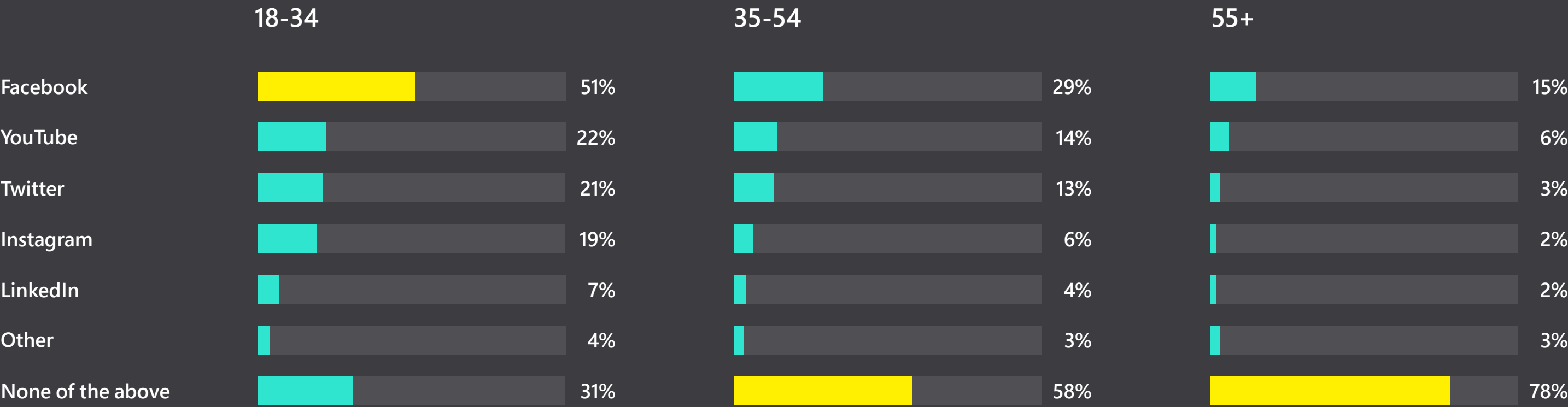
06 /

Which social channels have you used for customer service?

BY COUNTRY



BY AGE



Which social channels have you used for customer service?

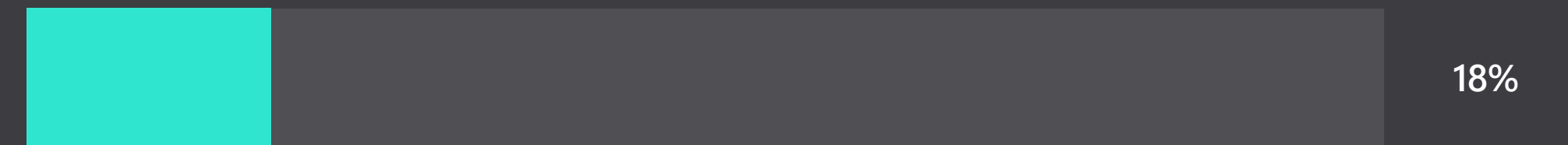
07 /

What is your
expected response
time for social
media questions or
complaints?

52

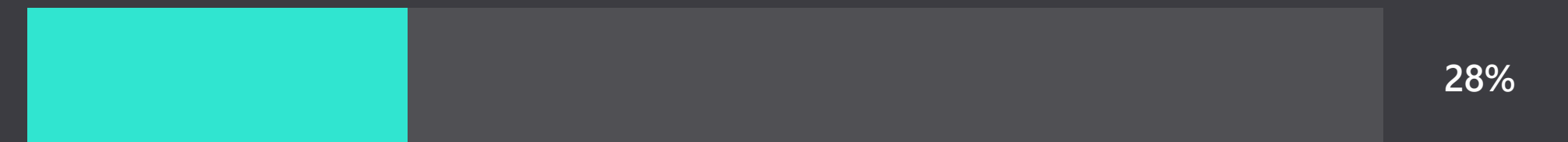
Global average

Immediately



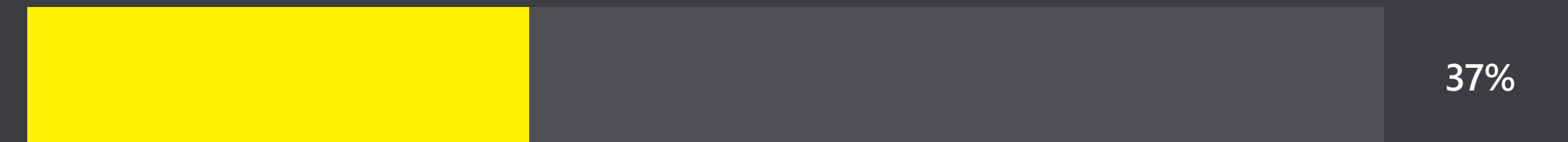
18%

Within an hour



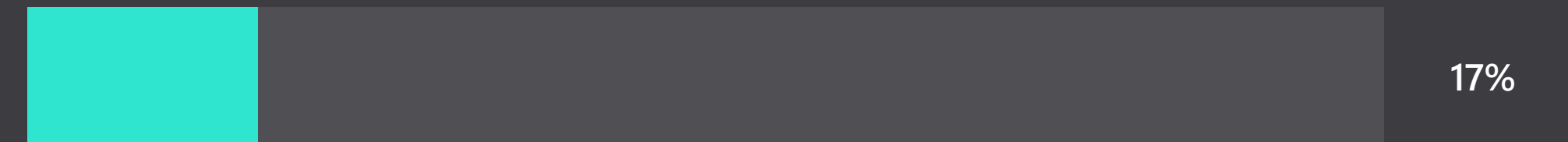
28%

Sometime that day



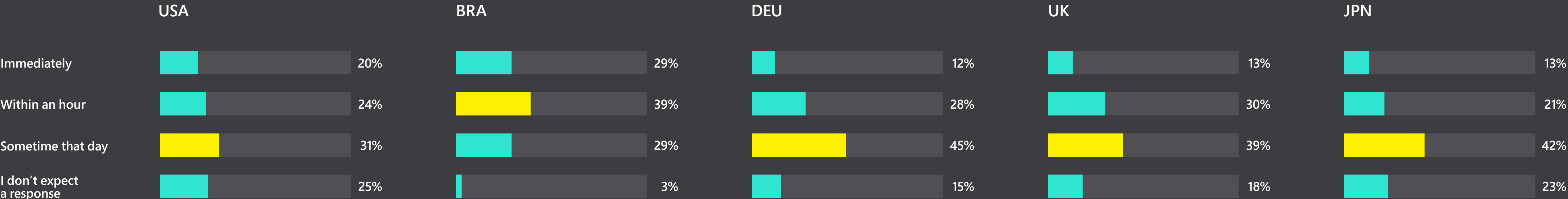
37%

I don't expect a response

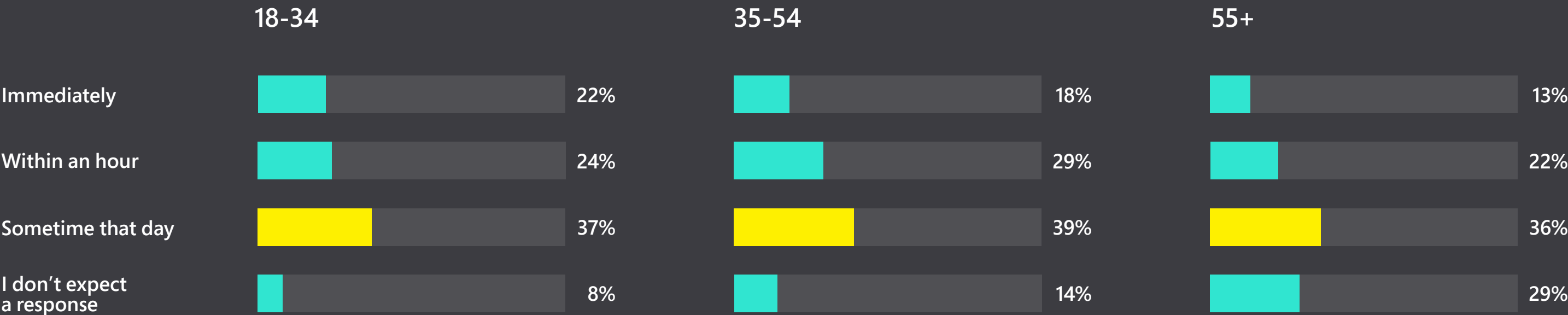


17%

BY COUNTRY



BY AGE



What is your expected response time for social media questions or complaints?

Digital and emerging trends



Provide the right digital tools for the job

Our survey participants said getting their issue resolved in a single interaction is the most important aspect of a good service experience. As you evolve your service strategy, consider the types of inquiries you typically receive, and then create alignment by offering the channels best suited for quick resolution.

Video chat and co-browse, for example, are incredibly effective for customers who require more hands-on, high-touch support. The proof is in the pudding: the vast majority of those we surveyed who had used video chat or co-browse for support found those channels helpful.

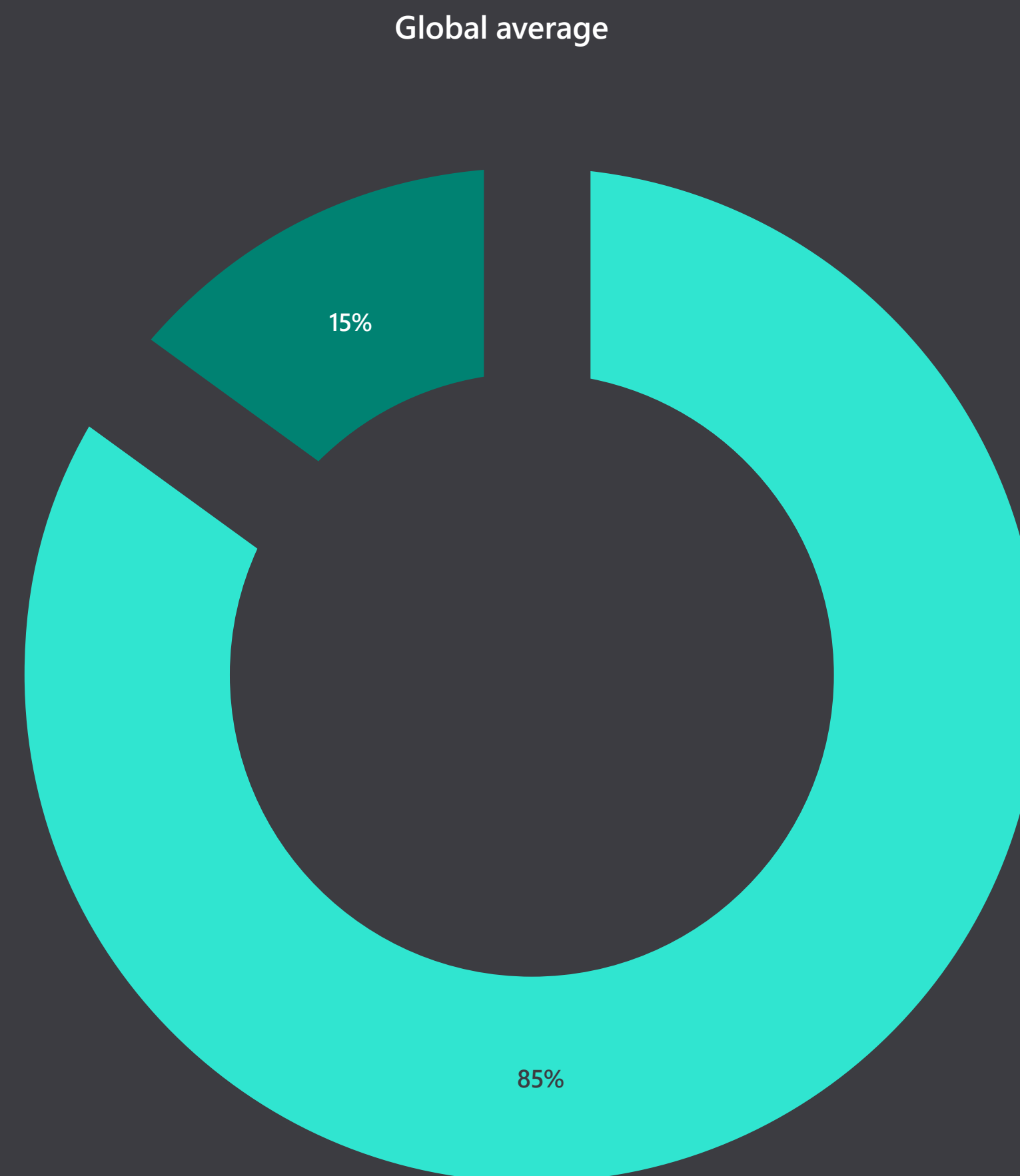
AI-driven virtual agents are one of the hottest emerging channels. Capabilities like natural language processing and machine learning can create an experience that is smart, conversational, and fast—and available 24/7. Bots can automate resolution while reducing costs and improving customer satisfaction, freeing agents to work on more complex issues. Learn how [**HP transformed its customer support experience**](#) with virtual agents.

Your customers are looking for end-to-end effortless customer service on the channel of their choice. Leveraging the right technology creates a significant opportunity to differentiate your brand.

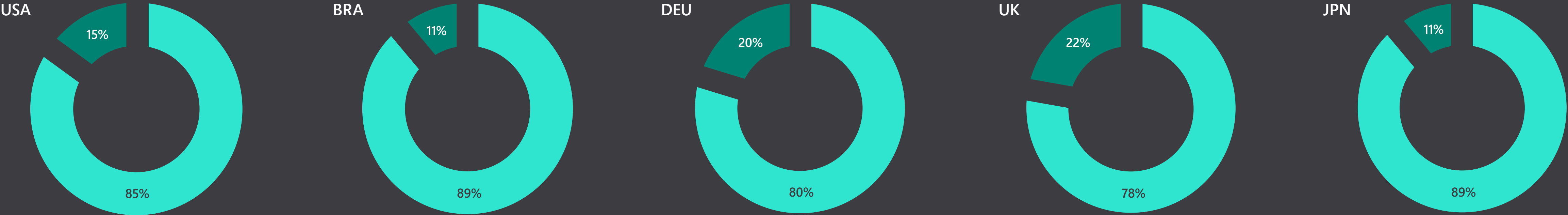
01 /

If you have used
video chat, did you
find it helpful?

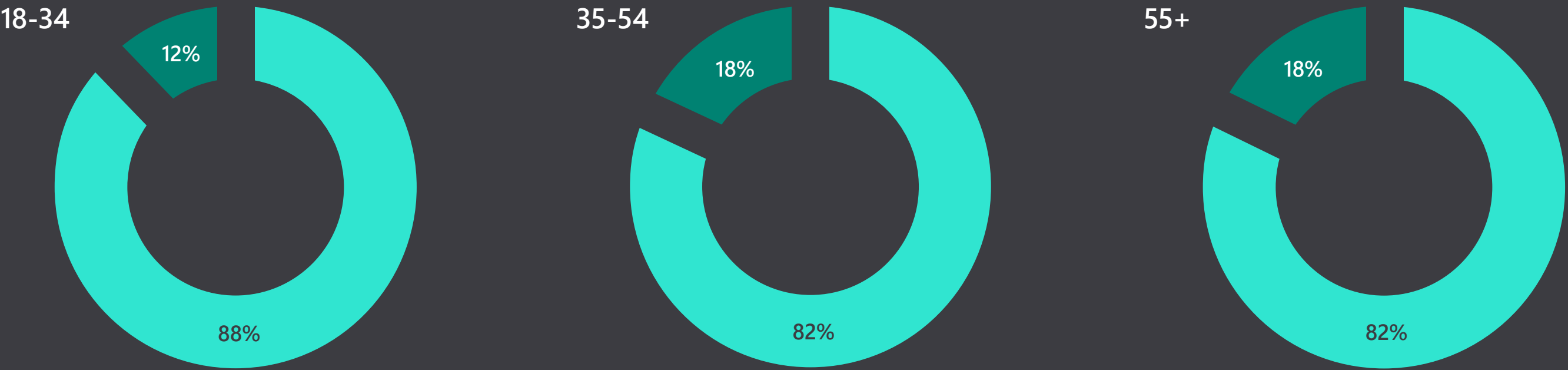
Yes No



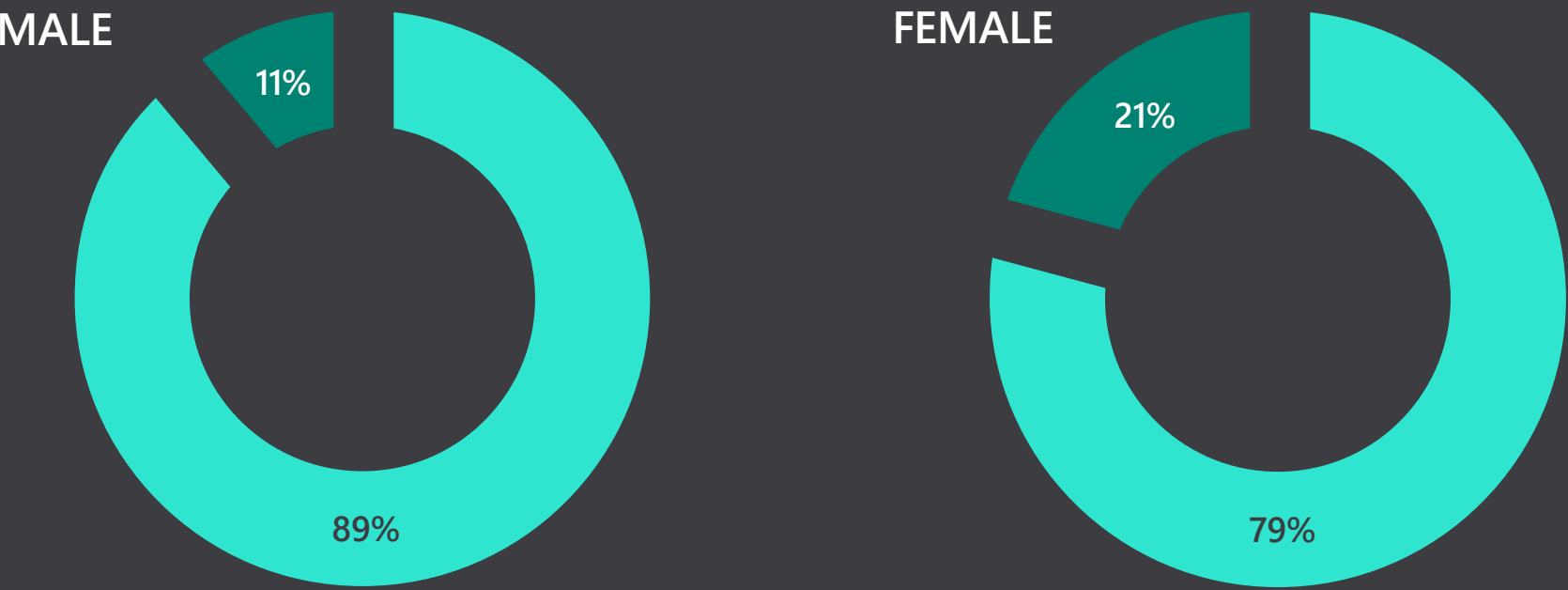
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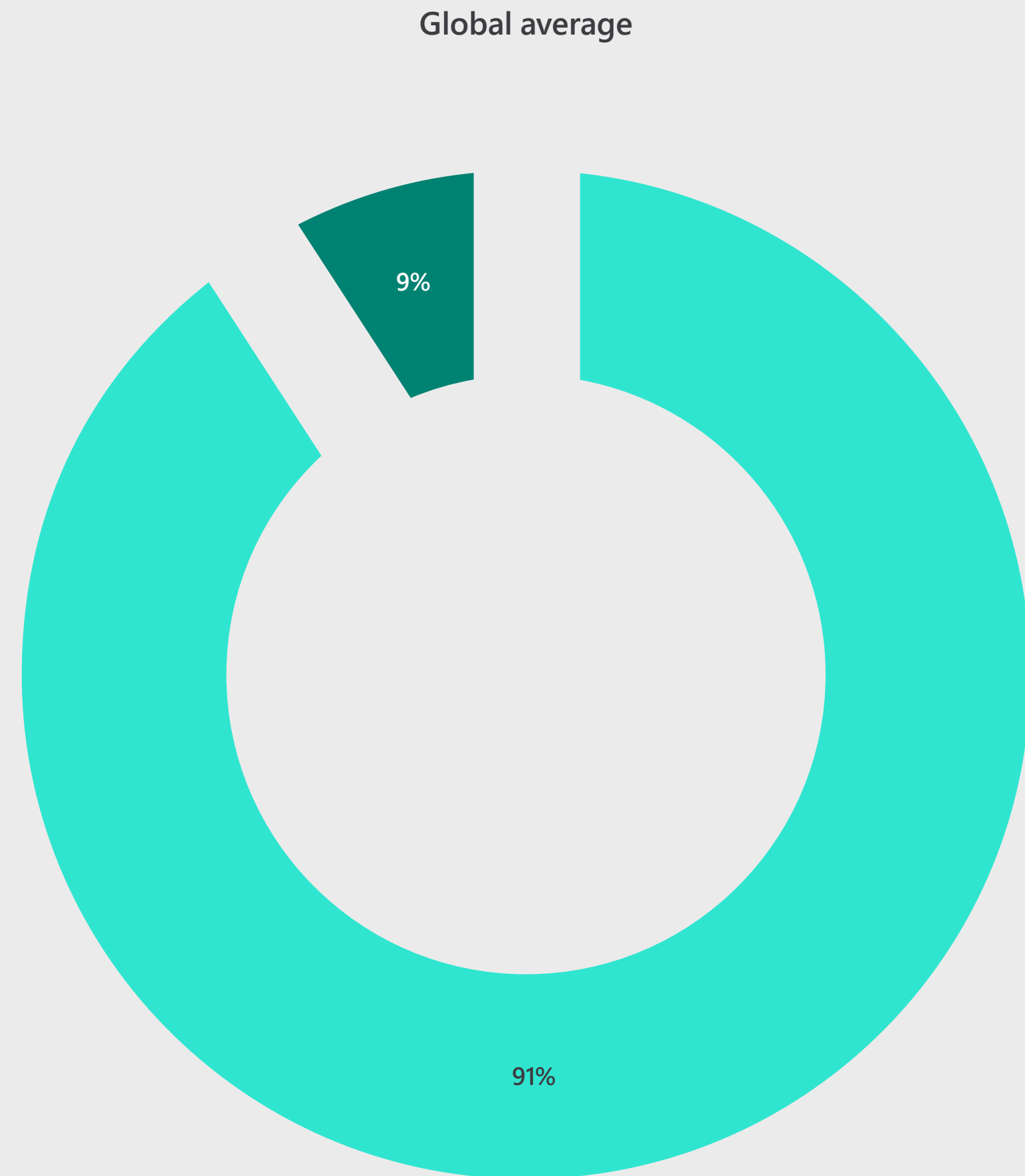


BY GENDER



If you have used video chat, did you find it helpful?

Yes No

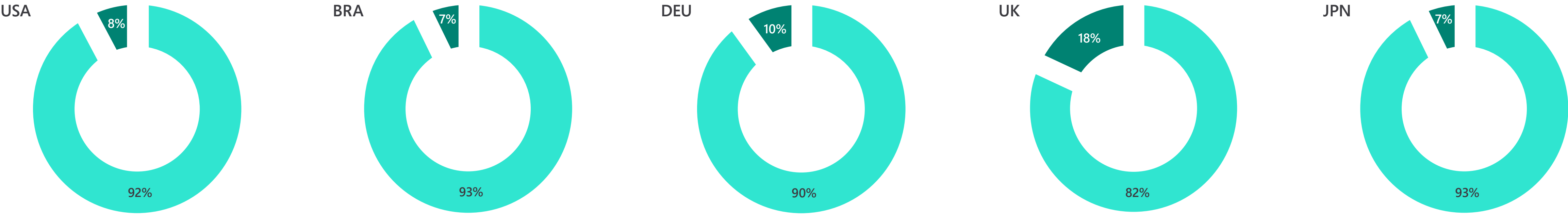


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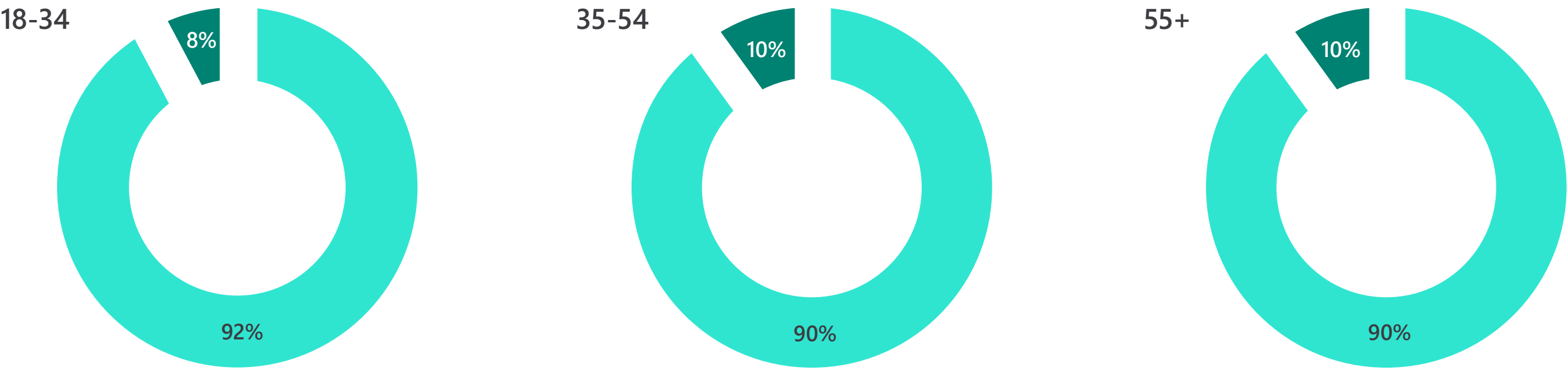
If you have used
co-browse, did you
find it helpful?

Yes No

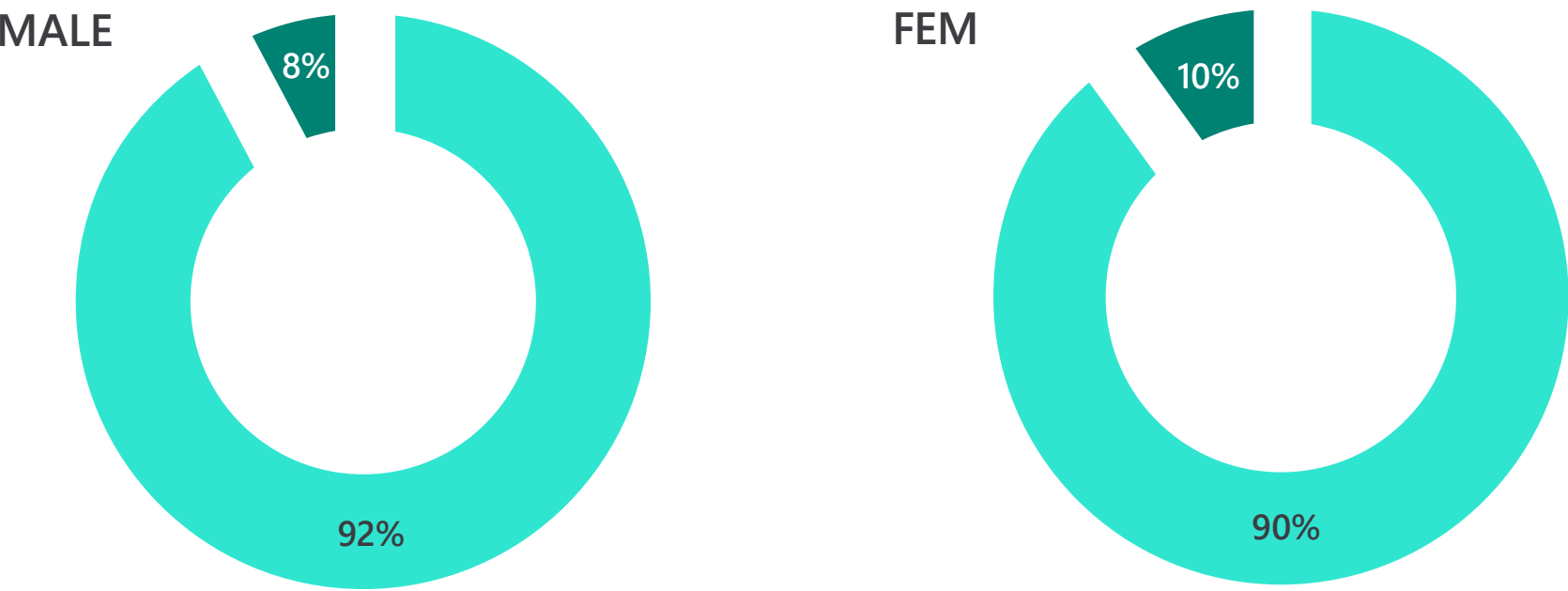
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BY GENDER



If you have used co-browse, did you find it helpful?

Yes No

Takeaways and conclusions



Customer experience is a major competitive differentiator

Most organizations recognize customer experience as a major competitive differentiator, and customer service plays a key role in defining that experience. To provide a differentiated experience, organizations must first understand what their customers are looking for, and then use the right technology to reimagine the customer service experience. Key learnings from The Microsoft 2018 State of Global Customer Service Report include:

1. Customer service organizations personify your brand

Customer service can make or break your brand. Every interaction provides an opportunity to transform negative experiences into positive outcomes and to create brand champions. Every touchpoint is meaningful.

2. Customers want to be engaged and known by brands

Customers increasingly favor brands that recognize them and understand their needs. They want a two-way conversation, and to feel that brands are listening to them and taking what they say to heart. Customer service plays a strategic role in long-term customer engagement.

3. Customers bring high expectations across all service channels

Regardless of which channel they choose, customer expectations for the quality and timeliness of service interactions are soaring. Smart alignment and application of digital tools like video chat and AI-enabled virtual agents as part of your omni-channel approach will help you achieve a level of support that's sure to delight.

Discover intelligent customer service



<https://info.microsoft.com/dynamics-customer-service-demo-request.html>

Microsoft Dynamics 365 is the next generation of intelligent business applications that enable your organization to grow, evolve and transform. These applications unify CRM and ERP capabilities with purpose-built applications that work seamlessly together to help manage specific business functions.

Service organizations are at the epicenter of a company's ability to deliver differentiated and consistent engagement experiences. Microsoft Dynamics 365 for Customer Service helps organizations digitally transform their service experience to more effectively engage their customers, empower their agents with the tools they need to deliver differentiated levels of support, optimize their business processes, and find new ways to provide value to their customers. Our industry leading technologies, including machine learning, IoT and advanced analytics, give our purpose-built service solution

the breadth and depth necessary to address this transformation. Industry leading technology, including machine learning, IoT and advanced analytics, uniquely positions brands to capitalize on the new service economy, while building advocacy and loyalty through effortless service experiences.

Learn more at: <https://dynamics.microsoft.com/en-us/customer-service/overview/>

Contact us to discuss your unique needs:
1.888.477.7989

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