

Gartner®

The Customer Service Experience

Top trends, channels and behaviors to watch



Introduction

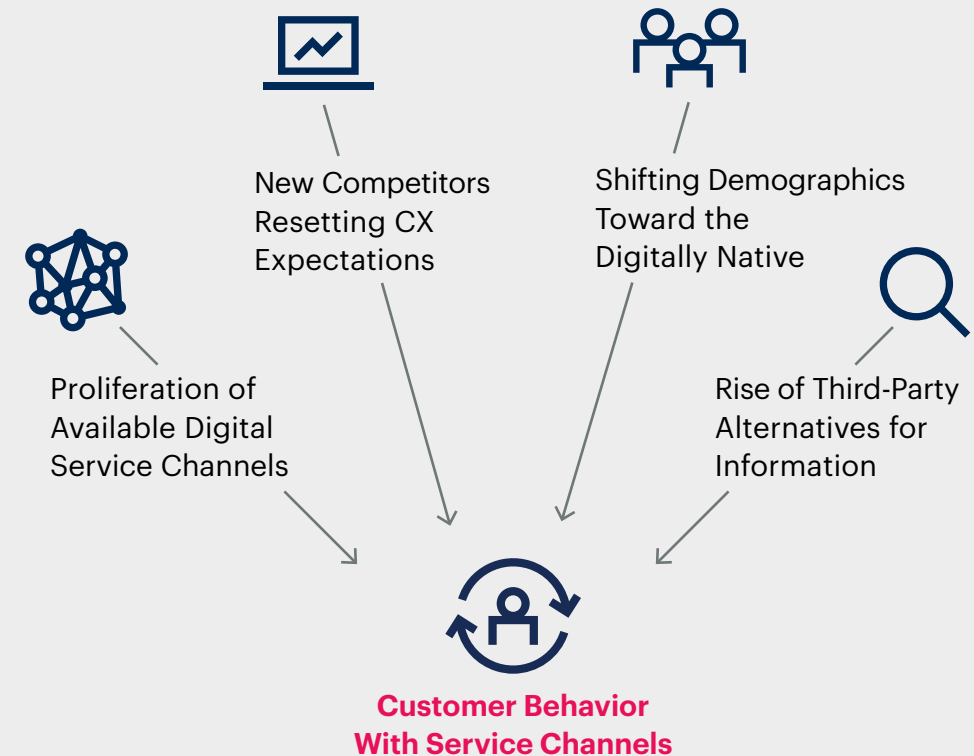
In recent years, customer service and support (CSS) leaders have greatly accelerated investment in digital channels and capabilities, hoping to offer a better service experience to customers at lower cost to the organization.

Channels such as virtual customer assistants, chatbots and mobile-based messaging are actively deployed in, and projected to, deliver sizable returns on investment. However, as the channel offerings grow and evolve so do the ways in which customers use those channels — with their behavior and expectations shaped in part by forces outside the control of service organizations.

Third-party alternatives such as YouTube and Reddit are increasingly factoring into customers' upstream service journeys. New competitors are elevating expectations for what a good service experience looks like. And demographics continue to shift each year toward younger, more digitally native customers.

We surveyed 4,000 customers around the world,¹ asking them how they interact with, and feel about, customer service channels today. Our analysis of the results is striking: In at least five ways, CSS leaders are clinging to misconceptions about what customers want and how they behave.

Understanding these myths — and the corresponding realities — will allow organizations to provide customers with great experiences, cementing their long-term loyalty.



¹The Customer Service Experience research draws on data from the 2021 Gartner Customer Service and Support State of the Customer Survey; n = 4,579 customers in Australia, Canada, New Zealand, Singapore, the U.K. and the U.S., polled in December 2020.

5 Myths and Realities About Customer Service Journeys



Myths about customer behaviors

01 Proactive service eliminates the need to contact customer service, reducing call volume.

02 Customers seek out and trust customer service channels and information above all else.

03 Customers will readily adopt digital channels if provided and promoted.

04 Channel switching leads to poor CX and customer disloyalty.

05 Great service experiences make customers want to do more business with the organization in the future.



Realities about customer behaviors

Proactive service prompts additional engagement, often via assisted channels.

Customers want to resolve their own issues, increasingly through search and non-company-owned channels.

Customers quickly revert to previously used channels, often at the expense of speedy resolution.

Customers don't mind switching channels as long as their issue is resolved in a single, continuous interaction.

Great service experiences may stem customer attrition, but only “value enhancing” service experiences drive retention and growth.

01

Myth

Proactive service eliminates the need to contact customer service, reducing call volume.

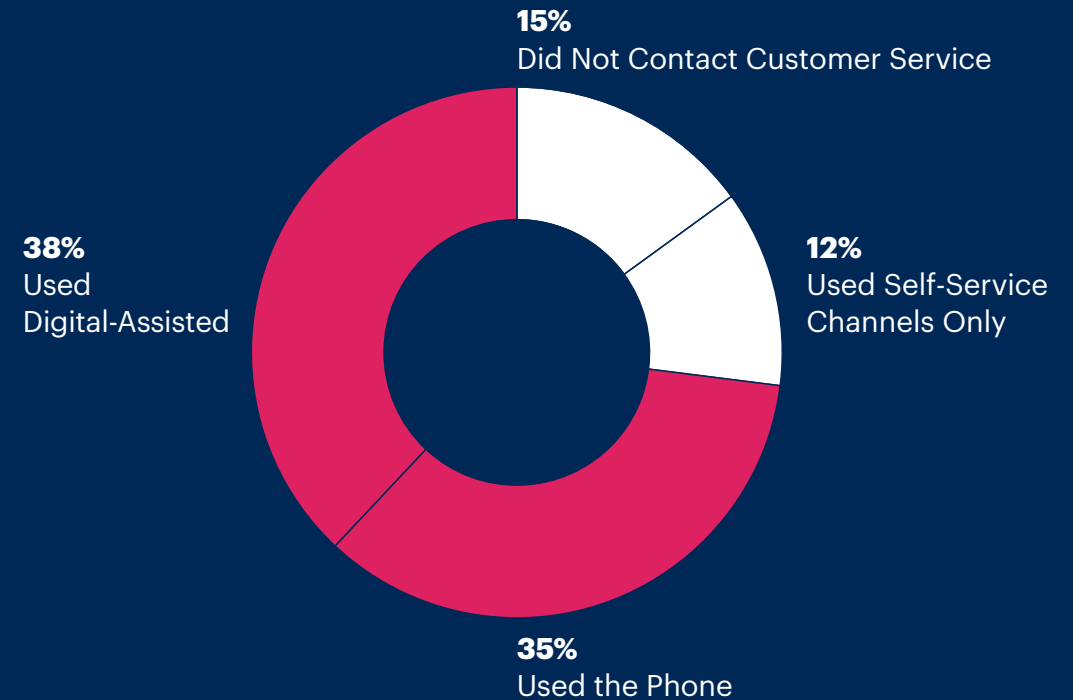
Many service organizations adopt proactive service believing they are anticipating customer issues and so heading off unnecessary contacts to costly service channels, like phone or live chat. Leaders also view proactive service as an opportunity to direct customers to self-service options, further reducing the cost to serve.

Reality

Proactive service prompts additional customer service engagement, often via assisted channels.

On average, proactively contacted customers use more channels and have more unique interactions with customer service than those who initiate contact themselves. Customers do appreciate proactive outreach (it results in higher CX scores); however, it's a strategy more effective at loyalty-building than cost reduction.

Customer Behavior Following Proactive Service



n = 1,305

Source: 2021 Gartner Customer Service and Support State of the Customer Survey

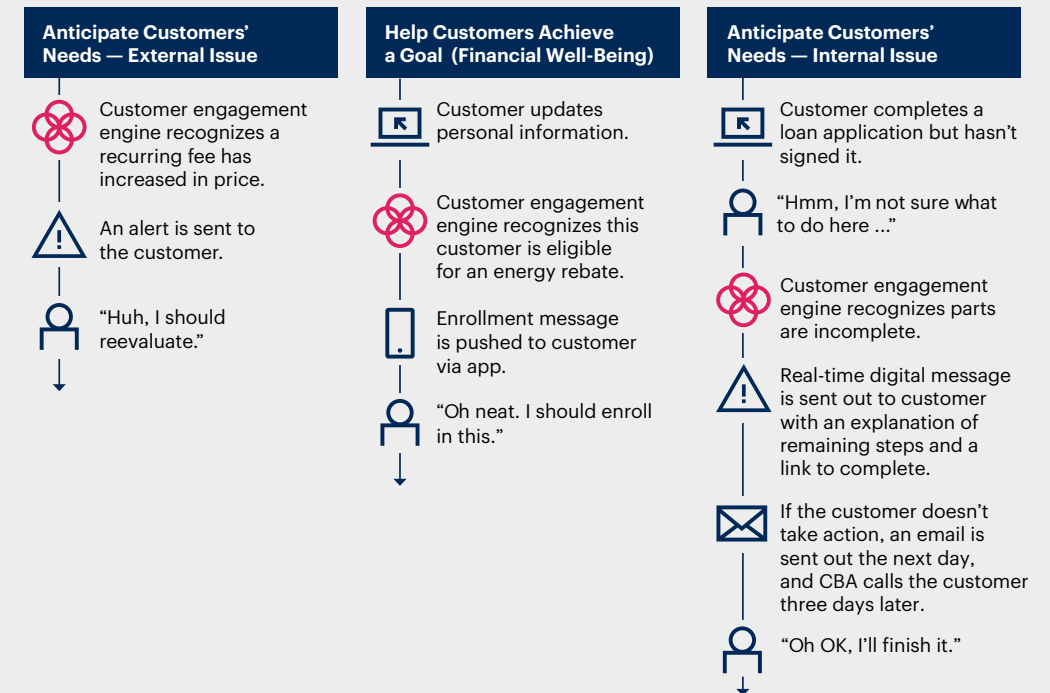
Commonwealth Bank of Australia Integrates Proactive Messaging Into CX Journeys

CBA integrates proactive messaging into preplanned customer experience journeys across channels. The bank designed over 2,000 next-best-action conversations tailored to individual customers' needs based on historical customer data and customer service agent feedback.

A customer engagement engine (CEE) predicts and recommends the right next-best conversation based on each customer's context and behavior. To get started implementing a proactive strategy like CBA:

- **Identify.** Assess customer behaviors through historical data and interviews with customer-facing representatives.
- **Design.** Create ideal customer journeys with next-best actions that account for customer needs and alleviate common problems identified in the service journey.
- **Test.** Pilot automation with a small set of next-best-action use cases to understand impact on the customer experience and financial returns.
- **Expand.** After pilot next-best actions achieve desired CX and financial goals, expand automation to new use cases.

Example Customer Journeys



Source: Adapted from the Commonwealth Bank of Australia

02

Myth

Customers seek out and trust customer service channels and information above all else.

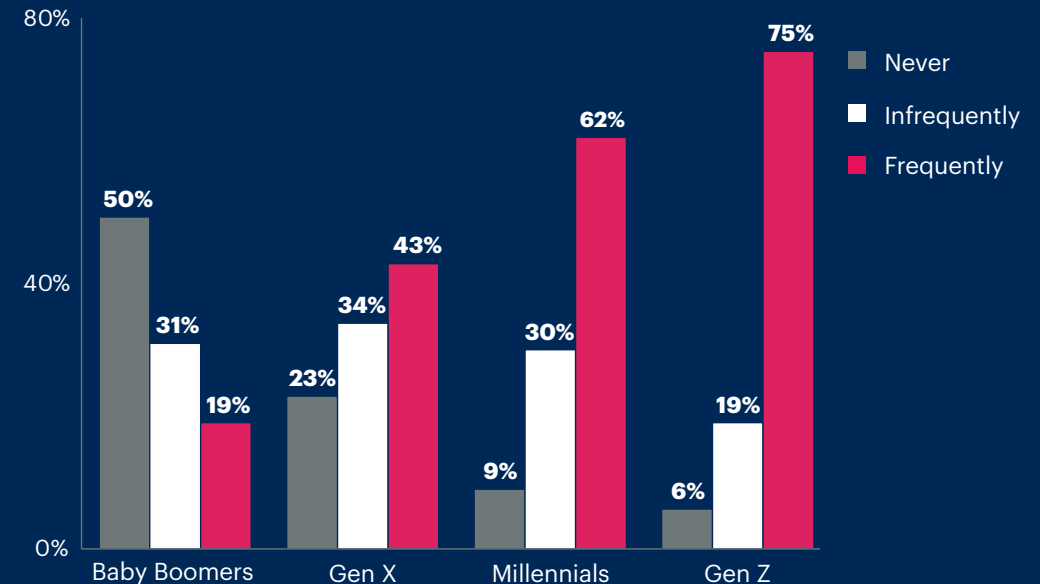
Service leaders' channel strategy is grounded in the assumption that customers know their organization's channels are best and that customers instinctively reach out to customer service when a problem arises — believing the company-owned channels offer the most trustworthy and easiest path to resolution.

Reality

Customers want to resolve their own issues, increasingly through search and non-company-owned channels.

A majority of customers see customer service contact as the last resort. This is especially true for millennials and Gen-Z customers (soon to be the largest group of customers), who increasingly turn to third-party sites to find the answer to their issue. A majority of these customers say third-party information is as trustworthy as company-provided information.

Frequency of Trying to Resolve Issues With Third-Party Guidance by Generation



n = 4,300

Source: 2021 Gartner Customer Service and Support State of the Customer Survey



54% of millennials and Gen Z customers believe third-party customer service information is as trustworthy as company-provided information.

Source: 2021 Gartner Customer Service and Support State of the Customer Survey

Key action

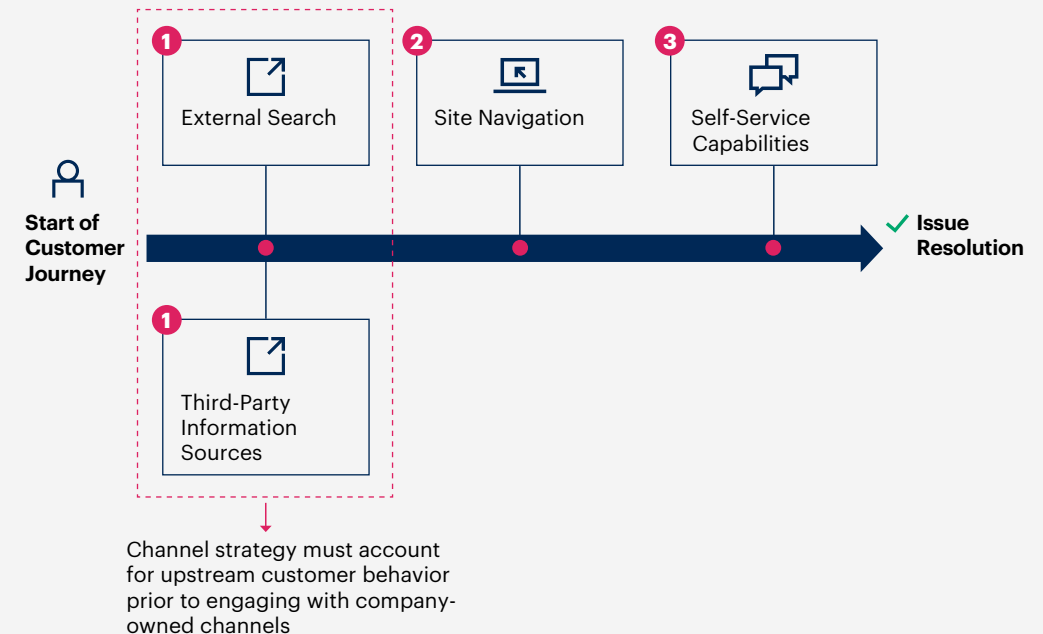
Factor in How Customers Use External Solutions

To ensure your organization's channel strategy factors in upstream customer behavior, you'll need to understand how customers interact with external search sites and non-company-owned service channels.

Three key steps:

- **Research.** Audit upstream customer service journeys by analyzing the top search engine results and third-party recommendations associated with common issue types.
- **Contain.** Ensure company-owned self-service pages dominate the first page of search engine results by investing in search engine optimization (SEO).
- **Monitor.** Review information and conversations on third-party sites to determine if your organization should or should not intervene.

Customer Service Journey From External Search to Resolution



Source: Gartner

03

Myth

Customers will readily adopt digital channels if provided and promoted.

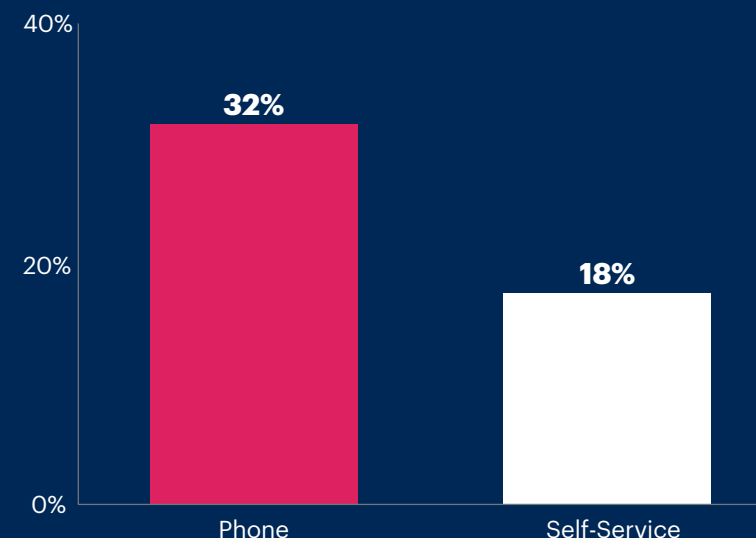
Service leaders know that self-service frequently offers the quickest path to resolution and assume that customers will consistently choose that option if it's available to them.

Reality

Customers quickly revert to previously used channels, often at the expense of speedy resolution.

Customers are creatures of habit, and demonstrate a strong bias toward the channels they've used in the past. While it is true that they prioritize speed-to-resolution when selecting among channels, customers consistently underestimate the length of time required to resolve issues via assisted channels. This helps to explain why so many customers avoid or abandon self-service.

Percentage of Customers Actively Engaging With a Channel for More Than 10 Minutes



n = 907

Source: 2021 Gartner Customer Service and Support State of the Customer Survey



75% of customers who use the phone report the interaction taking longer than expected.

n = 2,420

Source: 2021 Gartner Customer Service and Support State of the Customer Survey

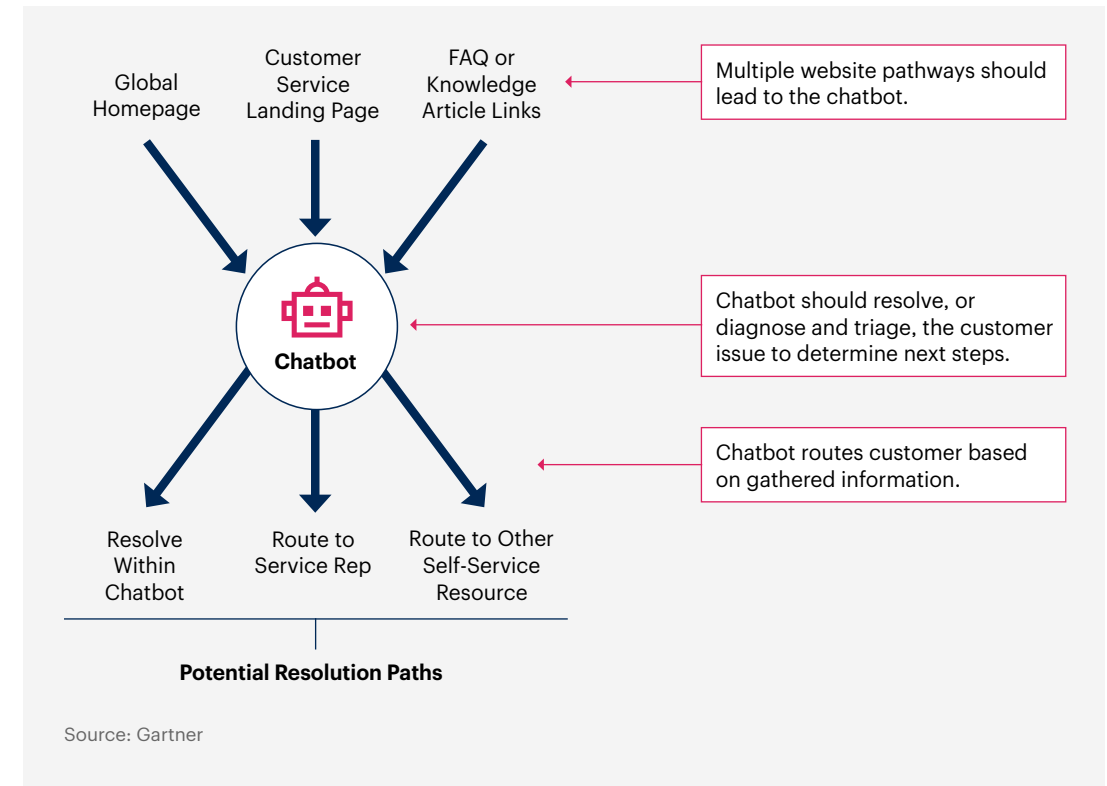
Key action

Use a Chatbot to Guide Customers to Self-Service Resolution

A well-built chatbot can be an effective means of interfacing with customers, limiting assisted-service contacts and guiding customers to self-service resolution.

Effective solutions do the following:

- **Guide.** Funnel customer journeys to the chatbot across the organization's website, including the homepage, main customer service landing page and throughout other website links within FAQs and knowledge articles.
- **Anticipate.** Prepopulate the chatbot with common self-service issue types to draw customer attention and to encourage customers to engage in self-service resolution.
- **Collect.** Use the chatbot to gather key information about customer issues before routing customers to assisted service if the chatbot is unable to resolve the issue or customers are determined to speak with a service rep.



04

Myth

Channel switching leads to poor CX and customer disloyalty.

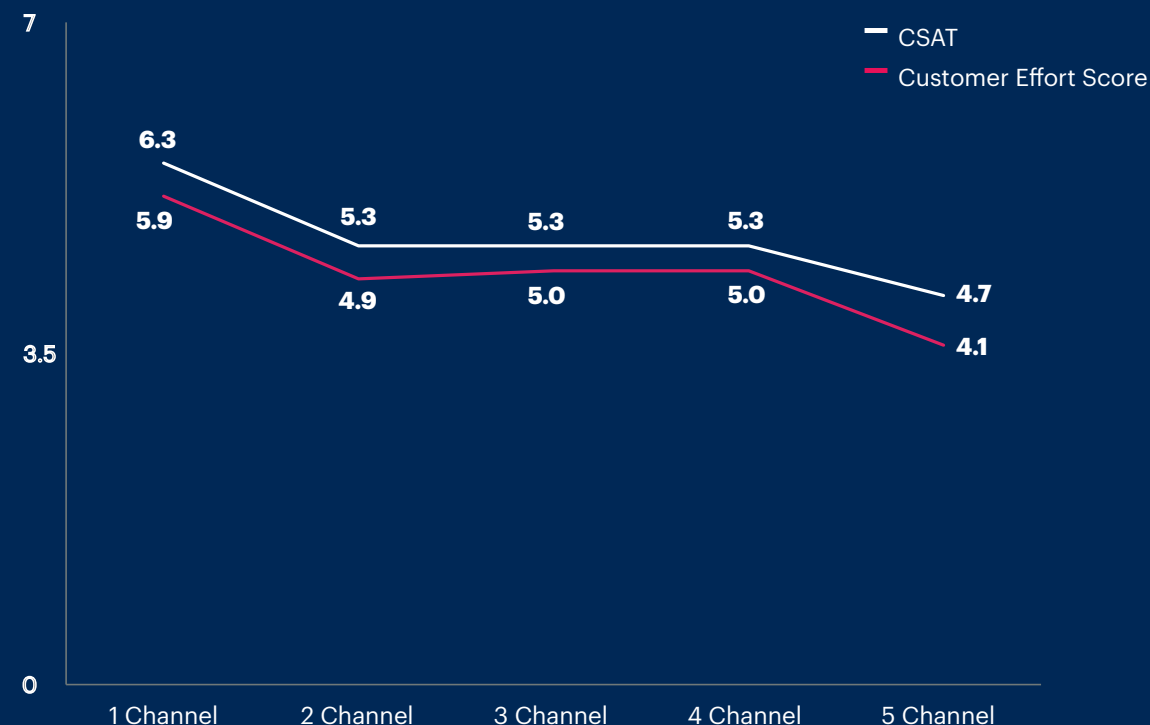
Service leaders strive to provide seamless service experiences, with the best experience resulting from resolution via the first channel used. The belief is that with every channel switch, customers must invest more time and effort, which will ultimately result in frustration, lower retention and negative word of mouth.

Reality

Customers don't mind switching channels as long as their issue is resolved in a single, continuous interaction.

It's true that it's best to resolve the customer's issue in the first channel used, but today's customers are comfortable using and toggling between numerous service channels. In fact, as long as they achieve resolution during that initial interaction, customers report a favorable experience. Customers suffer more when their journey is disrupted — and they have to start over later. With each additional service interaction, customers become increasingly frustrated and dissatisfied.

Impact of Number of Channels Used on CX Outcomes



n = 2,224

Source: 2021 Gartner Customer Service and Support State of the Customer Survey

Key action

Deliver Intelligent, Frictionless, Consistent Customer Experience

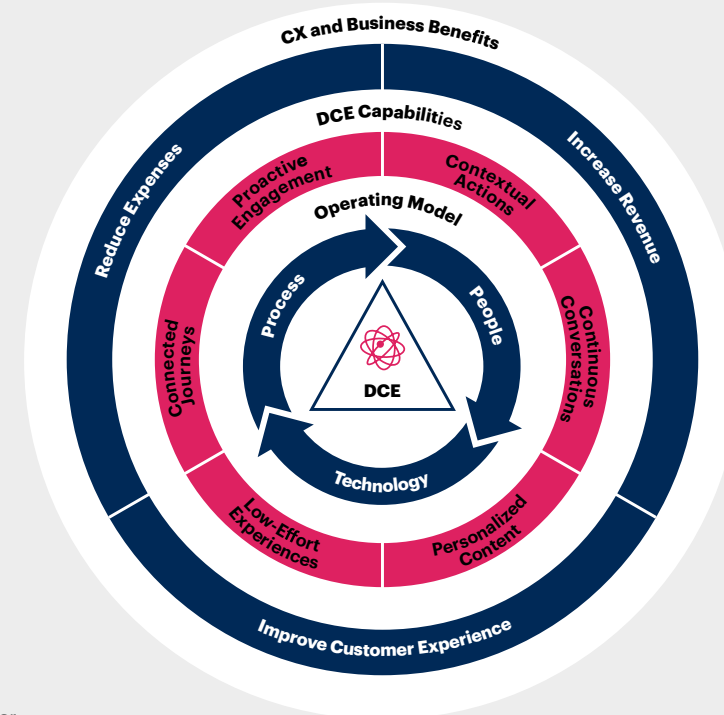
Customers are quite happy to switch channels to obtain information or resolve issues, but service channels typically aren't connected enough to allow it. When customers have to start over to switch channels, their effort and frustration increase.

Dynamic customer engagement (DCE) is an approach that uses data and analytics to deliver intelligent, frictionless and consistent experiences across channels. The resulting improvement in customer experience increases revenue and reduces costs.

To leverage DCE, service operating models must evolve in three key areas:

- **Technology.** Develop data capabilities to store and analyze customer data from across the enterprise in order to deliver insights to customers across channels.
- **People.** Retrain or hire staff who will maintain the analytics infrastructure and monitor outcomes to ensure proofs of concept and secure funding.
- **Process.** Participate in collaborative cross-functional efforts focused on delivering customer-centric solutions to achieve organizational goals.

Dynamic Customer Engagement Framework



Source: Gartner

05

Myth

Great service experiences make customers want to do more business with the organization in the future.

Most service organizations try to increase customer loyalty by improving the quality of the service experience itself. The assumption is that if a customer is highly satisfied by the service they receive and their journey was easy, they will want to remain a customer, share their positive experience with others, and choose to do more business with the organization in the future.

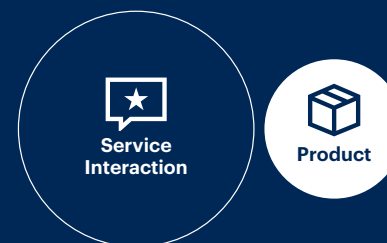
Reality

Great service experiences may stem attrition, but only “value enhancing” service experiences drive retention and growth.

A good service experience may prevent customers from leaving, but is not enough to make them stay. This is because customers are ultimately loyal to the company’s product or service offering. As a result, organizations should focus less on the marginal improvements to the quality of the customer service experience itself and more on how service interactions can help customers derive more value from the product or service offering.

Customer Service Organizations View Loyalty Drivers Differently Than Customers Themselves

When CSS emphasizes the value of the service interaction itself



What a great service interaction!

When CSS uses service interactions to reinforce the value of the product offering



So glad I'm a customer of this company!

Source: Gartner

The impact on loyalty behaviors is massive when customers experience a value-enhancing service experience:

82% probability of being retained

86% probability of spending more money

97% probability of sharing positive word of mouth

n = 2,196

Source: Gartner Loyalty Through Customer Service and Support Survey

Case in point

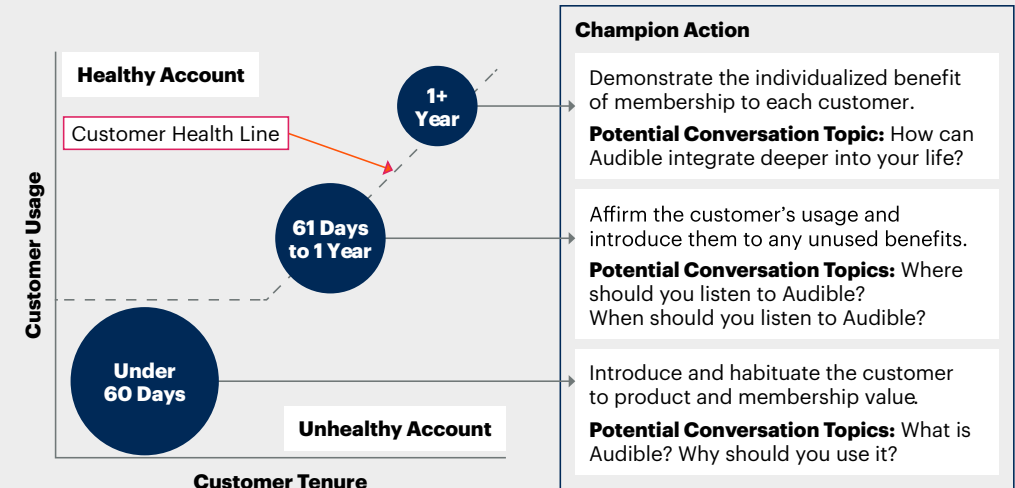
Audible Dedicates Specialized Team to Value Enhancement

Audible, an Amazon company, identifies key customer segments most in need of value enhancement and routes those segments to a newly created specialized team. Audible's approach shows how customer service and support leaders can build a routing structure and talent management strategy centered on value enhancement.

Three steps enable service organizations to drive value-enhanced interactions in this way:

- **Identify.** Find the strongest opportunities (issue types, customer segments, individual customers) to deliver value enhancement to achieve the quickest wins.
- **Reimagine.** Reexamine the talent management strategy to determine how best to support value enhancement efforts.
- **Measure.** Start measuring the impact of value enhancement interactions on the customer experience and loyalty outcomes.

Audible's Approach to Identifying Customers in Need of Value Enhancement



Source: Adapted from Audible

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