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The State of CX Maturity:

Advancing CX Maturity Is a Mission-critical Mandate

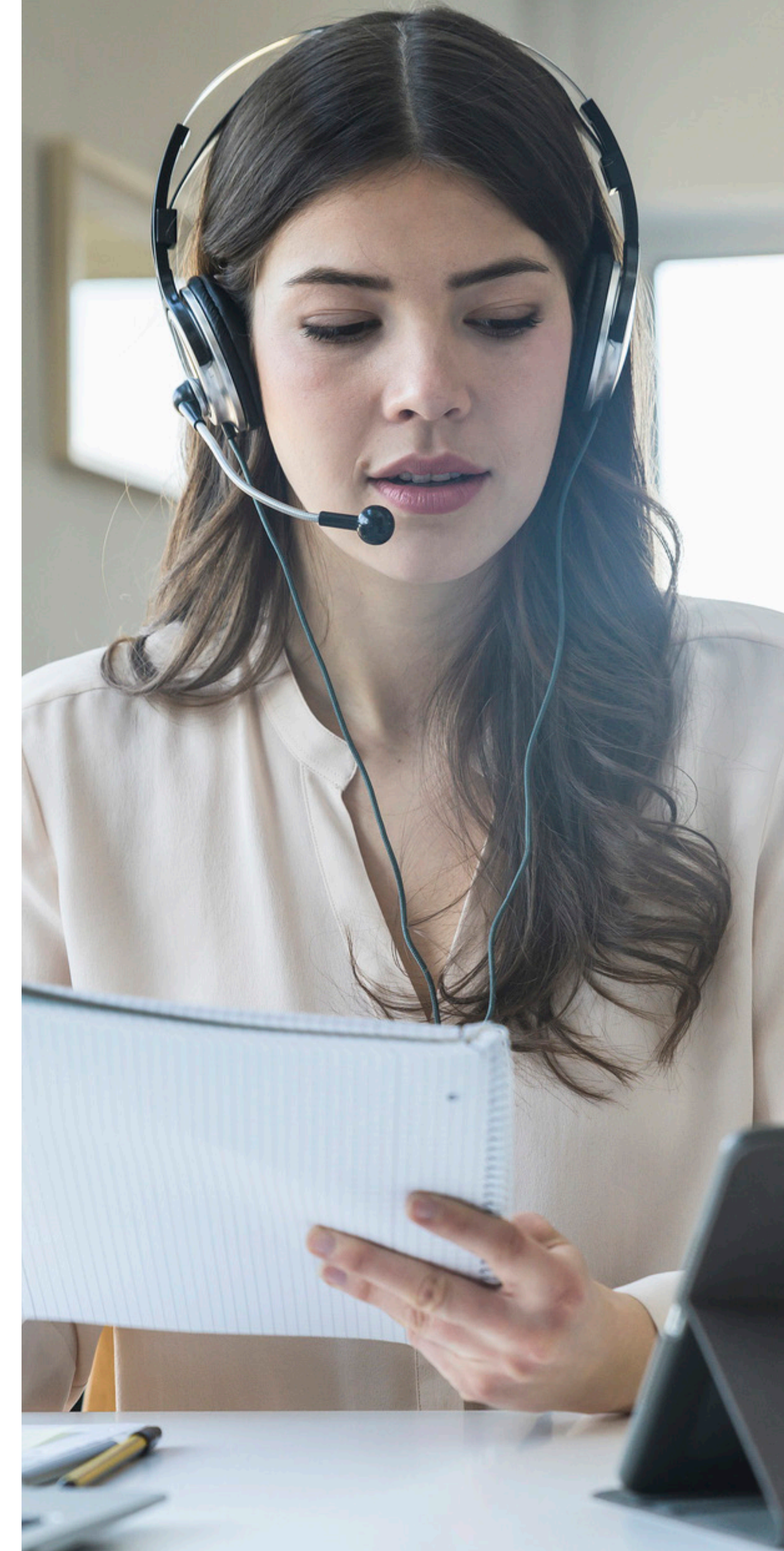
Learnings from a Survey of APAC-based Respondents in the Small Business Market Segment

PREPARED BY ESG FOR



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Research Objective and Methodology

OBJECTIVES:

This eBook discusses how, and to what degree, an organization's adoption of customer service best practices improves its ability to deliver superior customer experience (CX) and better support its service teams. It also explores how improved capabilities are correlated with dramatically better business outcomes. Finally, it covers observed year-over-year CX trends.

METHODOLOGY:

In the second quarter of 2021, ESG conducted a double-blind survey¹ of 3,450 line-of-business decision makers who were responsible for ensuring and enhancing the customer service at their organization. Organizations represented spanned all market segments, from small businesses to large enterprises, and multiple industry verticals like retail, consumer and corporate services, financial services, healthcare, education, and technology companies, among others.

Unless otherwise noted, data in this eBook represents the findings from the N=368 respondents based in APAC and employed at small businesses (SMBs) with less than 100 employees (Australia[N=83], Japan [N=66], Singapore [N=60], India [N=103], and South Korea [N=56]).

Highlighted Findings

An organization's CX maturity is an assessment of the people, processes, data, and technology in place to service customers. **SMBs in the APAC region have significantly improved their CX maturity in the past year:**²

- The proportion of SMBs in the APAC region that are Champions has more than tripled year over year (from 7% to 23%).
- It is also encouraging to note that organizations in the region plan to increase CX investment by 52%, on average. This increase should help organizations continue to advance.



BUSINESS OUTCOMES

Champions achieve greater business success. Relative to their peers, APAC-based SMB Champions are:

43x more likely

to exceed customer satisfaction goals.

6.8x more likely

to have grown their customer base.

92%

have seen their per-customer spending increase in the past 6 months.



SERVICE EXCELLENCE

High CX maturity is correlated with improved service metrics. Relative to their peers, APAC-based SMB Champions:

Resolve problems

41% less time.

Make getting service easy, according to

84% of their customers.



THE AGENT EXPERIENCE

High CX maturity organizations optimize the agent experience. Relative to their peers, APAC-based SMB Champions:

Are 6.4x more likely

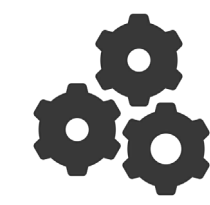
to have excellent customer visibility.

Have agents that are

72% more productive.

Are 2x more likely

to rate their agent retention as excellent.



BUSINESS OPERATIONS

APAC-based SMB Champions:

Are 4.7x more likely

to have accelerated major CX projects throughout the COVID-19 pandemic.

Are in a better position to

compete and succeed

as macroeconomic conditions recover.

Research Overview and Maturity Framework



Seven characteristics of a Champion

PEOPLE

- Service teams get the appropriate **amount of training** to do their jobs.
- The organization maintains staffing levels to ensure **teams are rarely or never overwhelmed.**

PROCESS

- The organization effectively uses **learnings from service interactions** to evolve business processes.
- The organization is able to **quickly evolve business processes** based on learnings from service interactions.

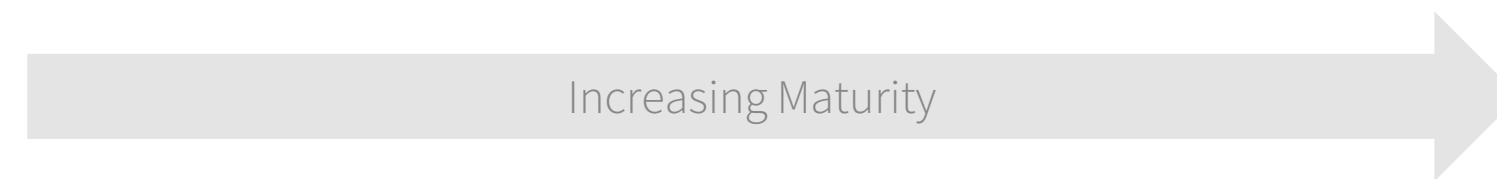
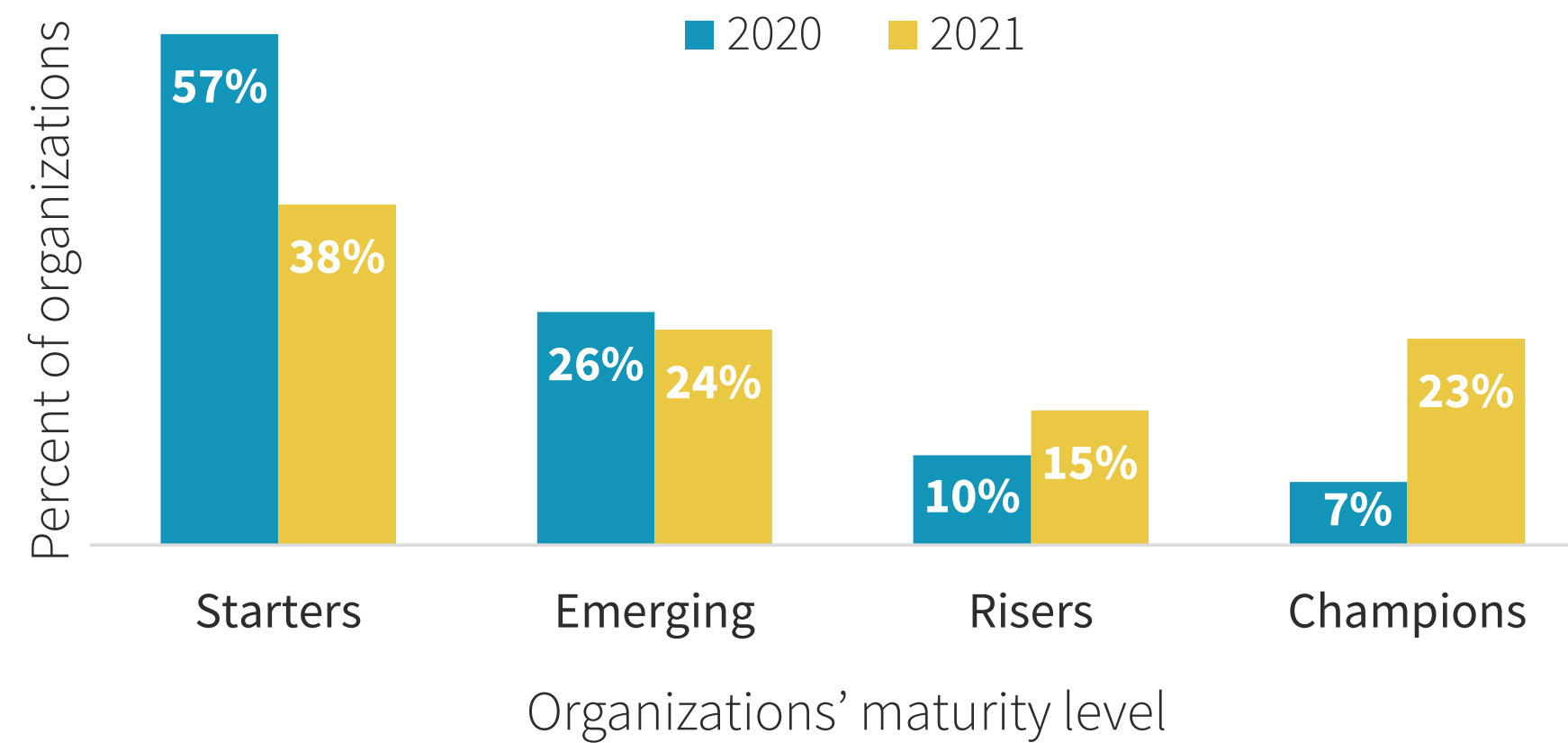
DATA AND TECHNOLOGY

- The organization has **visibility into all the service data** needed to run the business.
- The organization can **report on service data in real time or near-real time.**
- Service tools provide **agents with an excellent experience.**

Segmenting organizations in terms of customer service maturity

ESG created a data-driven model that segments respondents’ organizations into four levels of service maturity: Champions, Risers, Emerging, and Starters. The model uses seven questions from the survey as inputs to determine an organization’s service maturity. Each of these seven questions represents a characteristic of a CX Champion (i.e., the adoption of a customer service best practice) in terms of the organization’s team, processes, or the data and technology they have at their fingertips to serve customers. The more characteristics that are in place, the more mature the organization is.

MATURITY DISTRIBUTION OF SMB ORGANIZATIONS IN THE APAC REGION TODAY VERSUS A YEAR AGO.



REGIONAL DIFFERENCES:

SMBs in APAC lead their peers in the rest of the world, where 14% have established all 7 CX best practices (i.e., are CX Champions).

COUNTRY MATURITY RANKING:



India
(47% Champions, up from 10%)



Australia
22% Champions, up from 13%



South Korea
(16% Champions, not included in last year’s survey)



Singapore
(15% Champions, up from 7%)



Japan
(3% Champions, up from 0%)

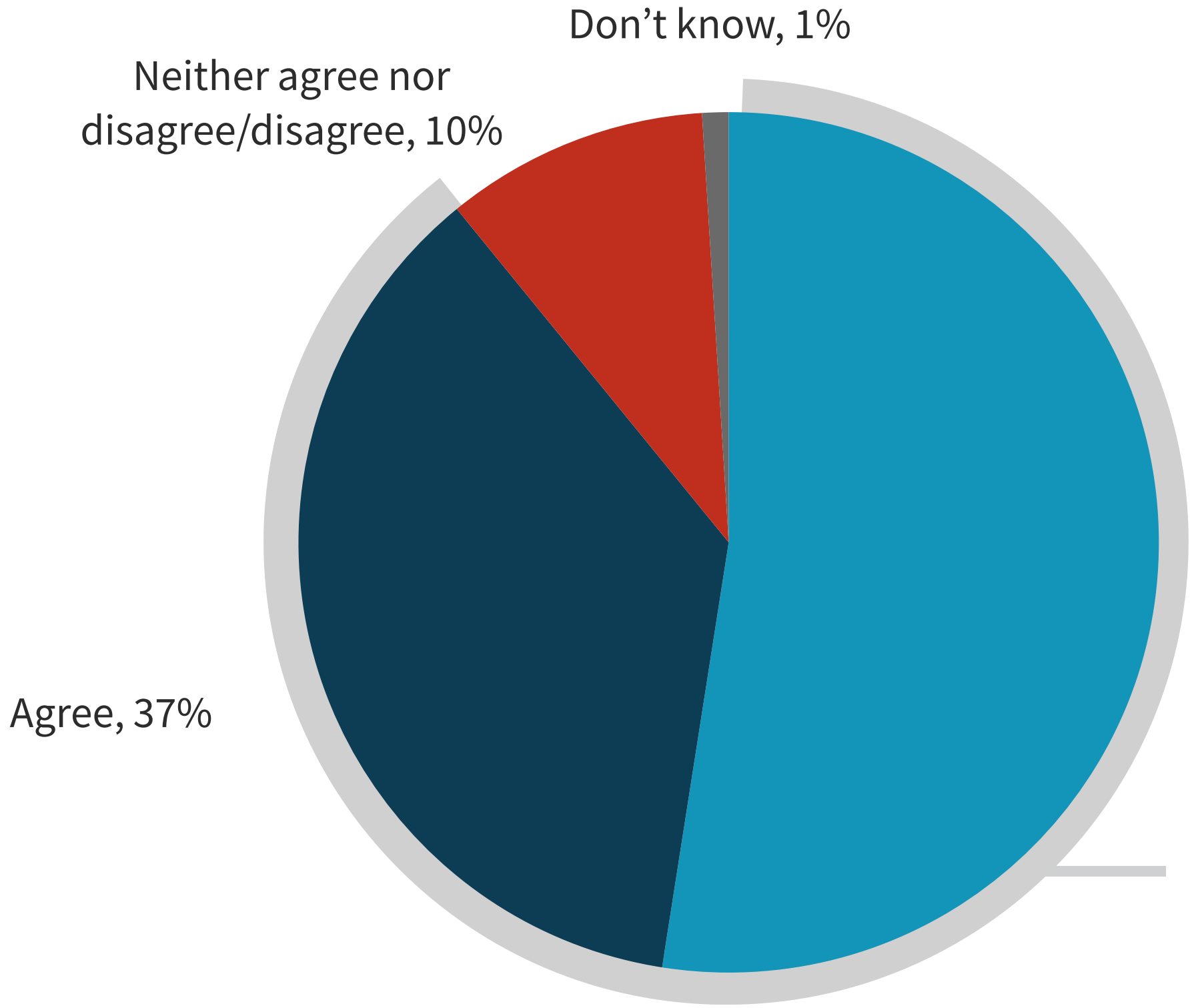
The existential importance of improving CX

Improving customer experience matters. Nearly all respondents surveyed agreed that without continuous CX innovation, their business will lose customers to more customer-centric competitors.

While organizations are clearly maturing their CX capabilities, every organization must evaluate if it is transforming its customer service teams fast enough to keep pace with customer expectations.

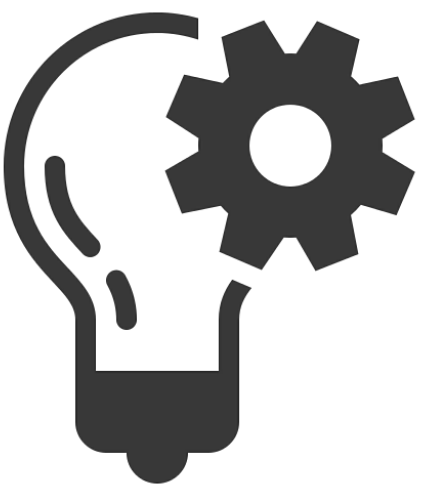
For those organizations stuck in either the Starter or Emerging segment of the market, this data is a clear warning that CX stagnation will lead to customer loss and competitive displacement.

AGREE OR DISAGREE: CONTINUOUS CX INNOVATION IS NEEDED TO PREVENT LOSING CUSTOMERS TO COMPETITORS.



REGIONAL DIFFERENCES:
 SMBs in Japan least often recognize the strategic imperative of CX innovation: 20% strongly agree, a significantly lower percentage than their counterparts in South Korea (46%), Australia (47%), Singapore (50%), and India (85%).

Strongly agree, 53%



90% of respondents agree CX innovation is required to protect their business from competitors.



Service Excellence:
Champions deliver superior
customer experiences

Laying the groundwork for service excellence

Three actions Champions take that every CX leader should implement at their organization in order to achieve market-leading service performance:



Change how service teams communicate with customers:

100% of surveyed Champions are focused on a transition away from transactional interactions and toward relationship-building conversational experiences.



Meet your customers where they are:

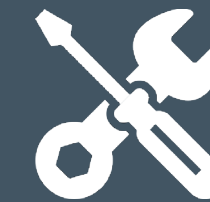
Champions engage customers in **1** more channel, on average.



Anticipate how customers' preferences related to service are changing and prepare:

69% of organizations anticipate chat and social channels will be heavily used by customers in the future, up from **52%** today.

What Champions achieve:



41% shorter

total resolution times.



78%

of all their customer issues are resolved in a **single interaction**.



84%

of their customers agree **Champions make getting service easy**.

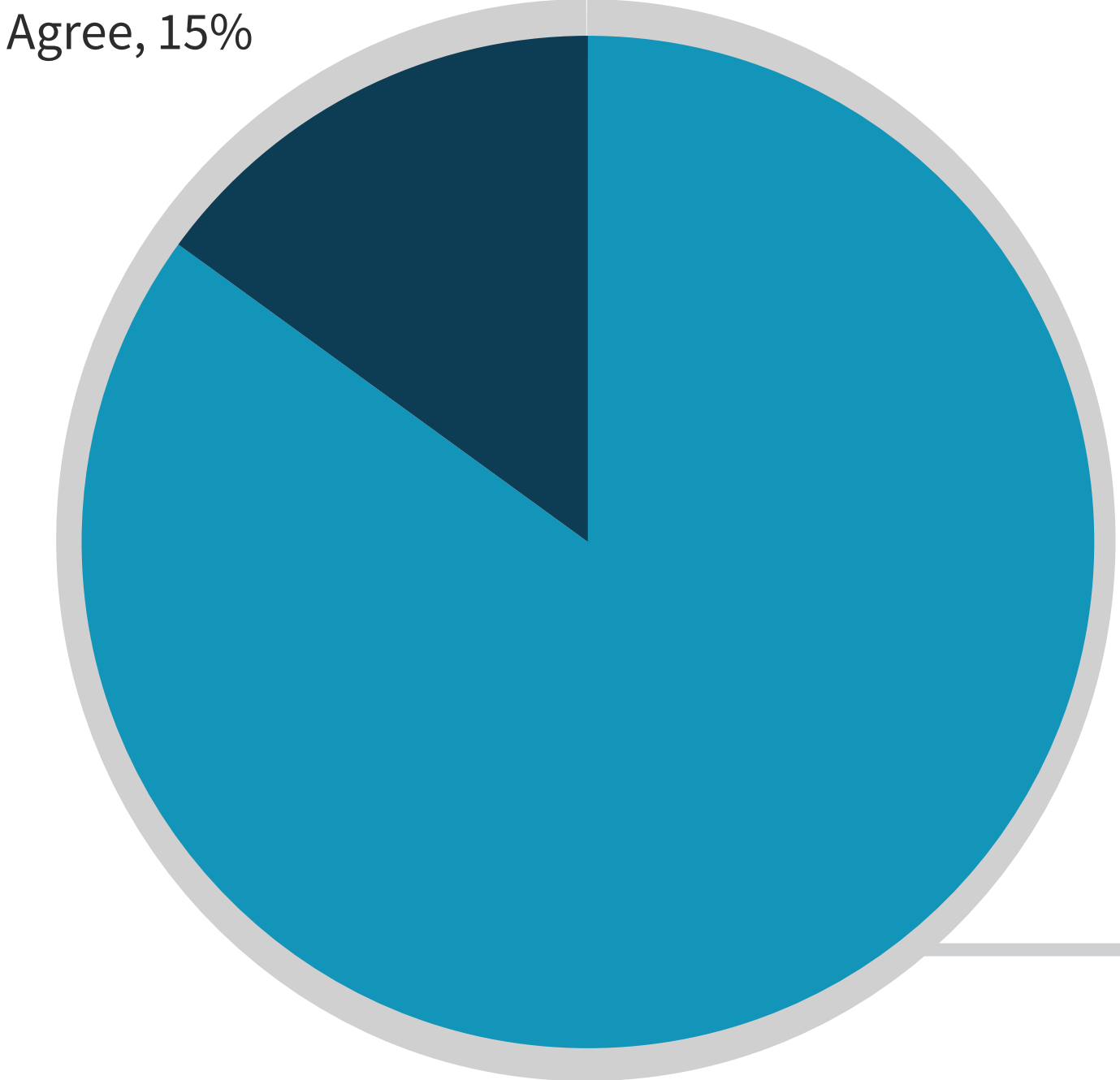
The imperative to transition away from transactional interactions

Service, when done right, lets your customers know they are heard and valued. A conversational experience conveys empathy, builds rapport, and helps the service team have a productive interaction with the customer.

Organizations recognize this and have made transitioning away from traditional transactional experiences a key goal for their teams.

However, while 88% of all respondents agree they have this goal, those at Champions are much more likely than Starters to strongly agree (85% vs. 19%). In short, **Champions are 4.5x more likely to prioritize delivering conversational customer experiences.**

AGREE OR DISAGREE: OUR SERVICE TEAM’S GOAL IS TO MAKE CUSTOMER SERVICE FEEL MORE CONVERSATIONAL AND LESS TRANSACTIONAL (PERCENT OF CHAMPIONS).



Strongly agree, 85%



REGIONAL DIFFERENCES:

SMBs in Japan least often feel the need to pivot to more conversational customer engagements: 20% strongly agree, a significantly lower percentage than their counterparts in Australia (41%), South Korea (41%), Singapore (42%), and India (81%).

100% of Champions agree that pivoting to a more conversational experience with customers is a key goal for their teams.

Meet your customers where they are and prepare for their changing preferences

How a customer wants to engage with your brand varies wildly on a number of factors. This means organizations need to provide a variety of ways for customers to engage them, and Champions outstrip their peers in this respect. **Champions offer an average of 1 more channel than Starters to customers.**

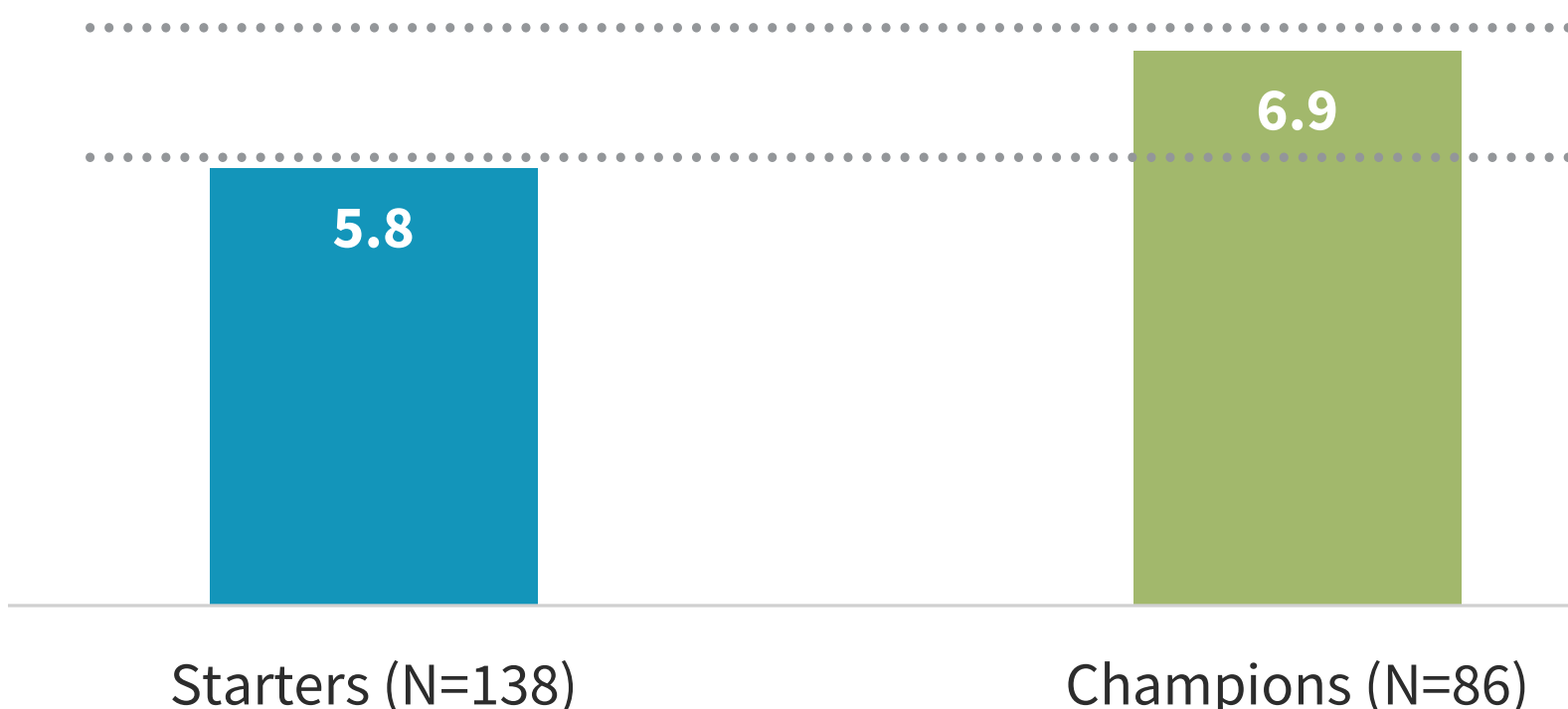
While providing flexibility in how customers engage with your business is important, customer preferences change over time. It is important to anticipate these changes so service teams are best positioned to deliver service in the future.

While 58% report email or phone are among the channels where they see the highest conversational volume today, 48% of organizations expect those channels to still be among customers' most used channels three years from now. Conversely, **chat and social are expected to rise as dominant customer conversation channels.**

THE AVERAGE NUMBER OF CHANNELS ORGANIZATIONS USE TO DELIVER SERVICE.

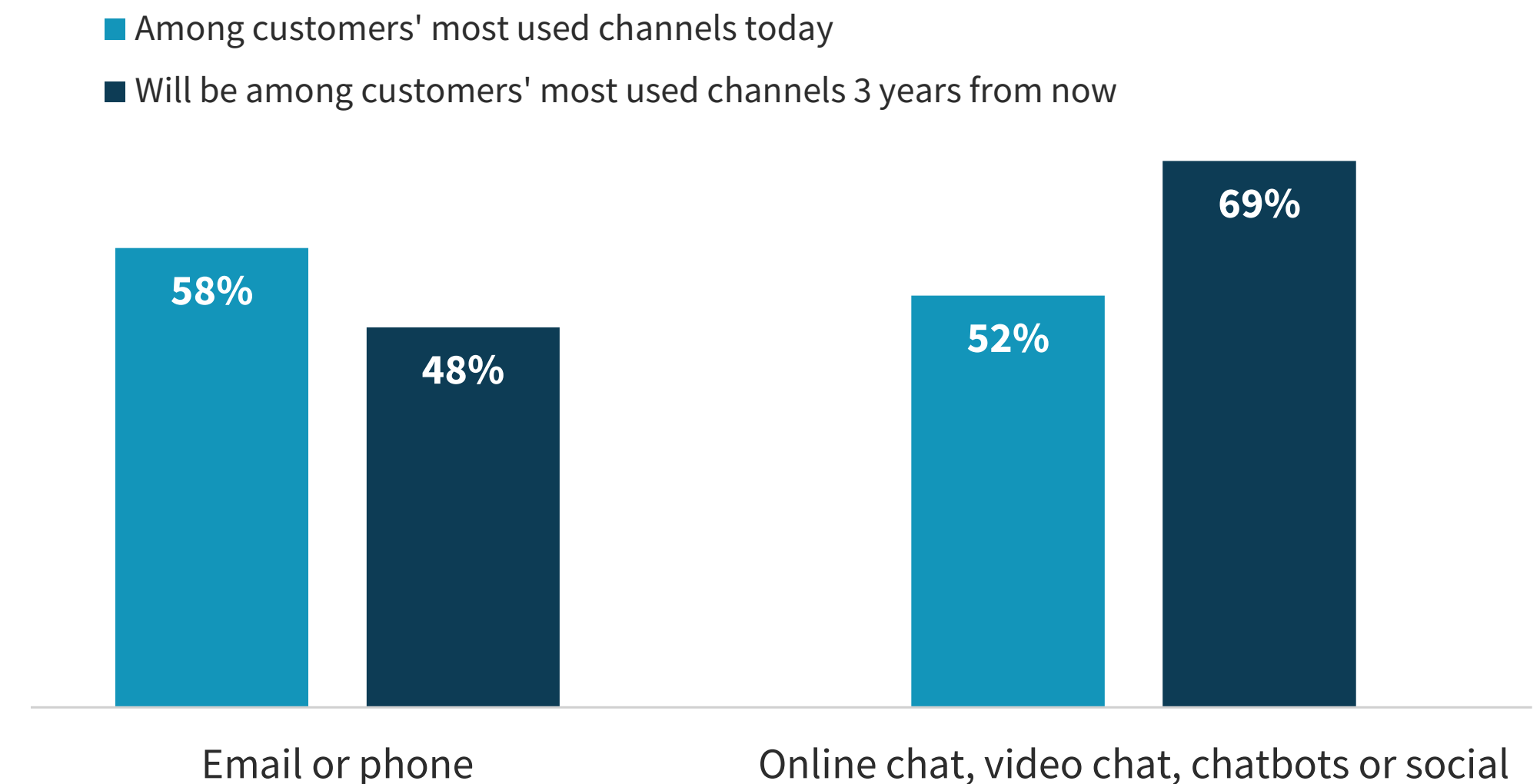


Champions offer **1 more channel** to customers to interact with their brands.



YEAR-OVER-YEAR DIFFERENCES:
 In the aggregate SMBs in APAC have added more than one channel in the past year, on average (6.7 channels offered versus 5.2 a year ago, on average).

THE PERCENT OF ORGANIZATIONS REPORTING EACH CHANNEL IS AMONG THEIR MOST USED (CURRENT STATE AND THREE YEARS FROM NOW).



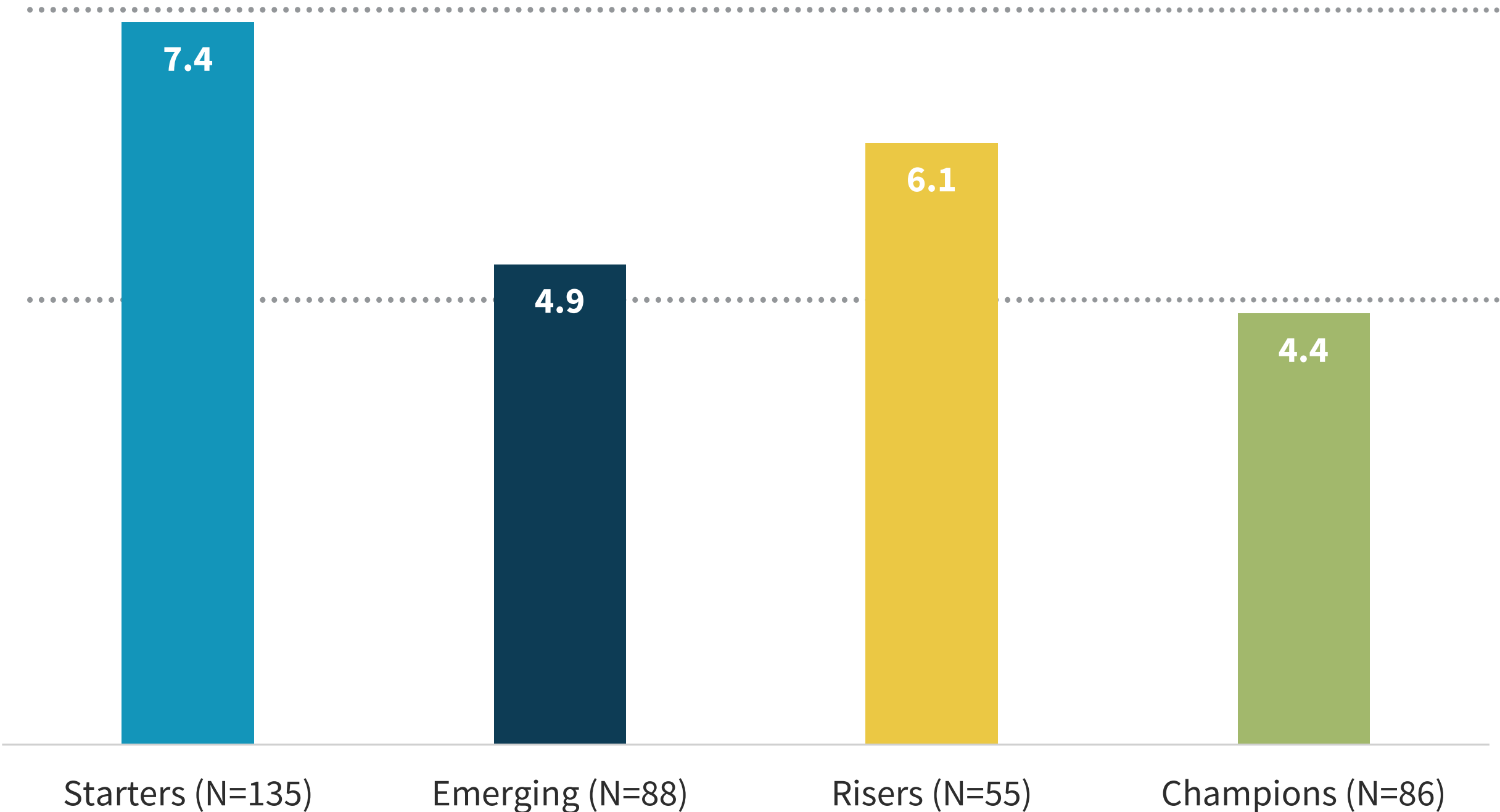
Champions resolve customer issues faster

Agility is a core tenet of customer service. When a customer has a question or a problem, one of the worst mistakes a business can make is making them wait for a solution.

Our research shows that Champions in the SMB market segment in APAC are outperforming their peers in this area: **Champions' average total resolution time is 3 hours faster in absolute terms.**

With better trained staff, using effective service tools, and with the data at their fingertips needed to assess customer outcomes, Champions deliver results.

AVERAGE TOTAL RESOLUTION TIME (HOURS) BY CUSTOMER SERVICE MATURITY.



Champions' average **41% faster** than Starters'.

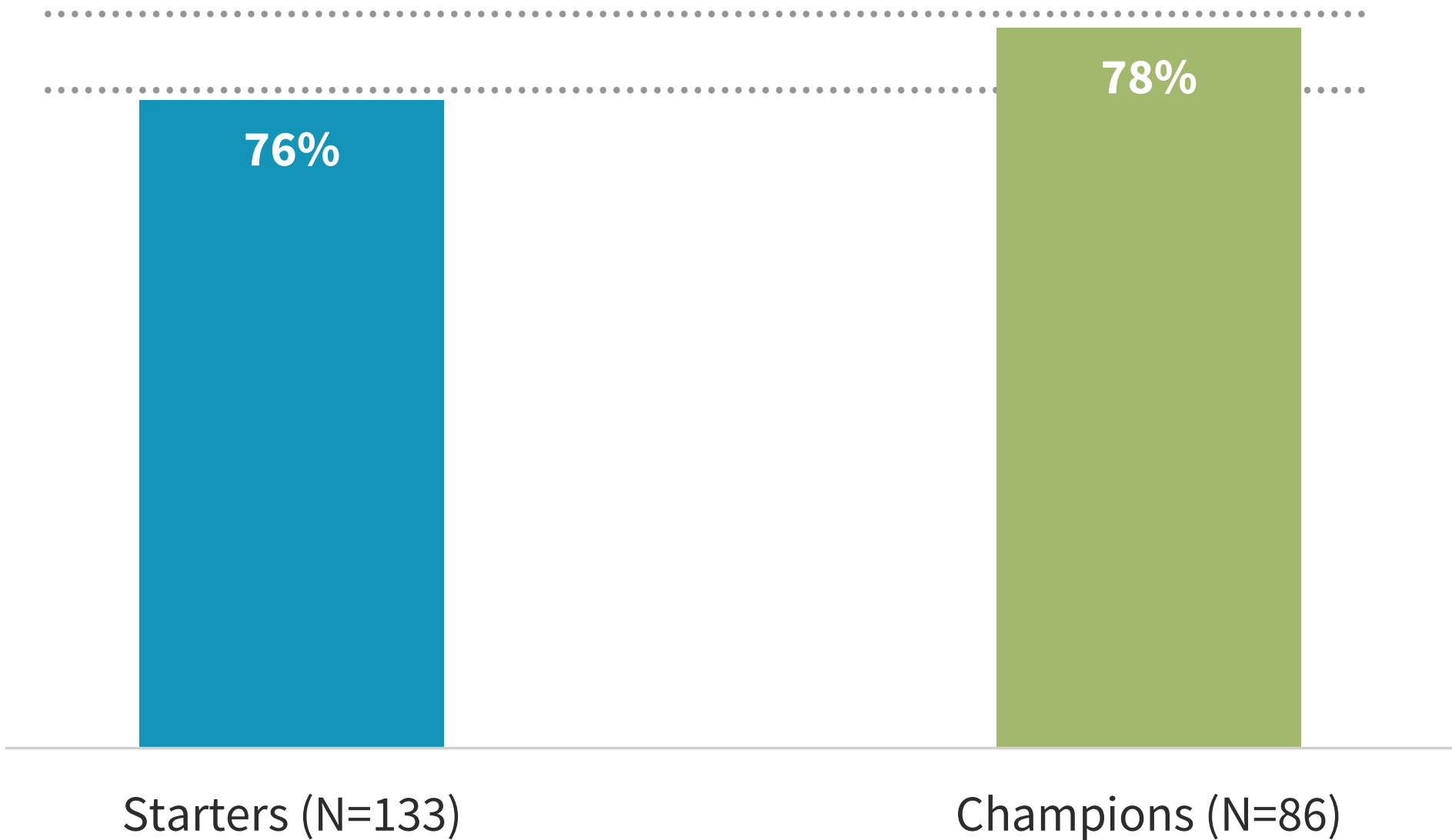
Champions are not only faster, but more effective at resolving customer issues

While speed matters, another critical component of delivering optimal CX is efficacy. Our research includes two proxies for the service team’s efficacy.

First, one-touch resolutions. If solving a customer’s issue requires multiple escalations, that is an indication that the service team does not have the tools needed to maximize efficacy. **Champions are able to resolve 78% of their call volume with a single customer interaction, a slight improvement of 2 percentage points relative to Starters.** While Champions see a modest improvement relative to Starters, it should be noted that the percent of one-touch resolutions may not be a perfect reflection of efficacy. As organizations employ more automation and chatbots to solve simple customer problems, agents may spend more of their time focused on more complex customer issues.

Another measure of efficacy is the volume of customer issues that are unresolvable. **Champions see 22% fewer customer issues go unresolved.** Given that just one bad customer experience can result in losing a customer, this impact cannot be overlooked, especially for SMBs, which generally have smaller customer bases.

AVERAGE PERCENT OF ONE-TOUCH RESOLUTIONS, BY MATURITY.



REGIONAL DIFFERENCES:
 Australian SMBs resolve more of their customers’ issues in a single interaction (84%) than their peers in the region (Japan, 76%; Singapore, 77%; South Korea, 77%; India, 77%).



Champions resolve **2% more inquiries in a single customer interaction.**



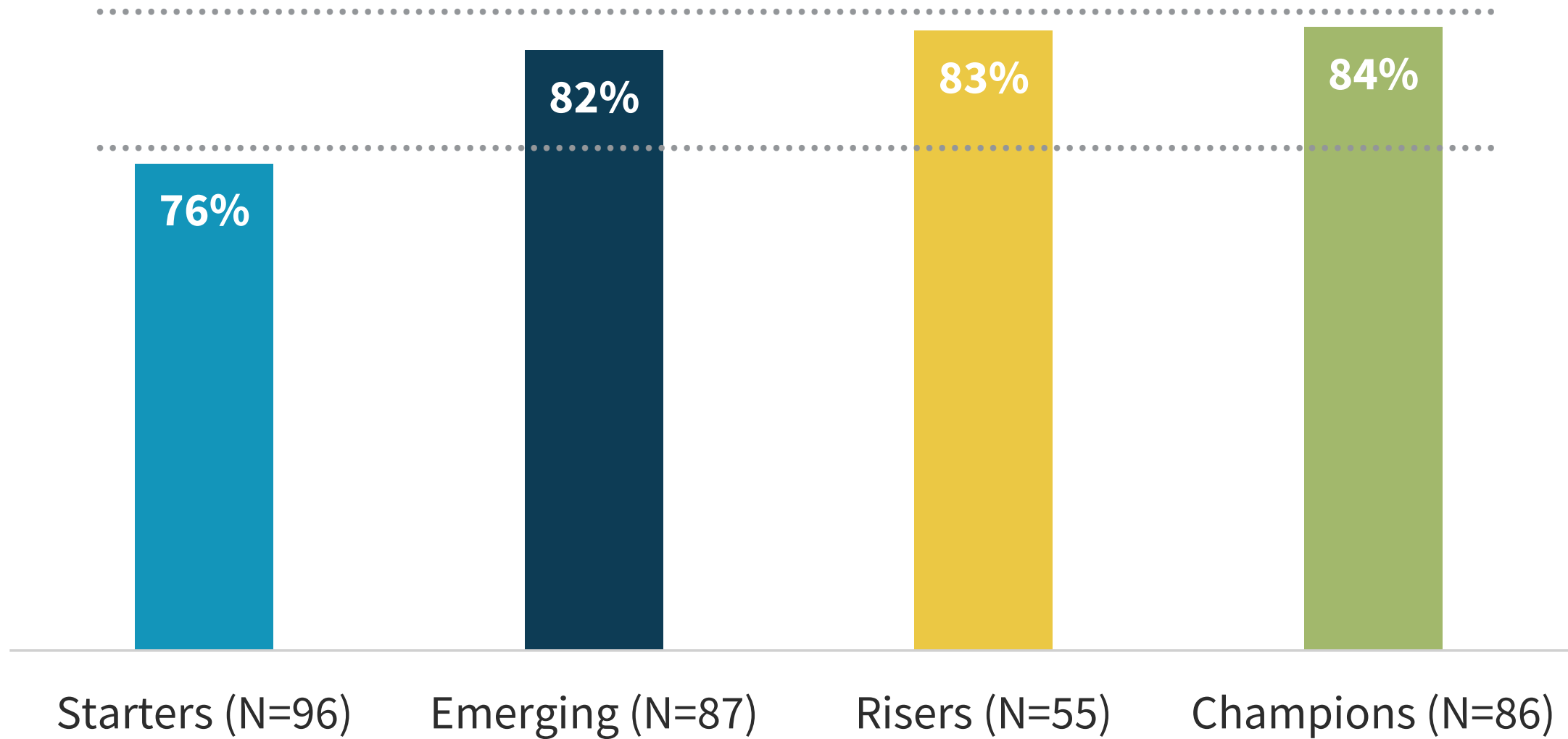
Champions also see a **22% reduction in unresolvable customer issues** relative to Starters.

Champions reduce customer effort

Customer effort score (CES) is a metric to assess how well an organization is servicing its customers, and this research included a proxy to measure customer effort.


We asked respondents what percentage of their customers would agree that the organization has “made it easy” to resolve their issue. On average, Champions believe 84% of their customers would agree their company is making the service experience easy. Starters believe 76% of their customers would agree with that sentiment. In short, **customers of Champions are 11% more likely than those of Starters to say the company is minimizing customer effort.**

PERCENTAGE OF CUSTOMERS THAT AGREE THE COMPANY IS MAKING SERVICE AN EASY EXPERIENCE FOR THEM.



Champions’ customers are **11% more likely to agree the service experience requires little customer effort.**

REGIONAL DIFFERENCES: SMBs in Australia and South Korea require the least customer effort for service: they believe 87% and 83% of their customers would say getting service from them is easy, higher percentages than were observed in Japan (76%), Singapore (77%) and India (80%).



The Agent Experience:
Champions put their teams in
the best position to succeed

Giving your team the tools to be successful

Three actions Champions take that every CX leader should implement at their organization to optimize the agent experience:



Gain 360-degree visibility over your customers: Customers interact with your brand numerous times, through many channels (phone, email, chat, etc.), over what could be many years. Champions are 6.4x more likely to be able to stitch these brand interactions together across silos to best position agents to deliver exceptional service.



Give agents the agility and intelligence they need to provide omnichannel service: Agents are increasingly expected to use many service channels. Champions are 7x more likely to provide a seamless channel-switching experience to agents.



Prepare for remote work scenarios to continue. On average, organizations expect a 40% increase in the number of remote agents after the COVID-19 pandemic is no longer an issue. Organizations will need to maintain tools and technologies needed for remote productivity and performance management in the coming years.

What Champions achieve:



19% more efficient customer interactions on the phone and 9% more efficient chat sessions.



72% higher agent throughput.



They are 2x more likely to have excellent agent retention.

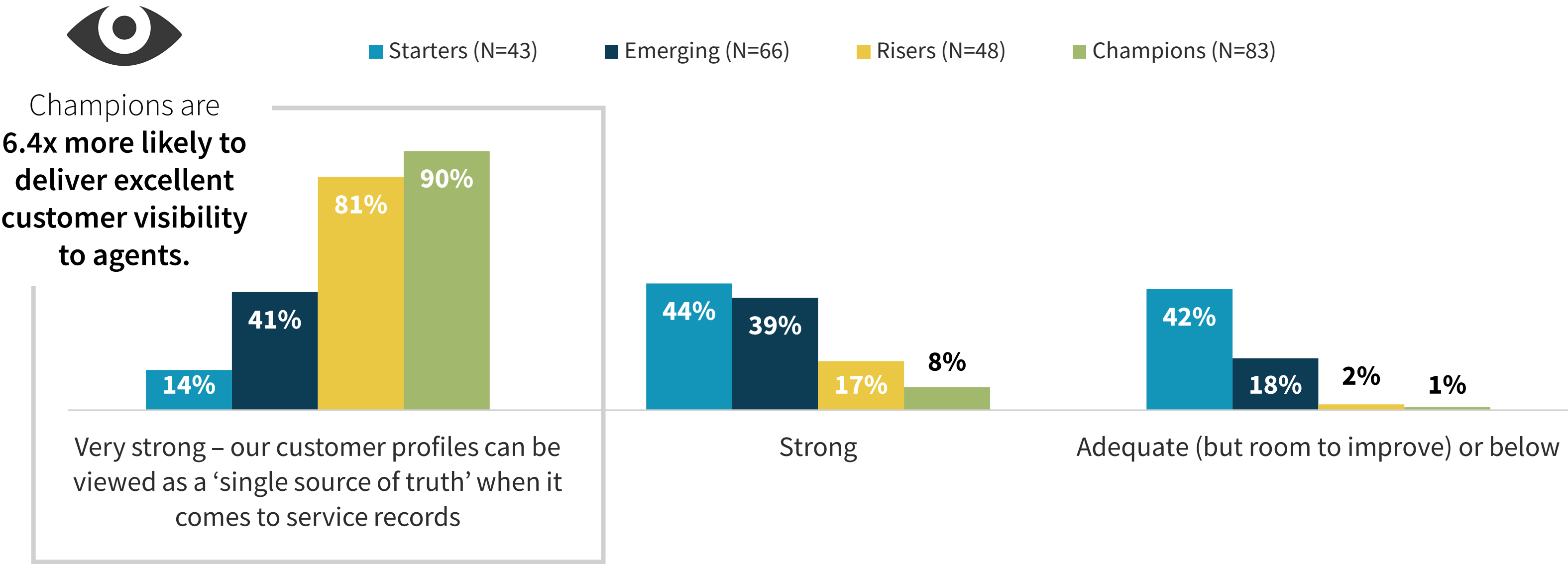


Superior team agility: Champions estimated it would take 66% less time to expand and ramp their team and 67% less time to add a brand-new service channel to their mix.

Champions deliver a 360-degree view of customers to their agents

To deliver the best CX, agents need to be informed about the brand-customer relationship. This information helps an agent do their job better, and Champions are far better at delivering it. In fact, 90% of Champions report their organization provides customer profiles, combining interactions in any channel with CRM and database records, which can be viewed as a “single source of truth.” More simply, **Champions are 6.4x more likely than Starters to provide agents with excellent customer visibility.**

WHAT IS YOUR ORGANIZATION’S ABILITY TO BUILD 360-DEGREE VIEWS OF YOUR CUSTOMERS?



REGIONAL DIFFERENCES:
 In the aggregate, SMBs in APAC have more customer visibility than their peers globally: 61% rate visibility as very strong versus 38% in other regions surveyed.

REGIONAL DIFFERENCES:
 86% of SMBs in India rate their customer visibility as very strong, a significantly higher percentage than their counterparts in Japan (22%), Australia (38%), Singapore (46%), and South Korea (63%).

YEAR-OVER-YEAR DIFFERENCES:
 APAC-based SMBs in the aggregate have increased customer visibility, with 61% saying they have achieved a “single source of truth” when it comes to customer profiles versus 29% a year ago.

Champions empower agent agility

97% of SMBs in APAC employ agents to be employed across multiple channels. This creates two key requirements:

- 1. The organization must be able to assess demand across channels to determine the right level of staffing in each channel at any point in time.
- 2. Agents must be able to quickly and easily switch channels to meet demand.

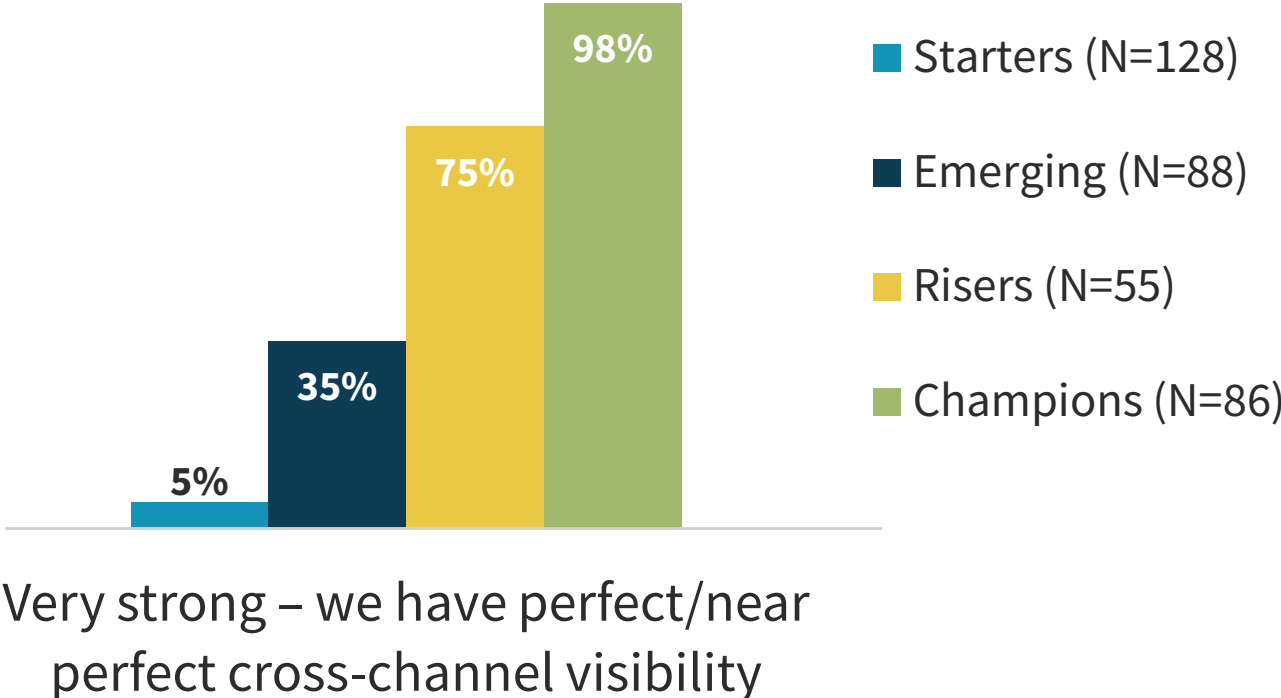
Champions are 19.6x more likely than Starters to have excellent cross-channel visibility in terms of customer inquiry volume. Similarly, Champions are 7x more likely than Starters to provide their agents with a seamless service channel switching experience.

YEAR-OVER-YEAR DIFFERENCES:
 SMBs in APAC are improving their ability to assess channel demand and volume: In the aggregate, 45% rate their visibility as very strong, up from 15% a year ago.

HOW GOOD IS YOUR ORGANIZATION’S VISIBILITY WHEN IT COMES TO ASSESSING THE NEED TO REFOCUS AGENTS FROM ONE CHANNEL TO ANOTHER TO MEET DEMAND?

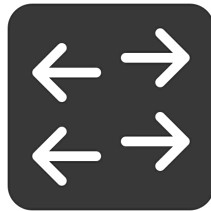


Champions are **19.6x more likely to have excellent cross-channel visibility.**

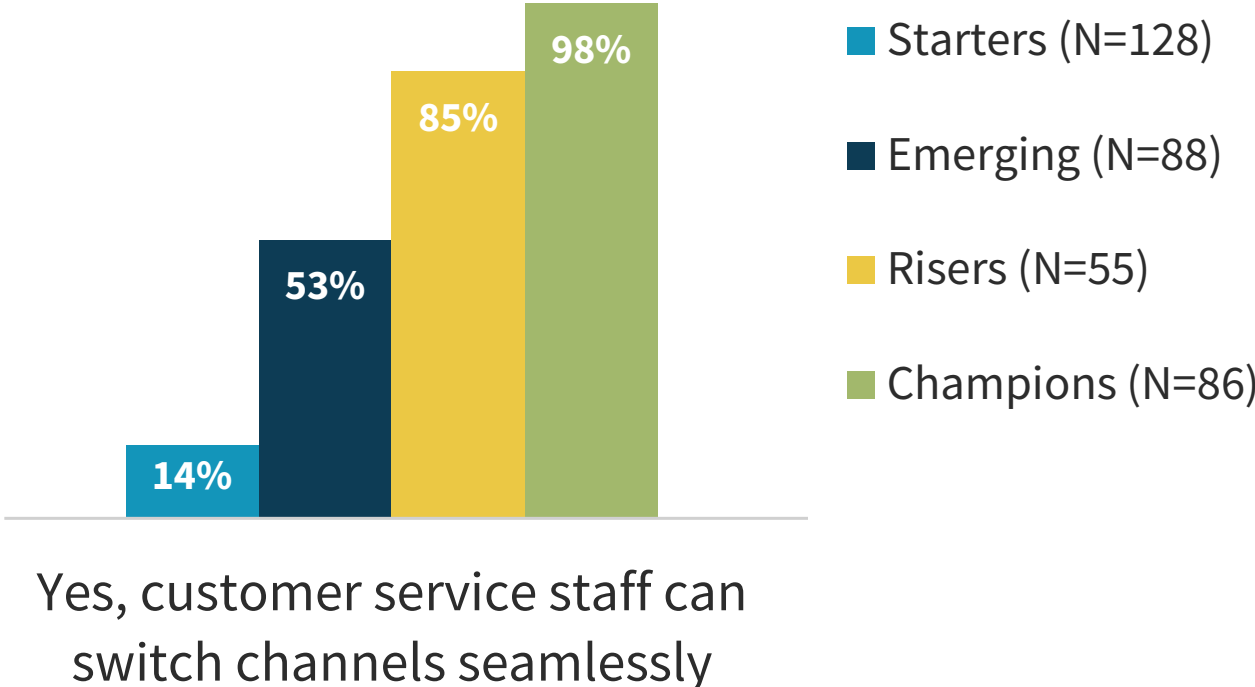


REGIONAL DIFFERENCES:
 In the aggregate, SMBs in APAC have more cross-channel visibility (45%) than those in the other regions (30%).

CAN AGENTS EASILY SWITCH BETWEEN THE CHANNELS ON WHICH THEY ARE INTERACTING WITH CUSTOMERS?



Champions are **7x more likely to provide a seamless channel-switching experience to agents.**



REGIONAL DIFFERENCES:
 Companies in Japan least often have very strong cross-channel visibility (7%), a significantly lower percentage than seen in South Korea (33%), Singapore (36%), Australia (37%), and India (87%).

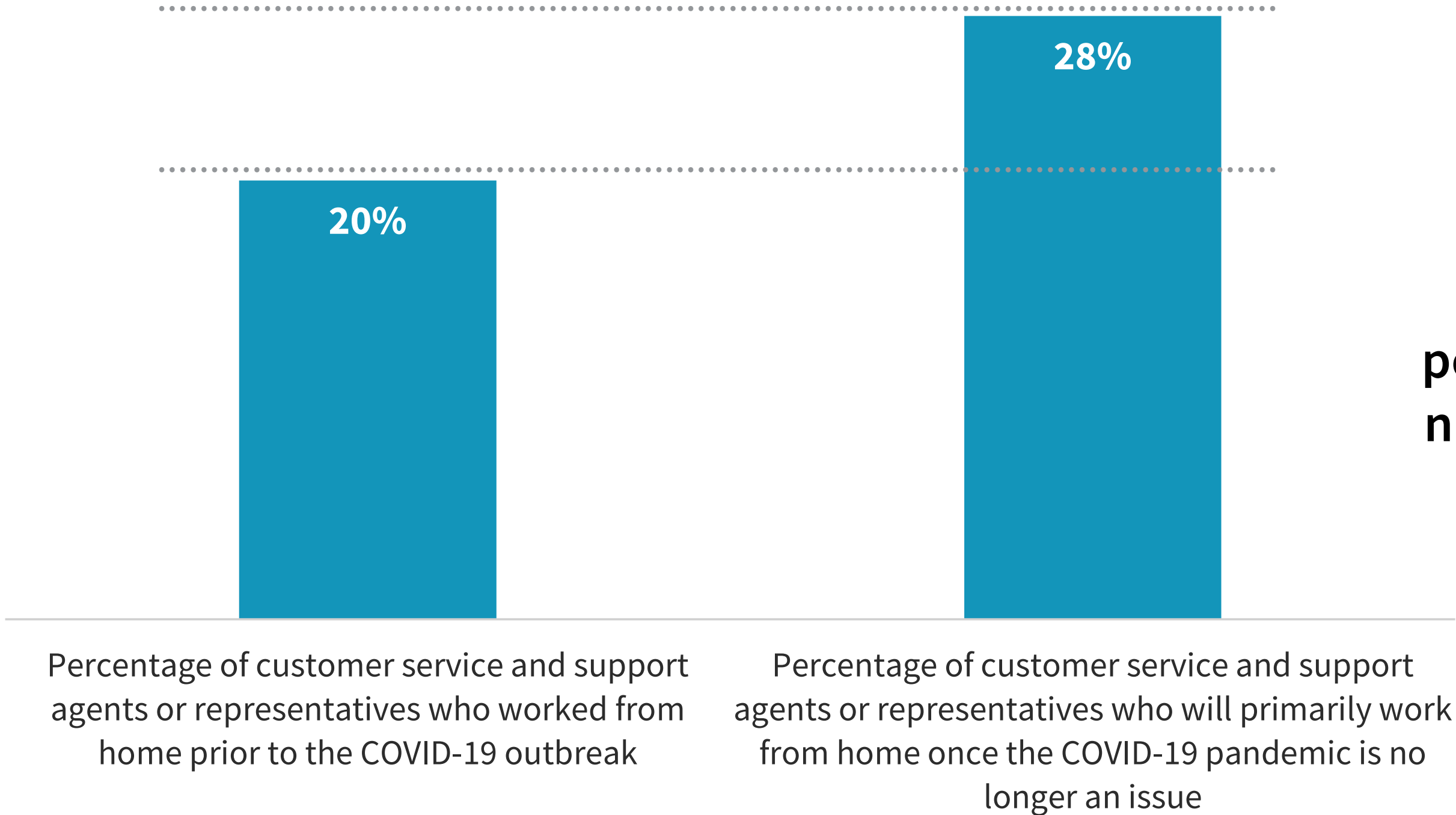
REGIONAL DIFFERENCES:
 Companies in Japan least often deliver seamless channel switching capabilities (13%), a significantly lower percentage than seen in Singapore (47%), South Korea (47%), Australia (57%), and India (86%).

Organizations expect remote work scenarios to continue

Many respondents we surveyed anticipate the COVID-19 pandemic will have a long-term impact on where service teams work. Respondents at SMBs in APAC reported that a median of 20% of their staff were remote workers prior to the outbreak. As we emerge from the pandemic, respondents anticipate the percent of remote service staff will increase to 28%.

The implications for organizations are clear: With 40% more of their staff working remotely, investments in collaboration technologies, employee monitoring solutions, cloud-based applications, and other technologies to enable remote work will likely need to persist.

REMOTE SERVICE AGENTS BEFORE AND AFTER THE COVID-19 PANDEMIC.



Respondents expect a **8-percentage point uptick in the number of remote service agents.**

Champions have more efficient customer interactions

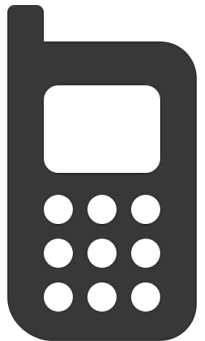
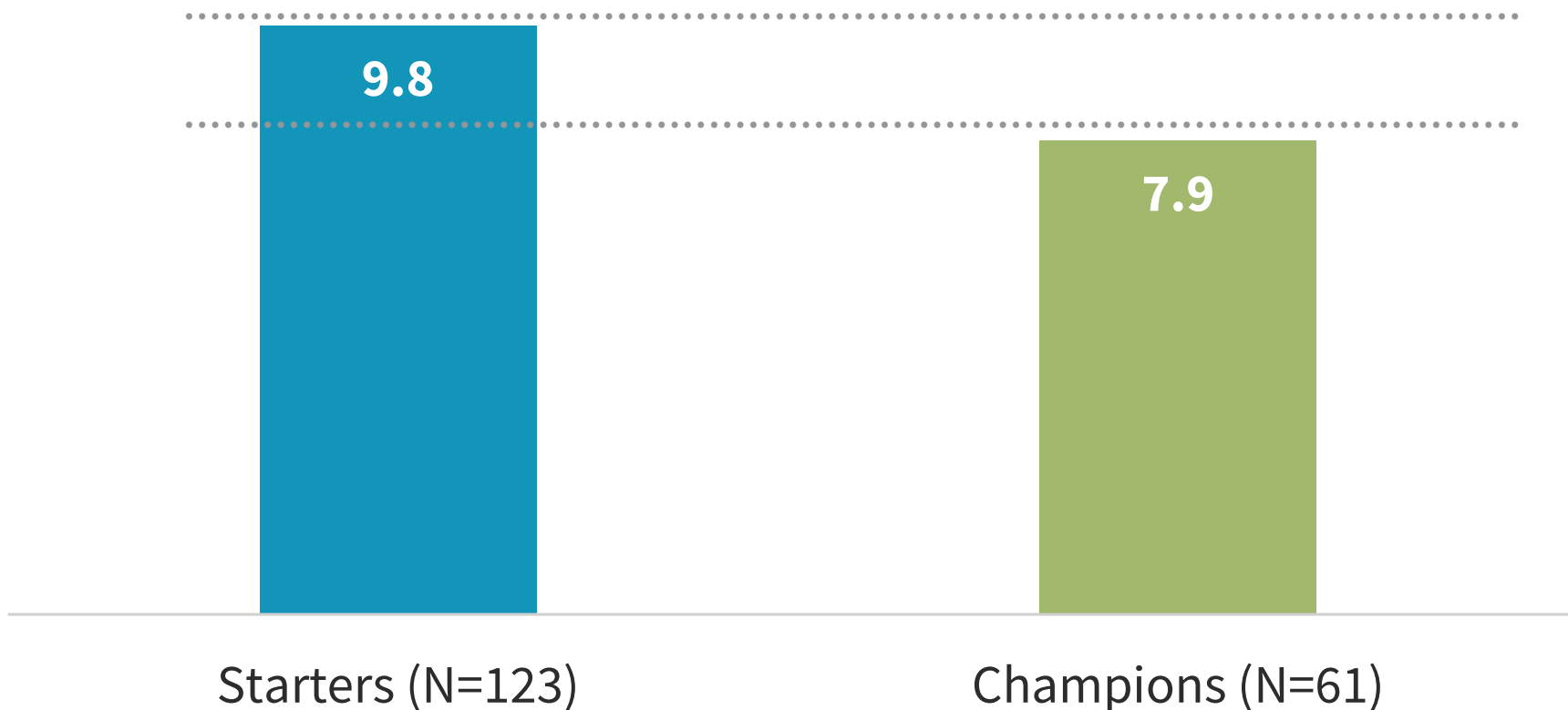
Efficiency is an important benchmark, both for customers and agents. It is a proxy for the ease with which an agent can get a customer to a solution, and as the time taken is reduced, both customer and agent satisfaction increases.

Regardless of channel, the research shows Champions are having more efficient customer interactions, using handle time as a proxy (i.e., the time taken to complete a customer interaction). **Agents at Champions are 19% more efficient when speaking with customers on the phone and have 9% more efficient chat sessions (relative to Starters).**

While this equates to just a few minutes per engagement, as those engagements scale, the cumulative savings add up.

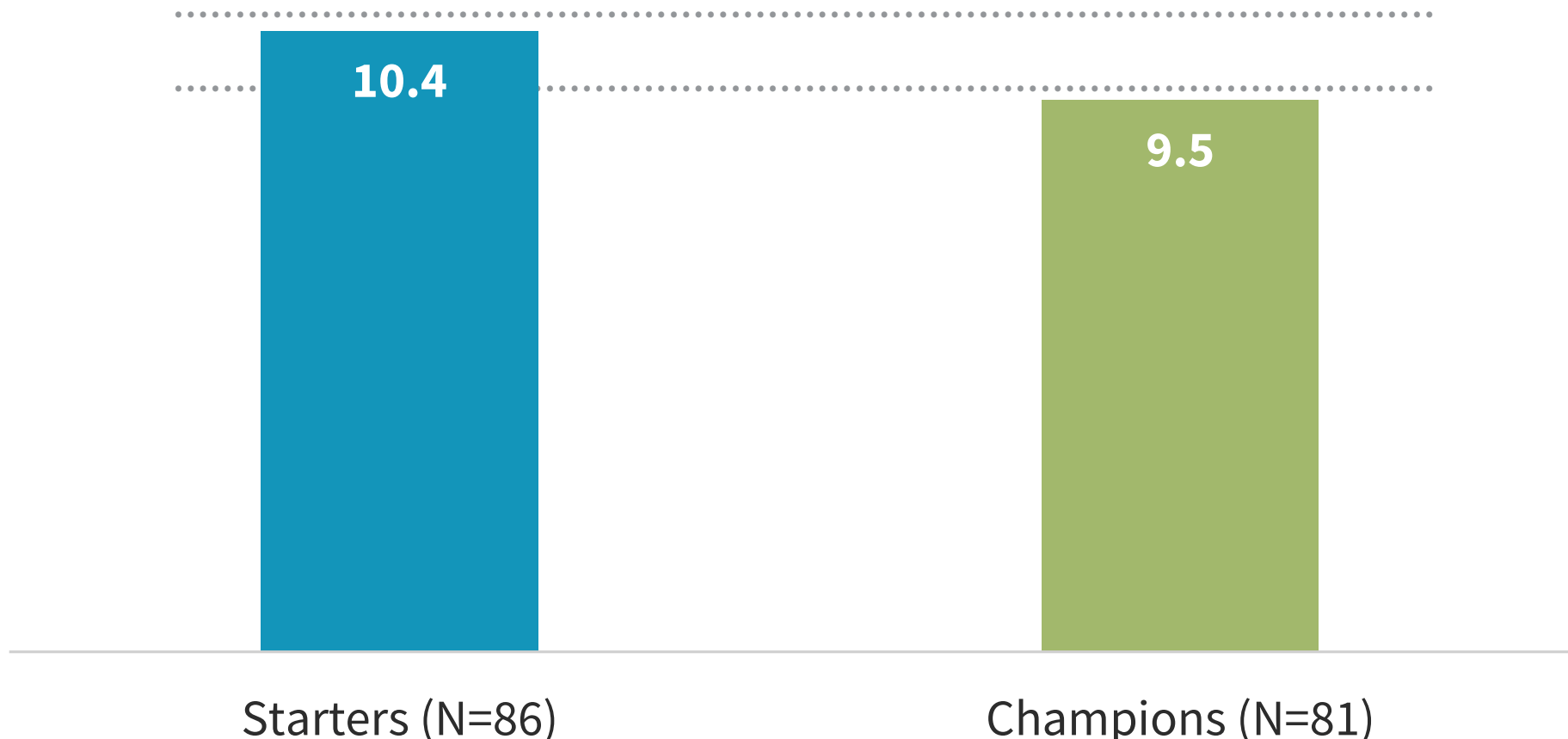
REGIONAL DIFFERENCES:
In the aggregate, SMBs in APAC tend to have 10% more efficient handle times than their peers globally.

AVERAGE 'HANDLE TIME' ON THE PHONE (MINUTES).



Champions are **19% more efficient on the phone.**

AVERAGE 'HANDLE TIME' DURING CUSTOMER CHAT SESSIONS (MINUTES).



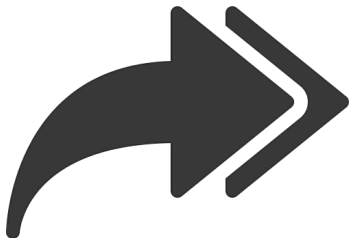
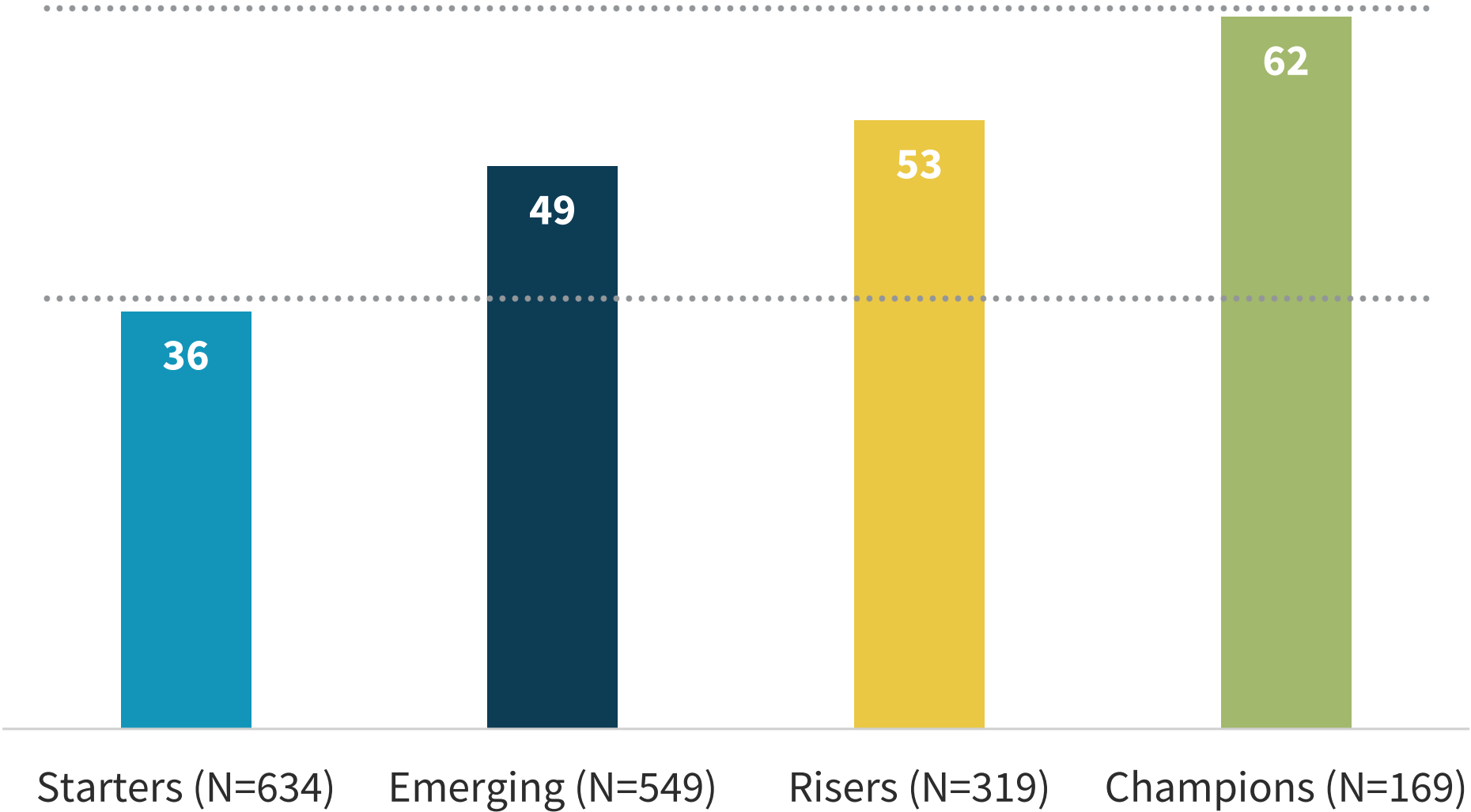
Champions are **9% more efficient in chat sessions.**

Champions achieve greater agent throughput

Efficiency breeds productivity, which comes across clearly in the research data. We asked respondents how many full-time customer service agents are in place (both in-sourced and out-sourced) at their organization and the total customer issues resolved per month.*

Dividing the average call volume by the average number of agents, we derive throughput (resolutions per-agent, per-month). **Champions achieve 72% higher agent throughput than Starters.**

AVERAGE AGENT THROUGHPUT (INQUIRIES PER-AGENT, PER-MONTH), BY MATURITY.



Champions have **72% higher agent throughput than Starters.**

YEAR-OVER-YEAR DIFFERENCES:
A year ago, the gap between these cohorts was 50%, meaning that Champions are widening the advantage over their peers.

- REGIONAL DIFFERENCES:**
- Agent throughput by country:
1. Australia (205 inquiries per agent)
 2. India (87 inquiries per agent)
 3. Singapore (64 inquiries per agent)
 4. Japan (23 inquiries per agent)
 5. South Korea (5 inquiries per agent)

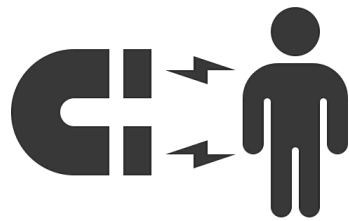
*Both questions were optional write-in questions, which not all respondents answered. Aggregate data is presented.

Champions see less agent churn

Giving agents the best tools, customer visibility, and information to do their jobs not only helps them be more effective, but it is correlated with higher satisfaction, less burnout, and ultimately improved retention.

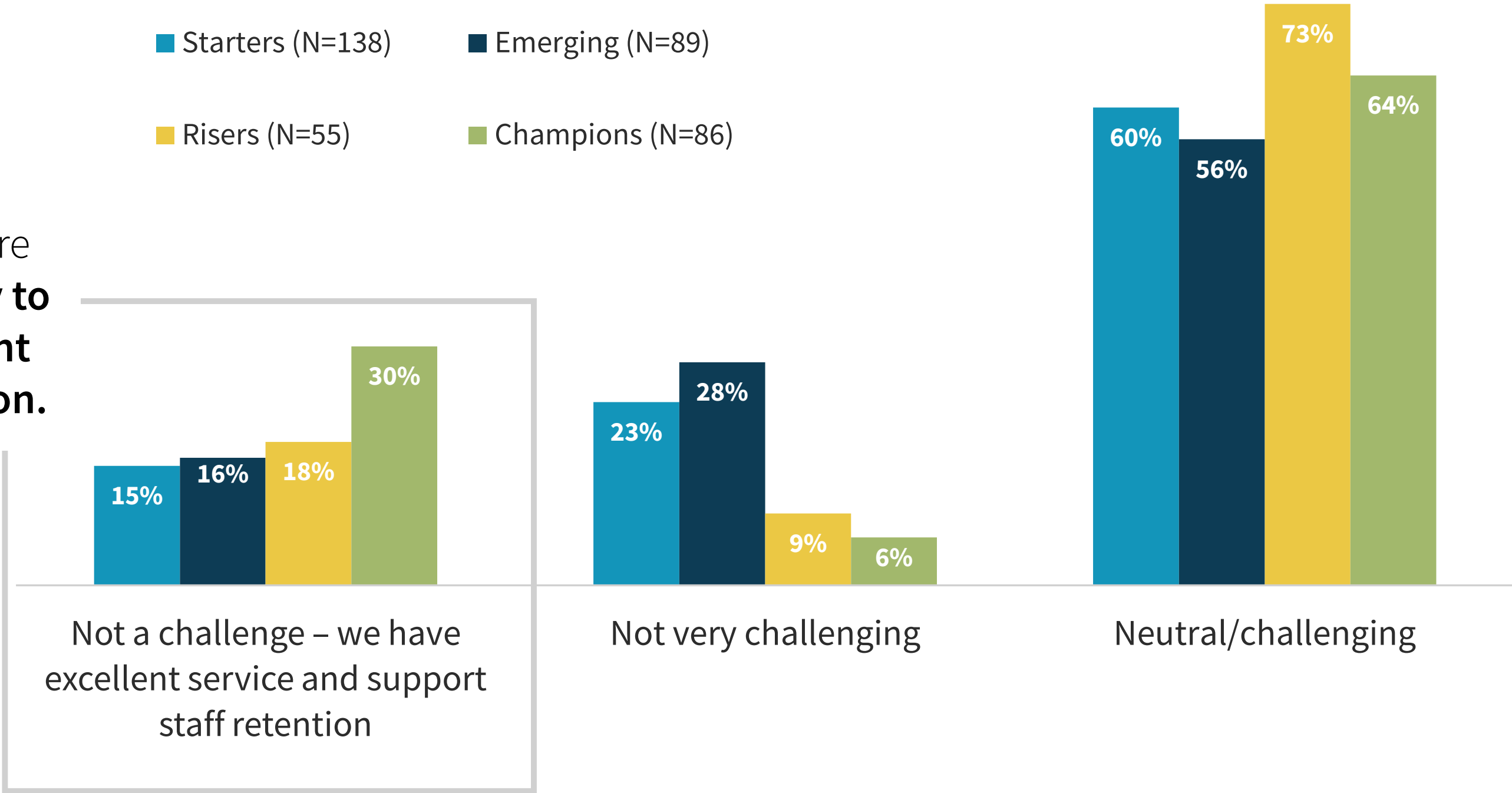
When asked to describe the turnover within their service teams, **Champions were 2x more likely than Starters to report having excellent agent retention.**

AGENT TURNOVER, BY MATURITY.



Champions are **2x more likely to have excellent agent retention.**

- Starters (N=138)
- Emerging (N=89)
- Risers (N=55)
- Champions (N=86)



REGIONAL DIFFERENCES:

In the aggregate, SMBs in APAC struggle with service agent retention more often: 15% report this is not a challenge versus 30% in all other regions surveyed.

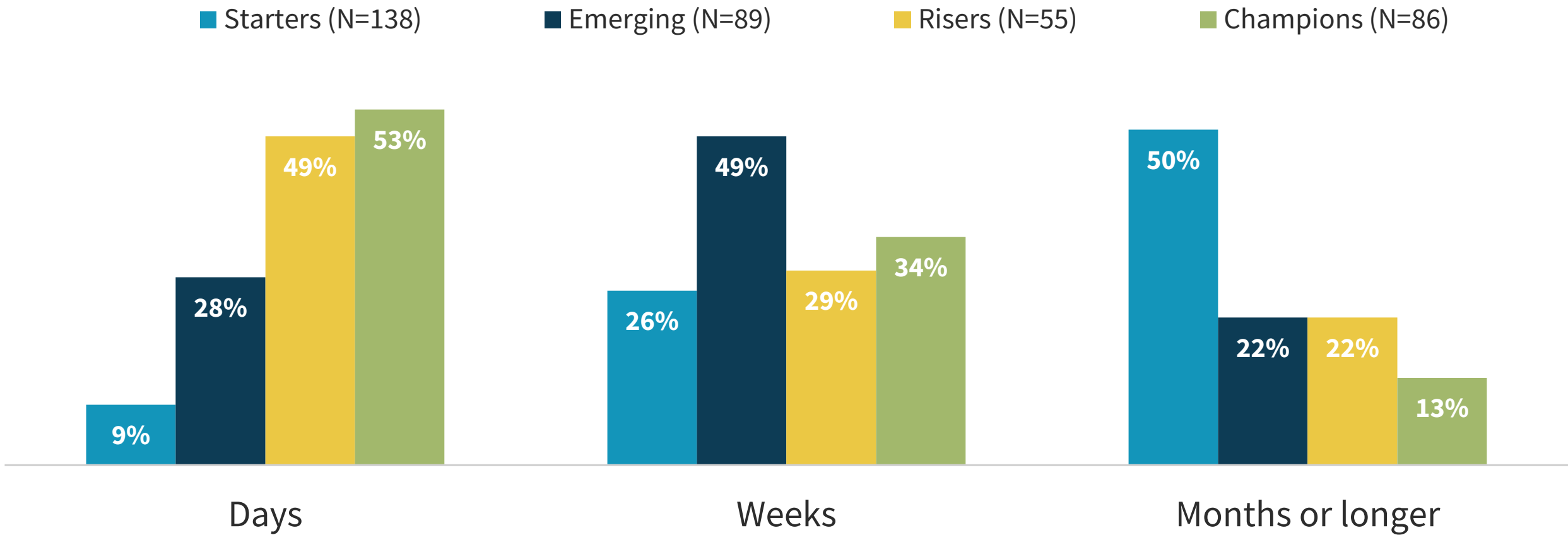
Champions are best positioned to adapt and thrive

Efficiency and effectiveness within the service team provide the organization the opportunity to spend more time planning and thinking strategically. The research attempted to quantify the advantage Champions have in this area, and the results were noteworthy.

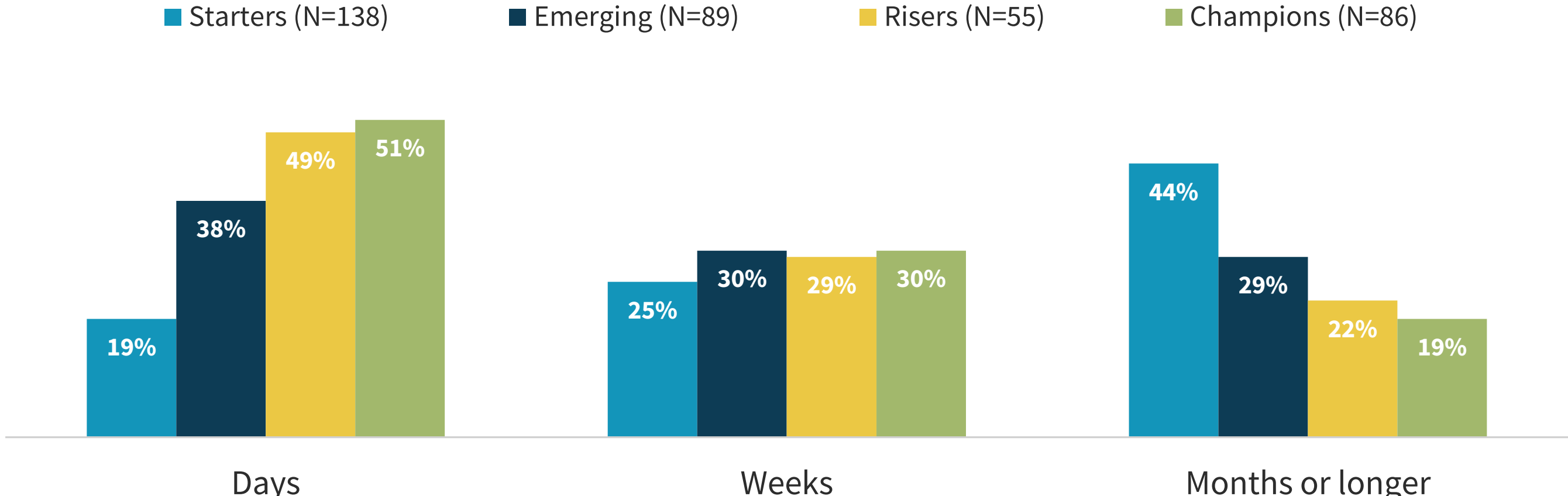
We asked respondents how quickly they could grow their service teams by 50% and fully onboard the new hires. Measuring the average calendar time, **Champions estimated it would take 66% less time to ramp their team (16 days versus 47 days for Starters).**

We also asked how long it would take to add a brand-new service channel and skill up the team in its use. Measuring the average calendar time, **Champions estimated it would take 67% less time to add a brand-new service channel to their mix (15 days versus 45 days for Starters).**

HOW LONG WOULD IT TAKE TO GROW THE SERVICE TEAM BY 50% AND FULLY ONBOARD NEW HIRES?



HOW LONG WOULD IT TAKE TO ADD A BRAND-NEW SERVICE CHANNEL AND FULLY TRAIN THE TEAM?



A photograph of a call center environment. In the foreground, a woman with dark hair is wearing a headset and looking towards the left. Behind her, a man in a brown sweater is also wearing a headset and smiling. In the background, another person is partially visible, also wearing a headset. The scene is dimly lit, with a focus on the agents.

Business Operations:
Three ways Champions
treat CX differently

A different CX mindset

In both approach and perception, Champions have a dramatically different approach to CX than less mature organizations. Most organizations would benefit from a cultural shift when it comes to CX.



Accelerating CX innovation despite macroeconomic uncertainty: In the face of a global pandemic, Champions were 4.7x more likely than Starters to have accelerated major CX projects. As a result, Champions are 19x more likely to believe they made the right investment decisions during the pandemic to maximize their resiliency.



What isn't measured and monitored can't be effectively improved: Business leaders at Champions are 16.8x more likely than Starters to review CX metrics and key performance indicators daily.



Recognizing an opportunity to create and widen a competitive edge: Business leaders at Champions are 3x more likely than Starters to view the service team as a competitive differentiator, not a cost center.

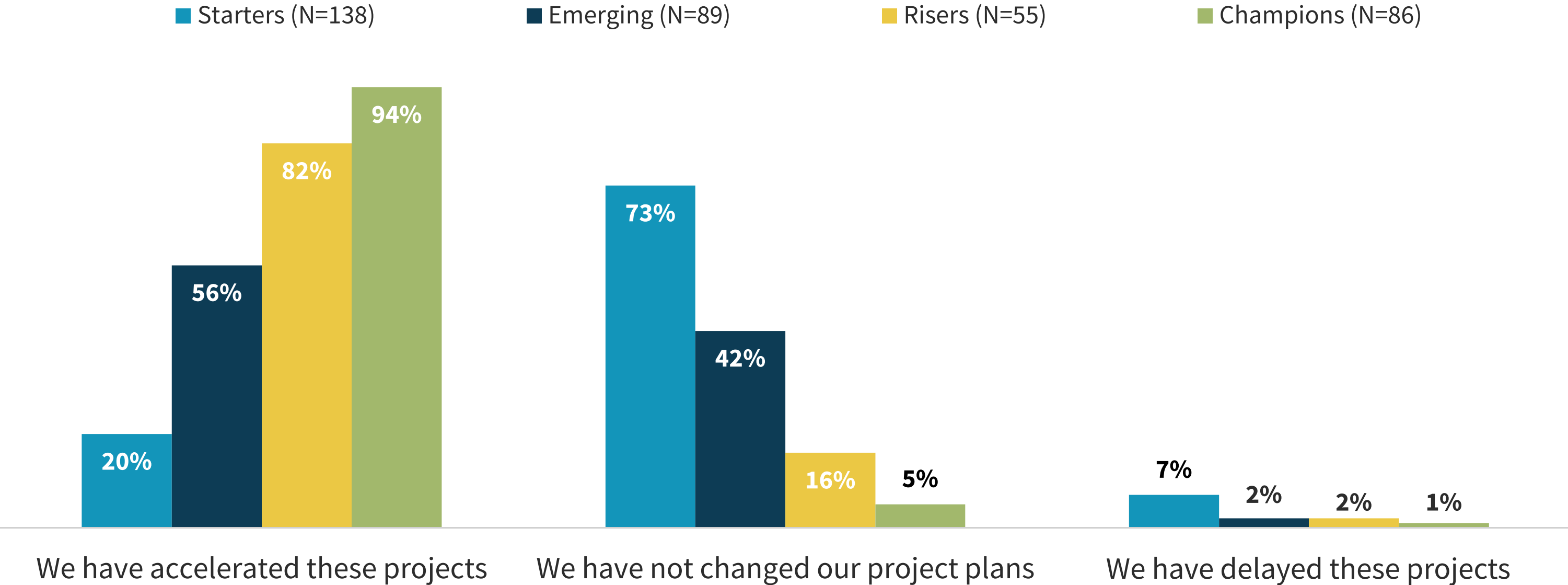
CX investment acceleration in the face of uncertainty

The research makes it clear that Champions view CX in a fundamentally different way than their peers.

One element of that is their propensity to have accelerated CX investment in the past 12 months, despite the high degree of macroeconomic uncertainty brought about by the COVID-19 pandemic. **Champions were 4.7x more likely than Starters to have accelerated major CX projects over the past 12 months.**

The implication is clear: CX investment should increase, not remain flat or decrease, when organizations face economic headwinds.

HOW HAS YOUR ORGANIZATION TREATED MAJOR CX PROJECTS OVER THE PAST 12 MONTHS?



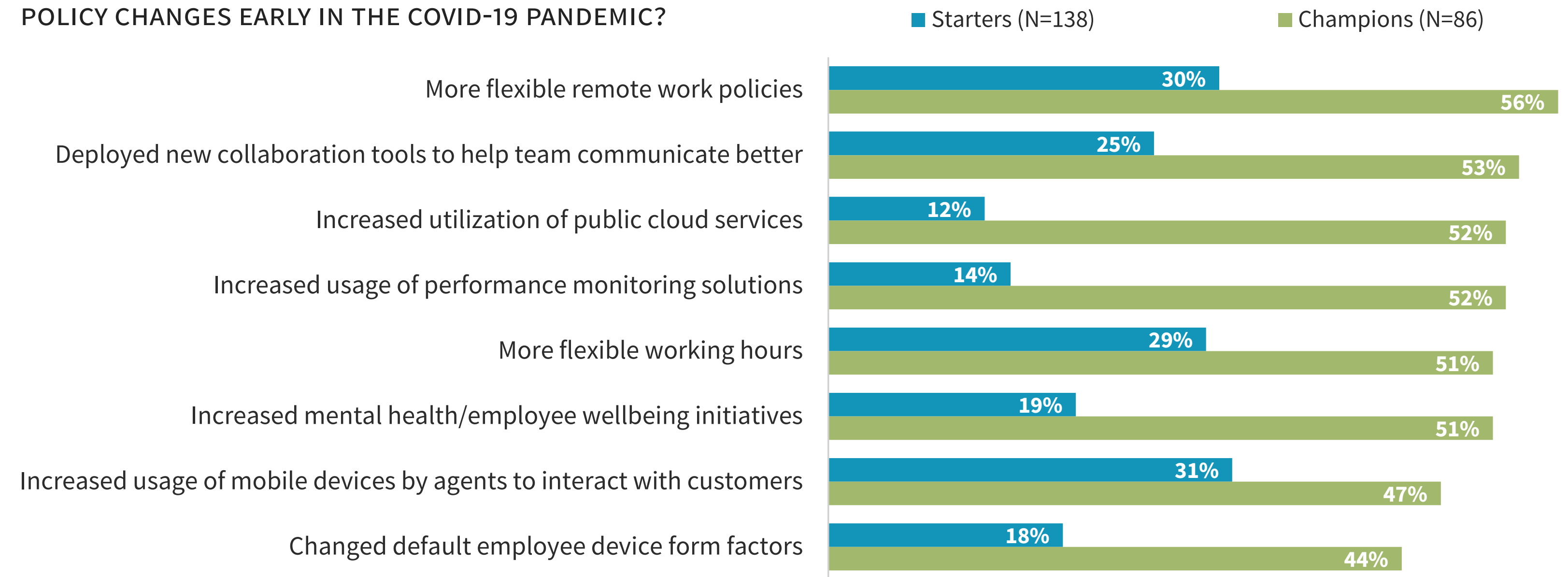
REGIONAL DIFFERENCES:
 Only 15% of Japanese SMBs have accelerated CX projects over the past 12 months, far fewer than counterparts in South Korea (41%), Australia (51%), Singapore (55%), and India (93%).

Spotlight: What can be learned about how organizations reacted to COVID-19?

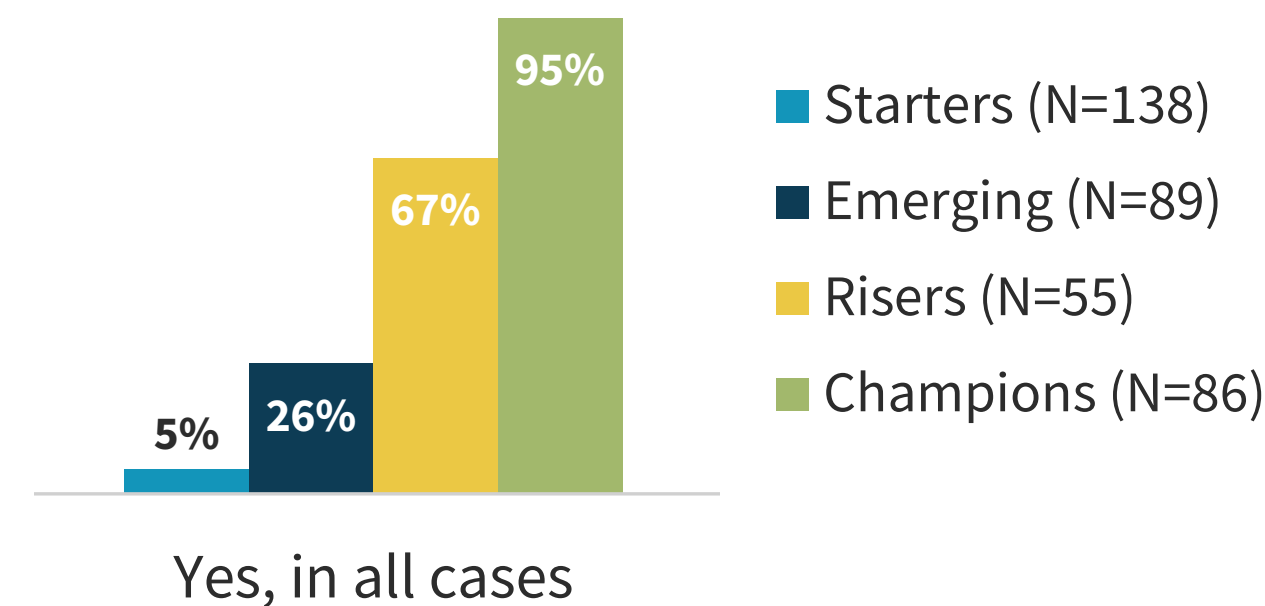
In addition to leaning into CX investments, there are several other ways Champions reacted to COVID-19 differently than their peers. When asked if the organization adopted policy changes in response to the pandemic, over half of the Champions said they adopted more flexible remote work policies, deployed new collaboration tools, and increased utilization of public cloud services early in the pandemic. Champions exhibited market-leading agility to the shifting macroeconomic and societal landscape.

The payoff? Between accelerating CX investments and adapting service policy changes earlier in the pandemic, **Champions are 19x more likely to believe they made the right investment and policy decisions during the pandemic to maximize their resiliency.**

DID YOUR ORGANIZATION MAKE ANY OF THE FOLLOWING POLICY CHANGES EARLY IN THE COVID-19 PANDEMIC?



DID YOUR ORGANIZATION MAKE THE RIGHT CX INVESTMENT DECISIONS AND POLICY ADJUSTMENTS TO MAXIMIZE ITS RESILIENCY DURING THE COVID-19 PANDEMIC?



REGIONAL DIFFERENCES:

SMBs in Japan were also the least likely to feel they made the right CX investments to increase their business resiliency in the future (11% versus 20% in Singapore, 27% in South Korea, 36% in Australia, and 83% in India).

REGIONAL DIFFERENCES:

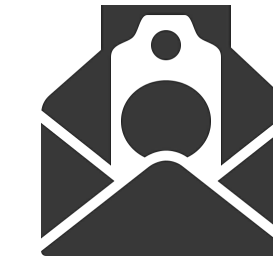
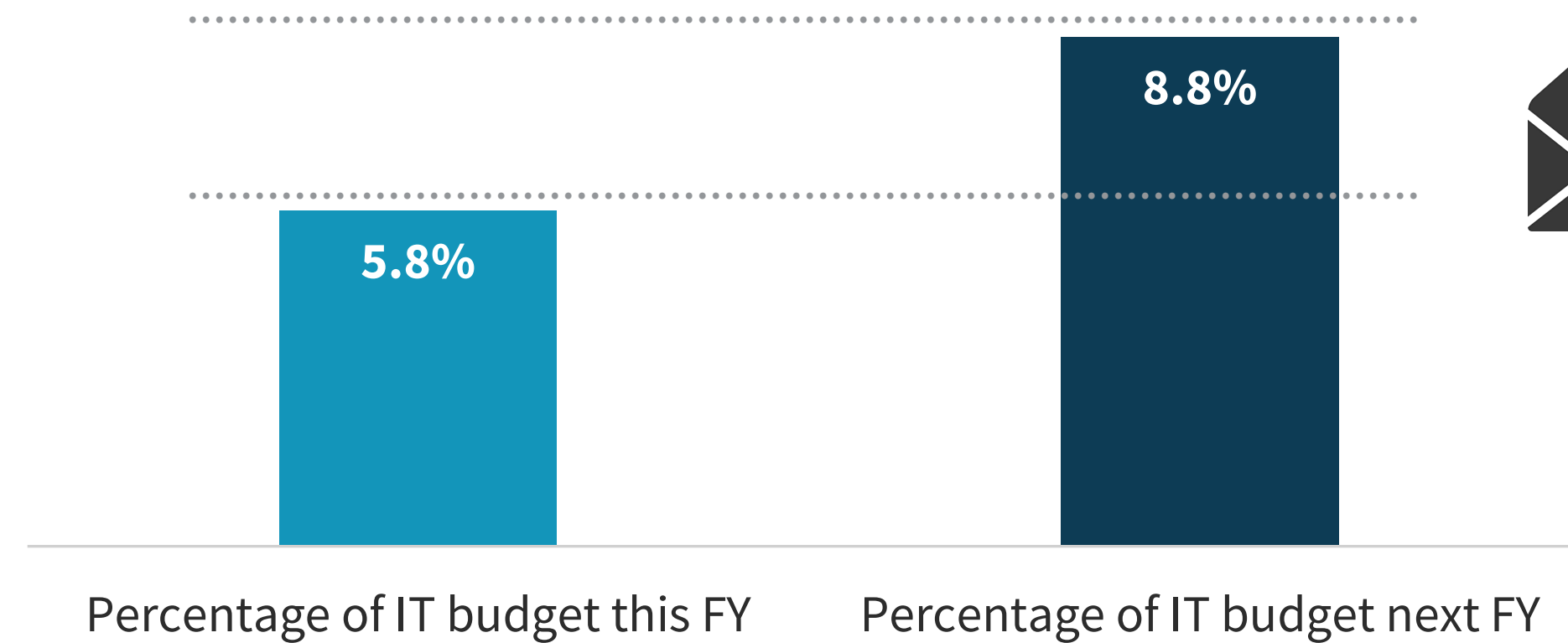
SMBs in Japan were less likely than those in Australia, Singapore, South Korea, and India to have increased mental health initiatives and increased usage of performance monitoring solutions over the course of the COVID-19 pandemic.

Investment and executive engagement

Moving past COVID-19 specific data, it is clear that in absolute terms, organizations expect greater investment in CX over time. Respondents representing **SMBs in APAC expect to increase their CX-related spending by 52% from this fiscal year to next.**

Beyond capital investments, Champions invest more executive attention on optimizing CX. **C-suite executives at Champions are 16.8x more likely than Starters to review CX performance metrics daily**, and nearly a third of Starters report leadership only reviews these metrics monthly or less often.

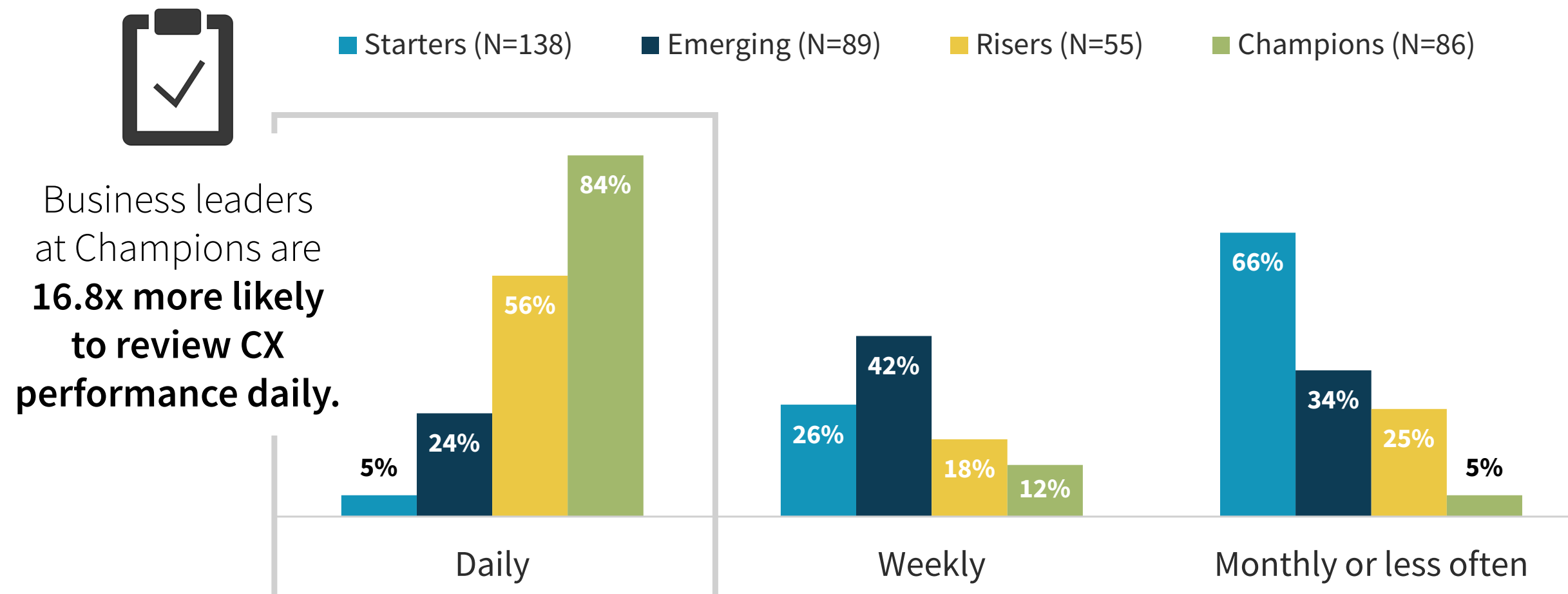
PERCENTAGE OF TECHNOLOGY BUDGETS ALLOCATED TO CX TOOLS AND TECHNOLOGIES.



Organizations **plan to increase spending by 52%.**

REGIONAL DIFFERENCES: In the aggregate, service metrics get more executive attention at SMBs in APAC: 36% say executives inspect metrics daily versus 15% in other regions surveyed.

HOW OFTEN C-SUITE LEADERS REVIEW CX-RELATED METRICS AND KPIS.



Business leaders at Champions are **16.8x more likely to review CX performance daily.**

REGIONAL DIFFERENCES: SMBs in India are more likely to have their service metrics be reviewed by their executives on a daily basis (73%) compared to their counterparts in Japan (14%), South Korea (20%), Australia (25%), and Singapore (25%).

REGIONAL DIFFERENCES:

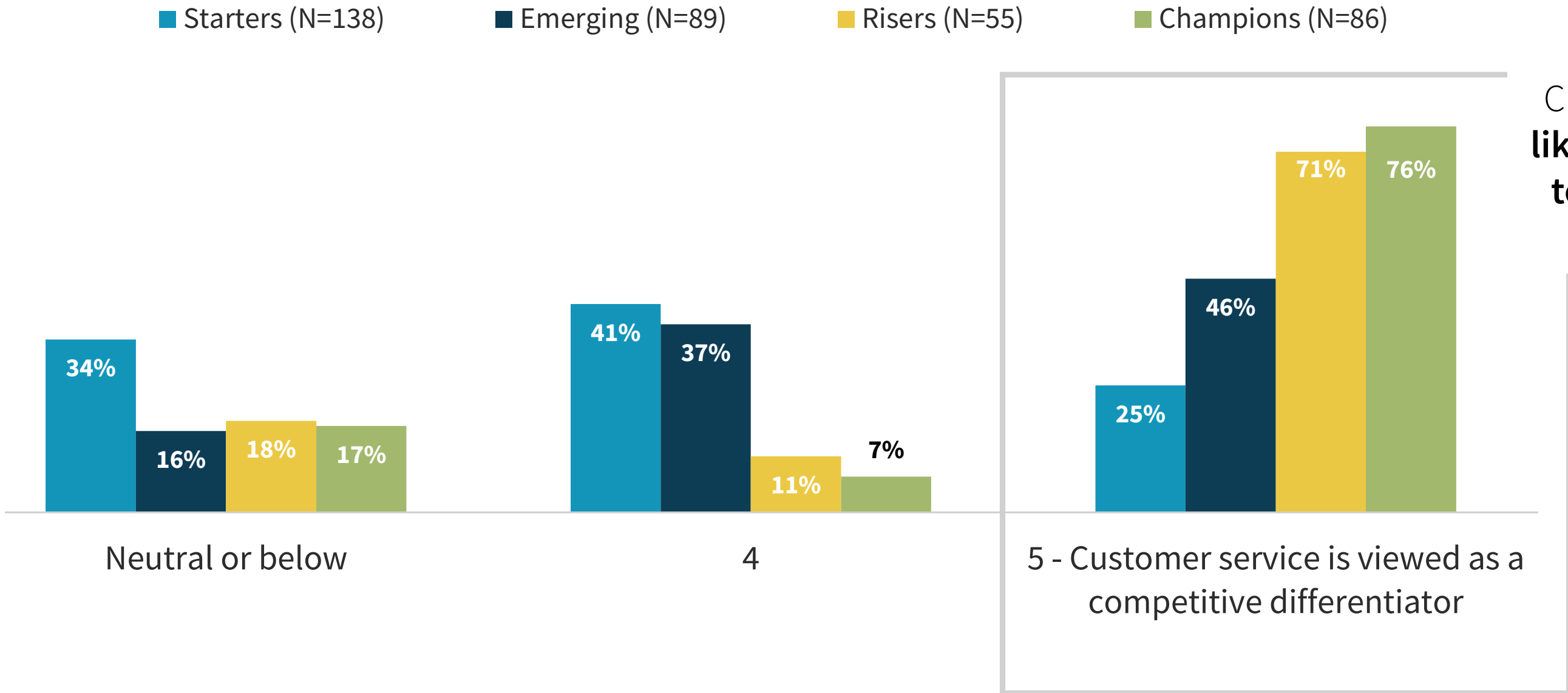
SMBs in Japan expect to spend less of their technology budgets on CX next FY (6.2%) when compared to their peers in South Korea (8.3%), Australia (8.9%), Singapore (9.8%), and India (9.9%).

Recognition that service is a differentiator

Finally, the perception of the service team is markedly different when comparing organizations with a high level of maturity to those that are less mature. **Business leaders at Champions are 3x more likely to view the service team as a competitive differentiator.**

The data backs this view, as Champions' service teams consistently help their organizations stand out from the crowd in terms of CX.

HOW DO SENIOR BUSINESS LEADERS VIEW YOUR SERVICE ORGANIZATION?




Business leaders at Champions are **3x more likely to view the service team as a competitive differentiator.**

YEAR-OVER-YEAR DIFFERENCES:

APAC SMBs in the aggregate see their service teams in a better light than one year ago: 49% are seen as competitive differentiators today compared to 18% in last year's research.

REGIONAL DIFFERENCES:

SMBs in India were the most likely to say they see service as a differentiator (69%), a significantly higher percentage than their counterparts in Japan (26%), South Korea (38%), Australia (47%), and Singapore (52%).

A woman with long dark hair, wearing a headset with a microphone, is shown in profile, smiling and looking towards the left. She is wearing a light-colored, vertically striped shirt. The background is dark and out of focus, suggesting a call center or office environment. A small blue horizontal line is positioned above the text on the left side of the image.

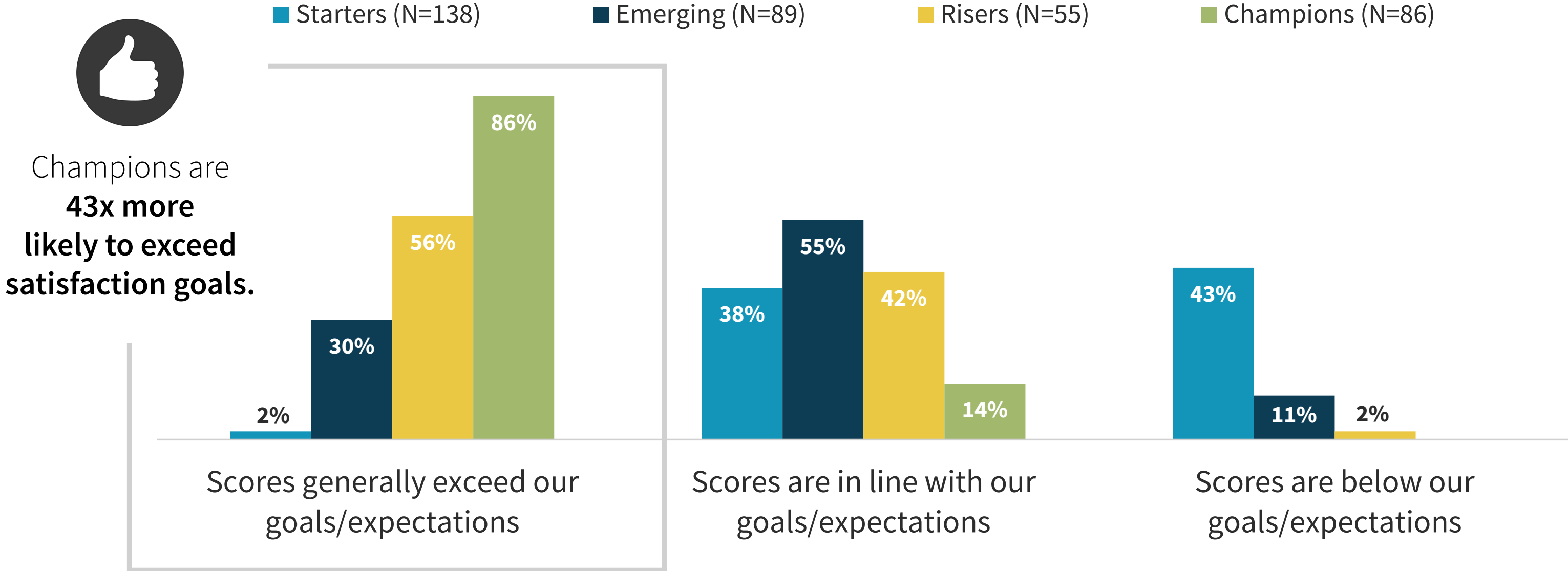
Business Outcomes:
Why becoming a Champion
should matter to your business

Champions outperform their customer satisfaction goals

The goal of the service team is to delight customers. All else being equal, we would expect organizations with the most mature service practices to perform better in terms of customer satisfaction, and that is exactly what the data shows. **Champions are 43x more likely than Starters to generally exceed their customer satisfaction goals.**

The research suggests Champions’ ability to deliver faster, more effective, and more conversational service experiences is one of the key reasons they outperform their peers in terms of customer satisfaction.

HOW DOES YOUR ORGANIZATION GENERALLY PERFORM RELATIVE TO ITS CUSTOMER SATISFACTION TARGETS?



Champions are **43x more likely to exceed satisfaction goals.**

REGIONAL DIFFERENCES:

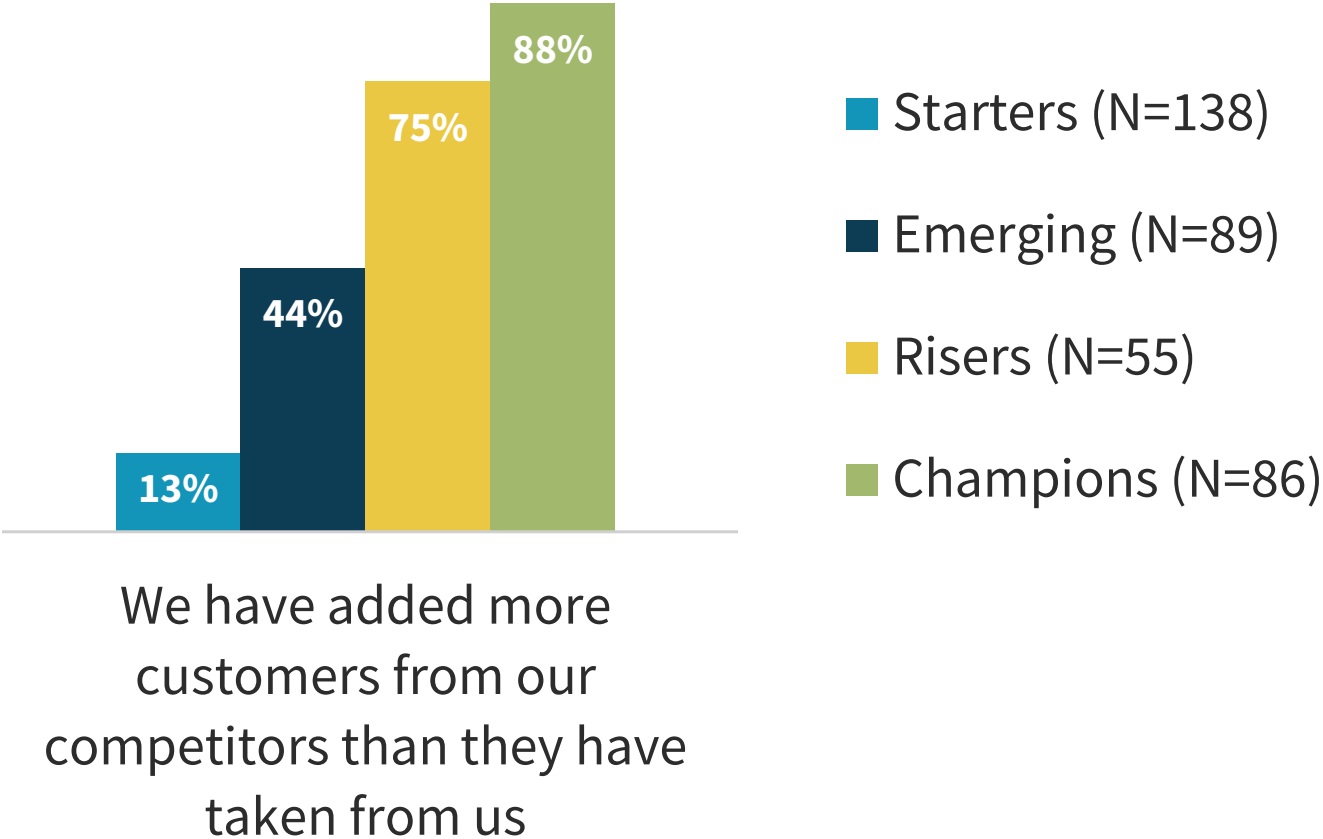
Only 5% of SMBs in Japan generally exceed their satisfaction goals, a significantly lower percentage than in Singapore (22%), Australia (28%), South Korea (29%), and India (78%).

Champions broaden their customer base while increasing customer spending

Customer satisfaction should serve as a leading indicator to business results. Happy customers help the brand grow its customer base with recommendations and positive word of mouth. This is a trend we observe in the data: **Champions are 6.8x more likely than Starters to report having grown their customer base in the last 6 months.**

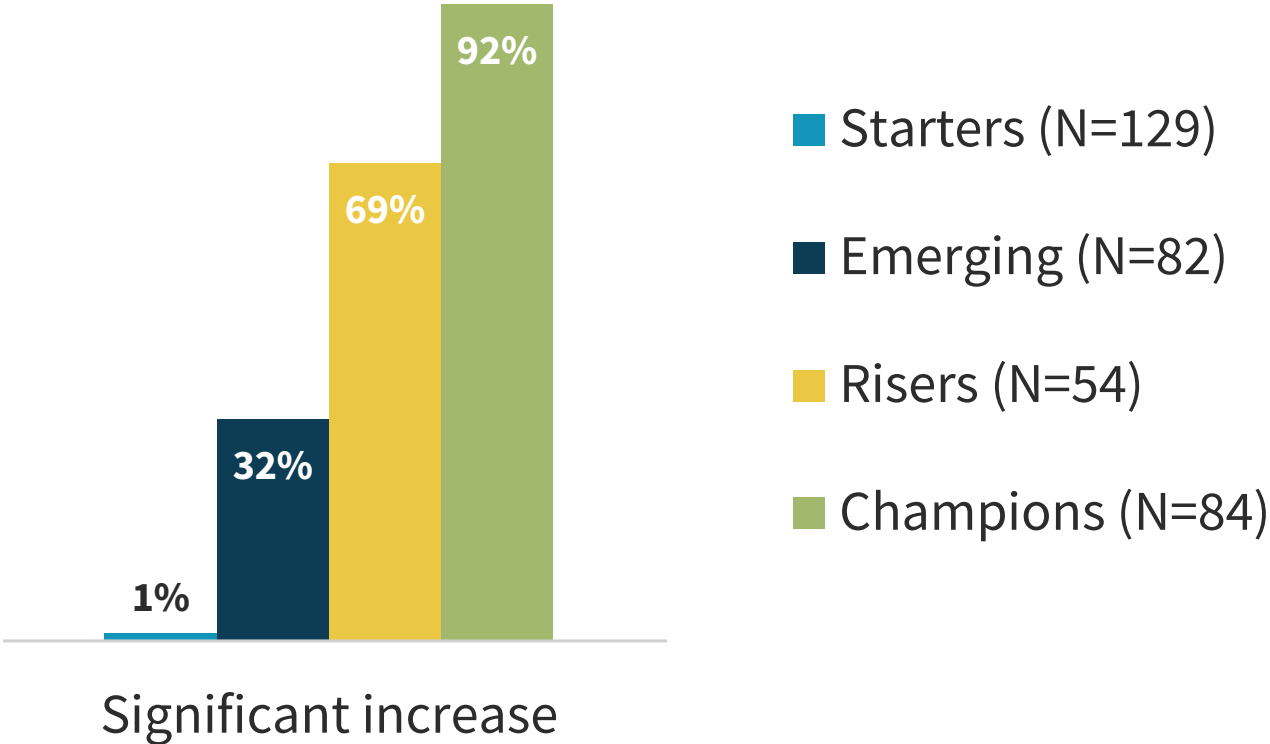
Similarly, happy customers tend to show their appreciation with their wallets, buying additional products and services from brands that have delighted them. Again, the data backs this up: 92% of Champions have seen their per-customer spending increase in the past 6 months.

HOW HAS YOUR ORGANIZATION’S CUSTOMER BASE CHANGED IN THE LAST 6 MONTHS?



REGIONAL DIFFERENCES:
SMBs in Japan were the least likely to report an increase in customers (11% versus 36% in South Korea, 42% in Australia, 45% in Singapore, and 83% in India).

HOW HAS CUSTOMER SPENDING CHANGED IN THE LAST 6 MONTHS?



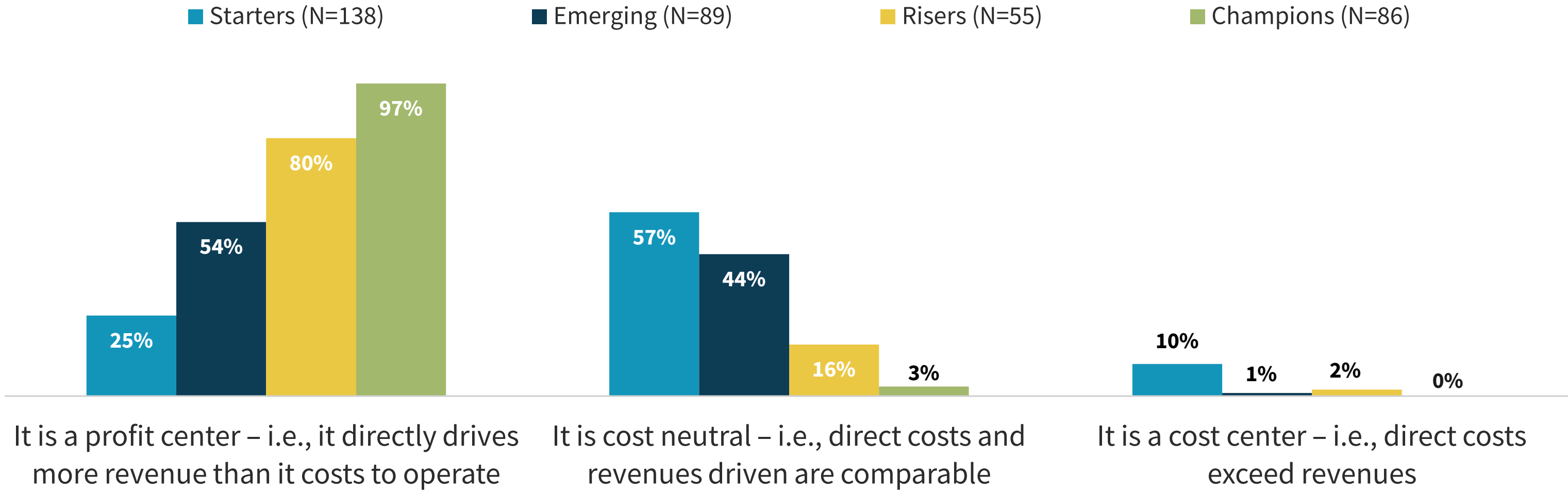
REGIONAL DIFFERENCES:
In the aggregate, SMBs in APAC were more likely to report a significant increase in average spending per customer (40%) compared to other regions (19%).

For Champions, service teams are profit drivers

The traditional view of the service organization is that of a cost center, a department where operational costs exceed contributions to the bottom line. Our research shows this perception is changing, particularly for Champions.

Nearly four out of five Champions say their service team is a profit center from which direct revenues exceed costs. But not all organizations see this benefit: **Champions are 3.9x more likely than Starters to operate a profitable service team.**

HOW DOES THE SERVICE TEAM IMPACT THE COMPANY’S FINANCIAL PERFORMANCE?



REGIONAL DIFFERENCES:
 Just 23% of SMBs in Japan describe their service teams as profit drivers, a far lower percentage than in India (88%), Australia (54%), Singapore (53%), and South Korea (46%).



Conclusion

Whether in terms of their ability to serve customers efficiently and effectively, their ability to deliver an agent experience that empowers and engages staff, or the impact of customer service to the business, the case that all organizations should strive to reach CX Champion status is clearly and consistently made by the data. Depending on where your organization is today, this journey may seem daunting, but the first step is understanding where you stand:

- **Are your service teams adequately trained and staffed to meet demand?**
- **Does your organization have processes in place to continuously and quickly evolve how you serve customers based on an ongoing feedback loop from the service team?**
- **Is the data created and captured by the service team operationalized or is your organization blind to those insights?**
- **And do your teams have the best-in-class tools to help your customers and build advocacy?**

If your answer to any of these questions is “no,” Zendesk wants to help. From customer case studies, to a dynamic self assessment to help you better understand where you are today, to an ROI calculator, Zendesk has created a host of assets to help your organization take its first step down the path to becoming a CX Champion.

[LEARN MORE](#)



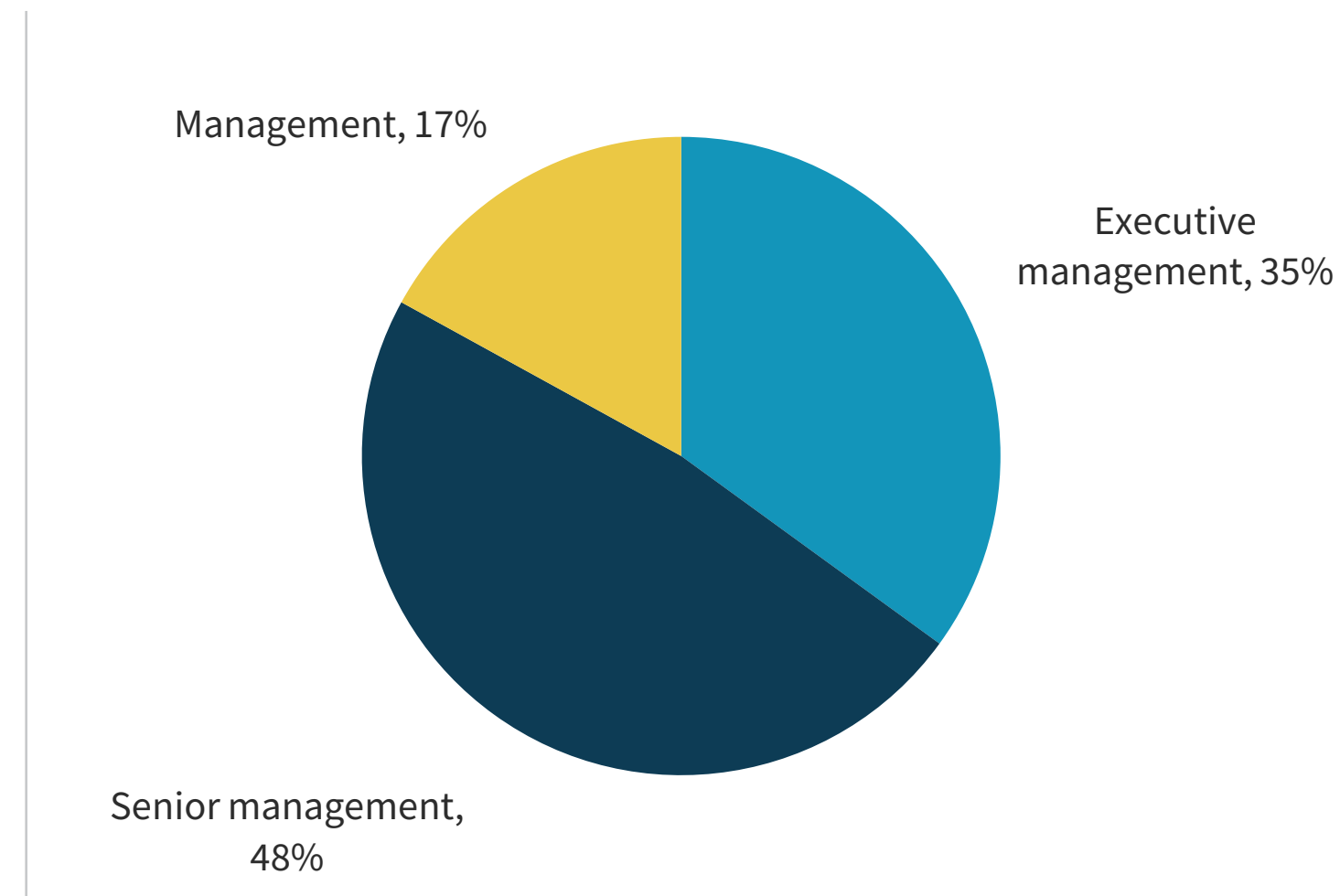
Demographics

The data in this report was derived from a survey fielded between April 27 and August 24, 2021. The figures that follow detail the demographics of respondents to the survey located in the APAC region and employed at SMBs (N=368).

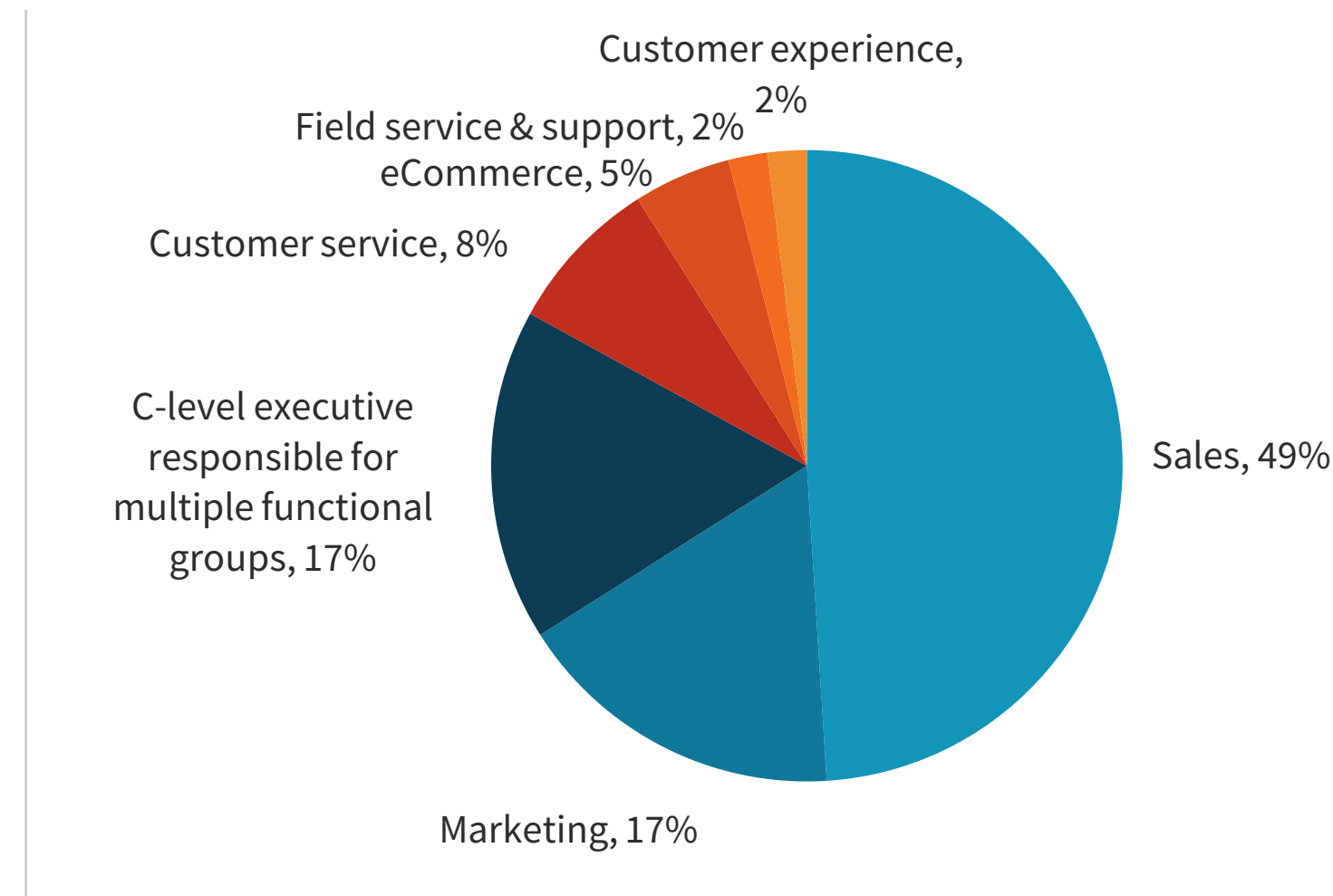
Totals in figures and tables throughout this report may not add up to 100% due to rounding.

The margin of error for a sample size of 368 at the 95% confidence level is + or - 5 percentage points.

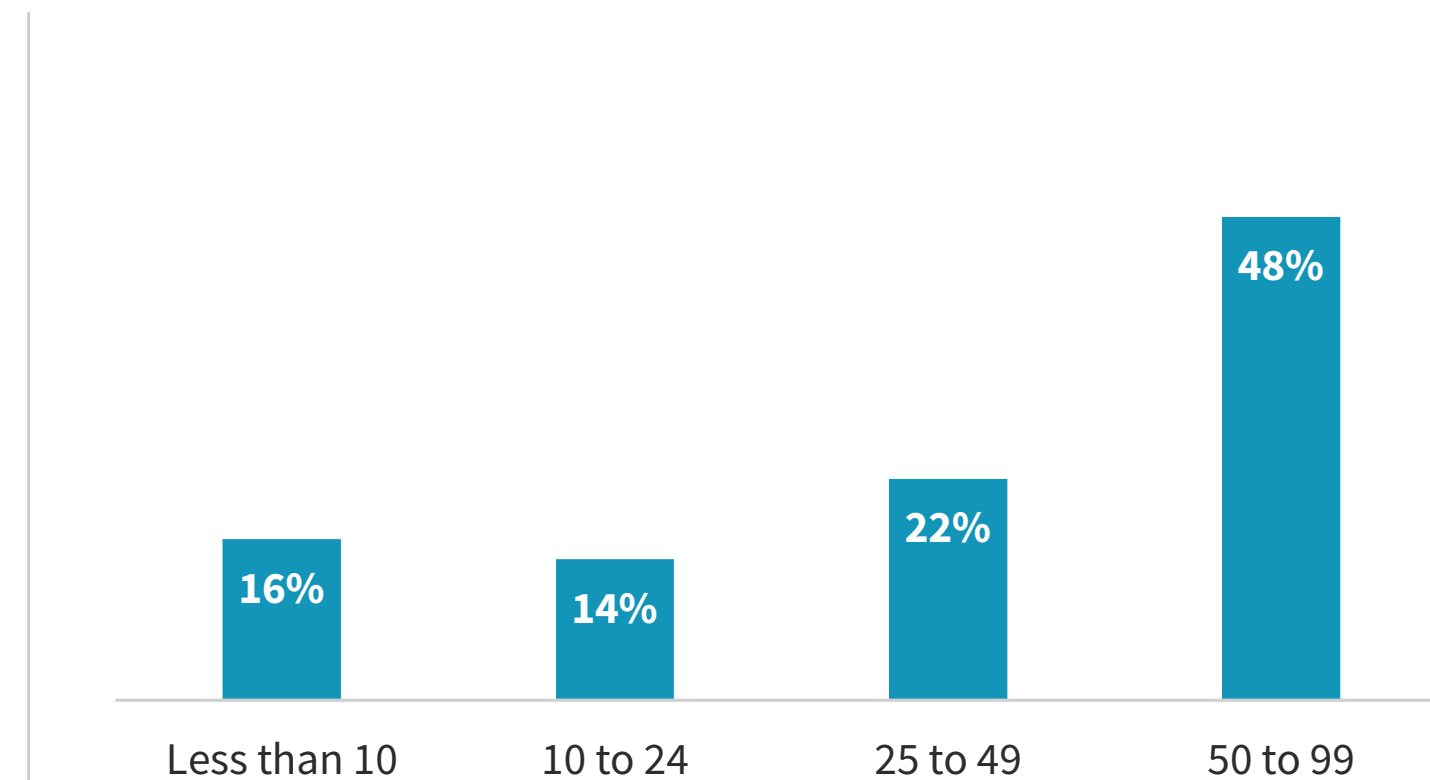
RESPONDENTS BY SENIORITY.



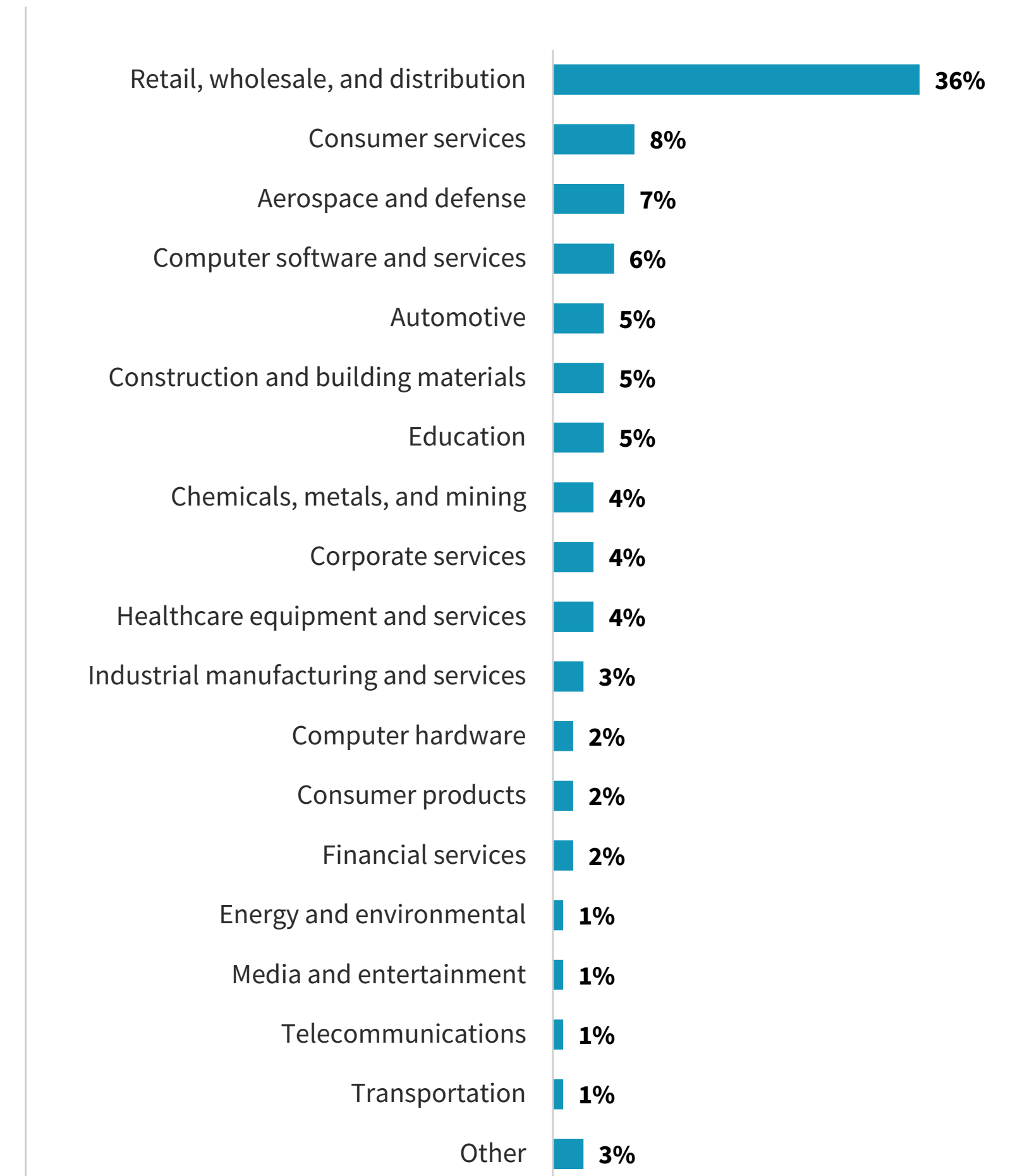
RESPONDENTS BY JOB FUNCTION.



RESPONDENTS BY COMPANY SIZE.



RESPONDENTS BY INDUSTRY.





ABOUT ZENDESK

Zendesk started the customer experience revolution in 2007 by enabling any business around the world to take their customer service online. Today, Zendesk is the champion of great service everywhere for everyone, and powers billions of conversations, connecting more than 100,000 brands with hundreds of millions of customers over telephony, chat, email, messaging, social channels, communities, review sites and help centers. Zendesk products are built with love to be loved.

The company was conceived in Copenhagen, Denmark, built and grown in California, taken public in New York City, and today employs more than 5,000 people across the world. Learn more at www.zendesk.com.



ABOUT ESG

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