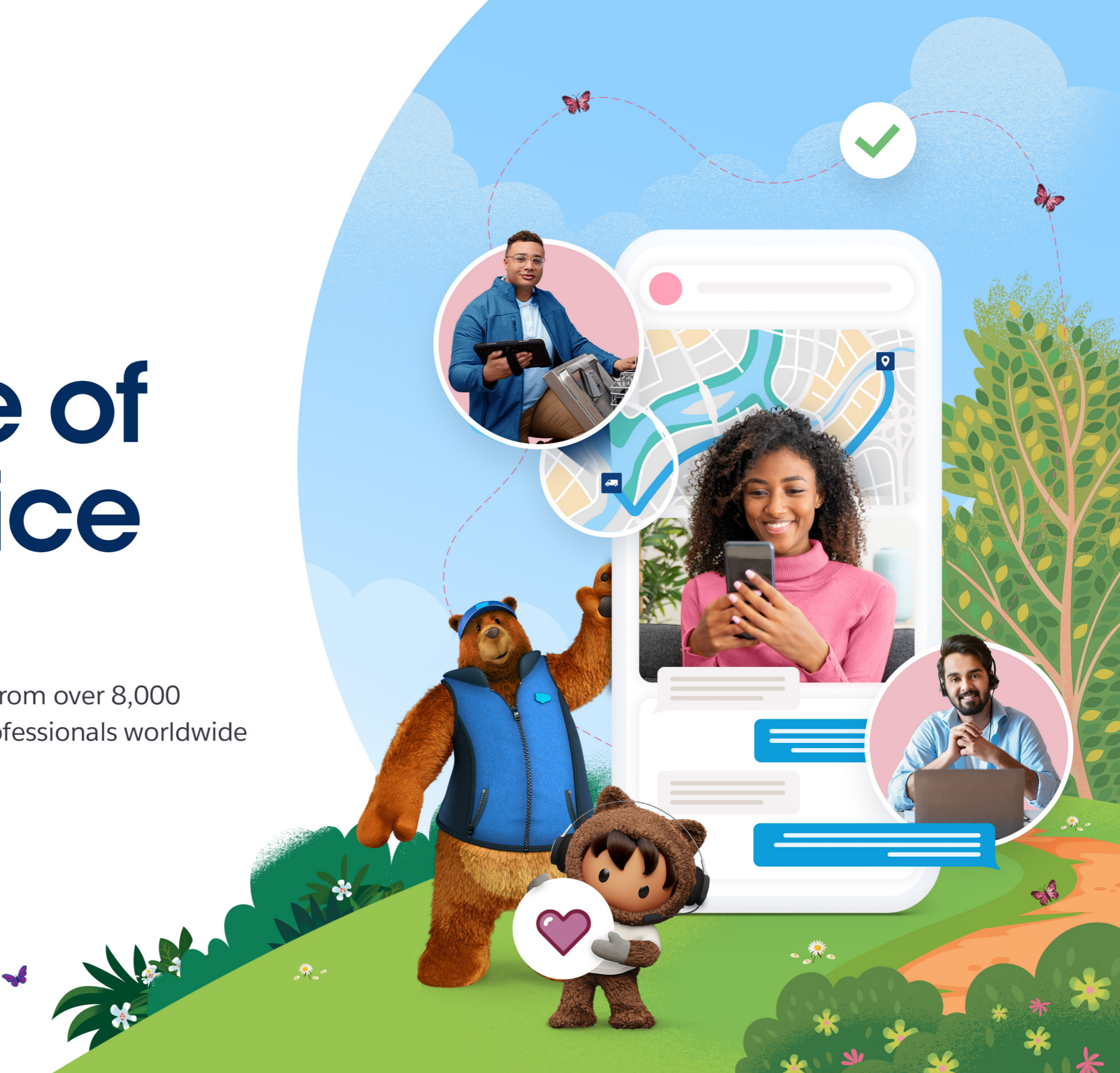




FIFTH EDITION

# State of Service

Insights and trends from over 8,000 customer service professionals worldwide



# What You'll Find in This Report

For the fifth edition of our “State of Service” report, Salesforce Research surveyed 8,050 customer service professionals to determine:

- How service organizations continue to adapt to an ever more digital-first environment
- How economic uncertainty is impacting plans for investments in people, processes, and technology
- The evolving role of field service in overall customer service strategies
- Approaches to talent management and development in a challenging labor market

Data in this report is from a double-blind survey conducted from May 6 to June 13, 2022, that generated 8,050 responses across 36 countries. Respondents are third-party panelists (not limited to Salesforce customers). See page 23 for further survey demographics.

Due to rounding, not all percentage totals in this report equal 100%. All comparison calculations are made from total numbers (not rounded numbers).





# Who We Surveyed

In this report, we refer to the following respondent groups.



## Decision Makers

Service vice presidents, directors, and team leaders



## Agents

Service agents who interact with customers either remotely or in the field, inclusive of frontline workers



## Frontline Service Workers

Frontline employees who provide support to customers at their home or business – in-person or virtually



## Service Professionals

All survey respondents, inclusive of all groups above

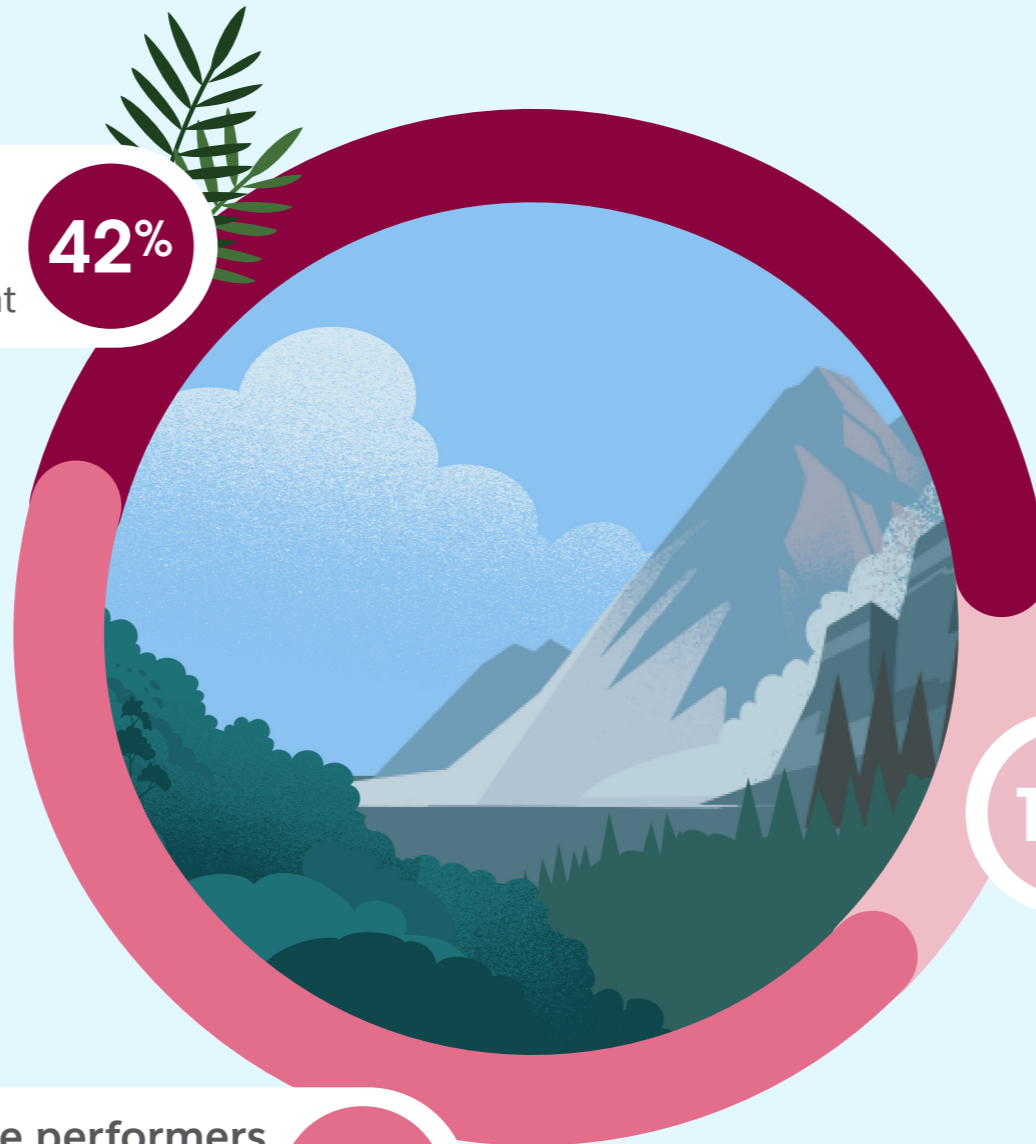


# What You'll Find in This Report

## Service Performance Levels

**High performers**  
Rate their customer satisfaction as excellent

42%



14%

**Underperformers**  
Rate their customer satisfaction as fair or poor

**Moderate performers**  
Rate their customer satisfaction as good

44%

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# Executive Summary

Customer service is at the core of customer experience, and has arguably seen more change and elevated importance over the past years than any other business function. Yet while disruptions still abound, service's trajectory, like those of other departments, is uncertain.

Service organizations are at the forefront of strategic shifts across industries. Leaders are preparing for continued momentum as well as future disruptions during an era of both heightened customer expectations and uncertain economic conditions.

## 01 Connection Is the Heart of Service

Customers' expectations mean service professionals need visibility into the entire customer journey in order to engage empathetically and efficiently. Efforts to connect the entire customer journey are well underway. **Sixty-two percent of service pros say all departments use the same CRM software.**

## 02 Digital Engagement Becomes the Norm

The pandemic sent an increasing number of customers to digital channels. As their expectations rise and habits change, they aren't turning back. **Adoption of video support has increased by 47% since 2020.**

## 03 Customer Service Extends to the Doorstep

The contact center remains critical, but physical, onsite service is an increasingly important factor in delivering customer success. **Eighty-six percent of decision makers at organizations with field service say it's critical to scaling their business.**

## 04 Labor Dynamics Put Focus on Agent Experience

As job mobility spiked over the past months and years, service organizations have a renewed focus on skill sets and perks even as economic headwinds signal future challenges. **Service organizations have experienced an average reported turnover rate of 19% over the past year.**



INTRODUCTION:

# Service’s Value Increases Amid Uncertainty

The previous "State of Service" report, published in late 2020, found customer service organizations at an inflection point. Faced with a pandemic-fueled increase in digital engagement, teams shifted their digital transformations into high gear.

Amid shifting and pervasive challenges, service organizations’ North Star remains the same: an unwavering focus on customer success. In a time when an increasing share of consumers and business buyers alike say experience matters as much as products (88% in 2022 versus 80% in 2020),\* service professionals are frontline brand ambassadors in a unique position to maintain and find opportunities to increase customer loyalty.

**48% of customers have switched brands for better customer service, and 94% say good customer service makes them more likely to make another purchase.\***

\* Source: Salesforce "State of the Connected Customer," May 2022.

## Agents Rise to the Occasion as Customer Expectations Grow



Base: Service professionals

## Agents Who Say Their Companies View Them As Brand Ambassadors



Base: Agents





INTRODUCTION:

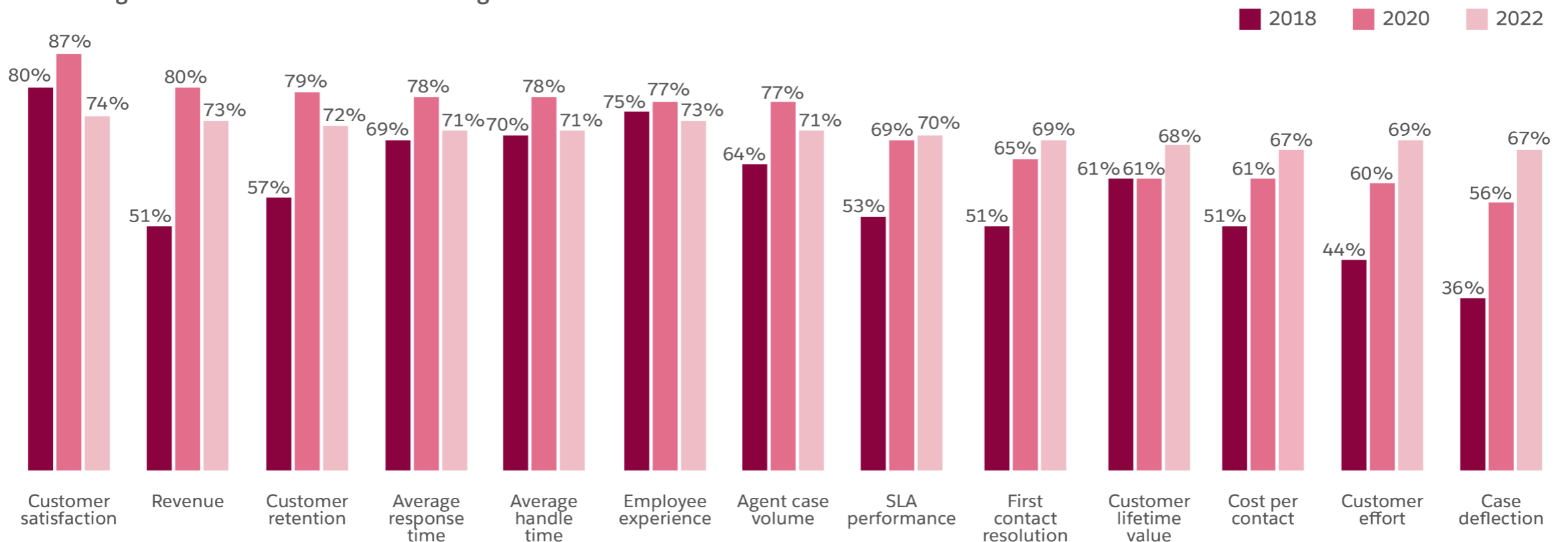
# Service’s Value Increases Amid Uncertainty

Today, economic uncertainty is the prevailing headwind for customer service organizations and businesses in general. In addition to meeting elevated customer expectations, key objectives are shifting to reflect a focus on efficiency, cost savings, and doing more with less.

The most prevalent customer service success measures are familiar: Customer satisfaction, revenue, retention, and response times, among other KPIs that have long been associated with customer service, are the most commonly tracked. Yet in the face of economic uncertainty, teams are increasingly focused on metrics that signal efficiency. Case in point: The share of service organizations tracking case deflection – often achieved through self-service tools for customers or automated processes – jumped by 20% since 2020.

## A Focus on Efficiency Influences Service KPIs

Service Organizations That Track the Following Metrics



Base: Service professionals



# Connection Is the Heart of Service

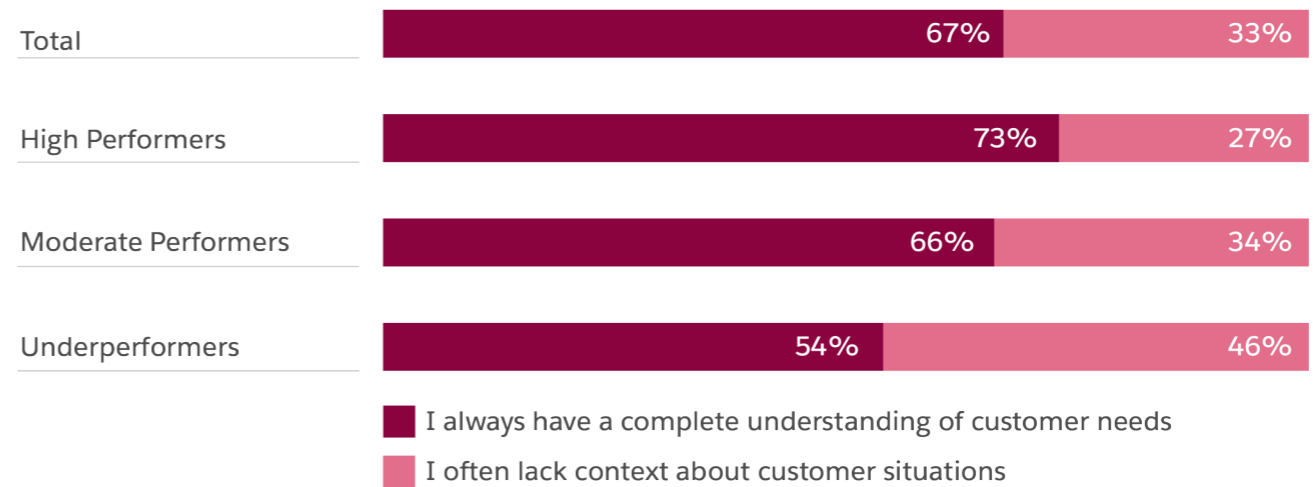
With an increasingly visible and important role in the success of their broader businesses, it's critical for service teams to understand the qualities that will set them apart from the competition. Now more than ever, empathy is a cornerstone of superior, differentiated customer service, but it's also elusive. In fact, 73% of customers expect companies to understand their unique needs and expectations, yet 56% say most companies treat them like numbers.\*

High-performing service organizations – those with the highest self-assessments of customer satisfaction – heed customers' calls for empathy on two fronts: information and policy. Agents on high-performing teams are significantly more likely than peers at other organizations to have a complete understanding of customer needs and be less likely to be bound by inflexible policies that don't take into account a customer's individual circumstances.

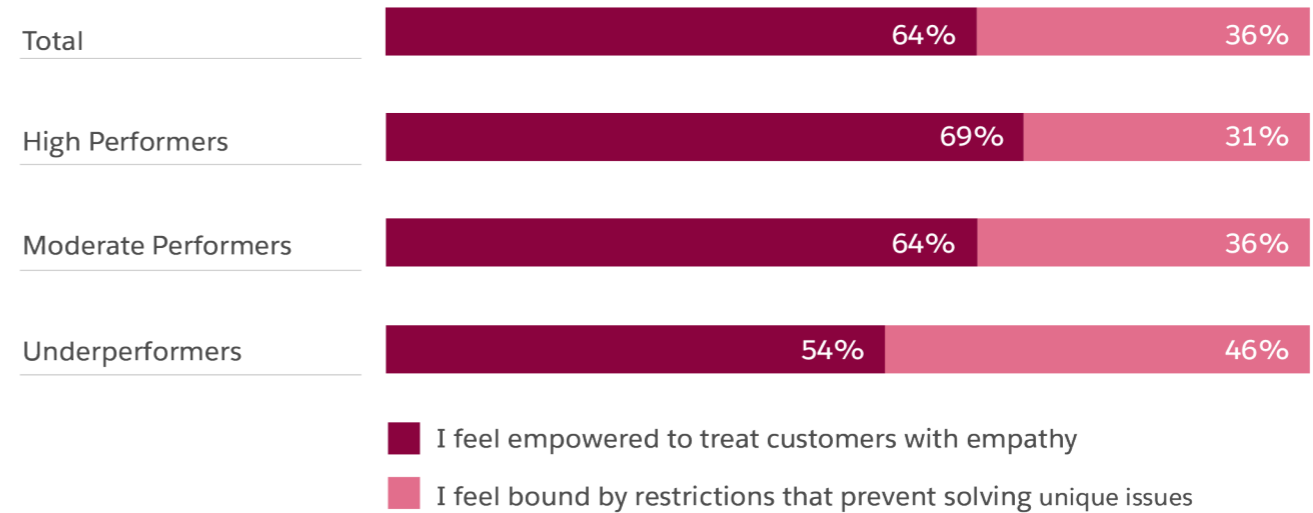
\* Source: Salesforce "State of the Connected Customer," May 2022.

## Service Performance Tracks Agent Empowerment

### Agents Who Agree with the Following



Base: Agents



Base: Agents



# Connection Is the Heart of Service

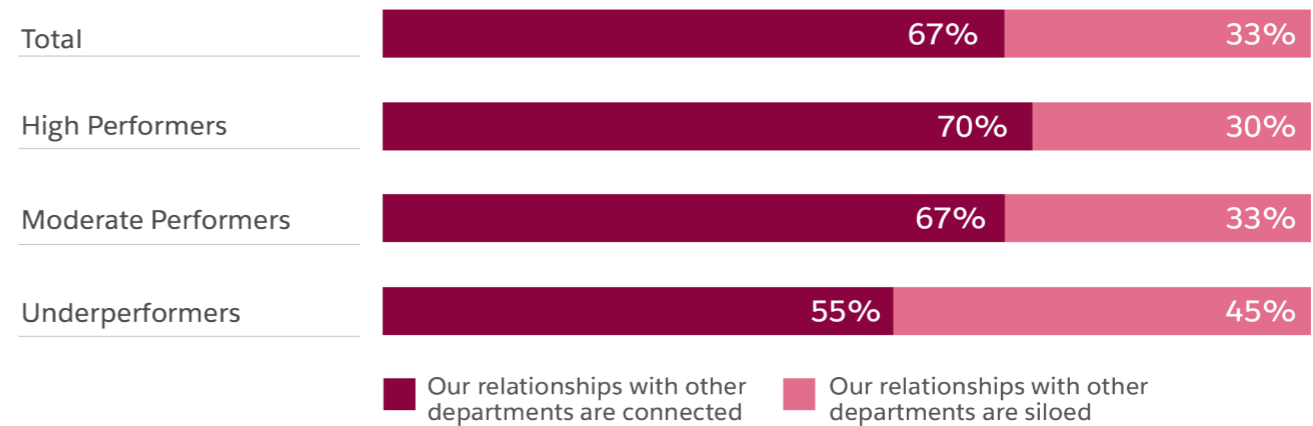
Recognizing that customer experience does not start and end with customer support cases is key to providing the personalized, empathetic brand engagement customers expect. As such, agents require information from a customer’s entire journey – from marketing touchpoints to ecommerce activity to sales interactions – in order to buck the trend of disconnected experiences. **Sixty percent of customers say it generally feels like they’re communicating with separate departments, not one company, and 66% often have to repeat or re-explain information to different representatives.\***

While high performers are the most likely to describe their relationships with other departments as connected, rather than siloed, such cross-functional relationships are now the norm across all service organizations. **Sixty-two percent of service professionals say all departments use the same CRM software.**

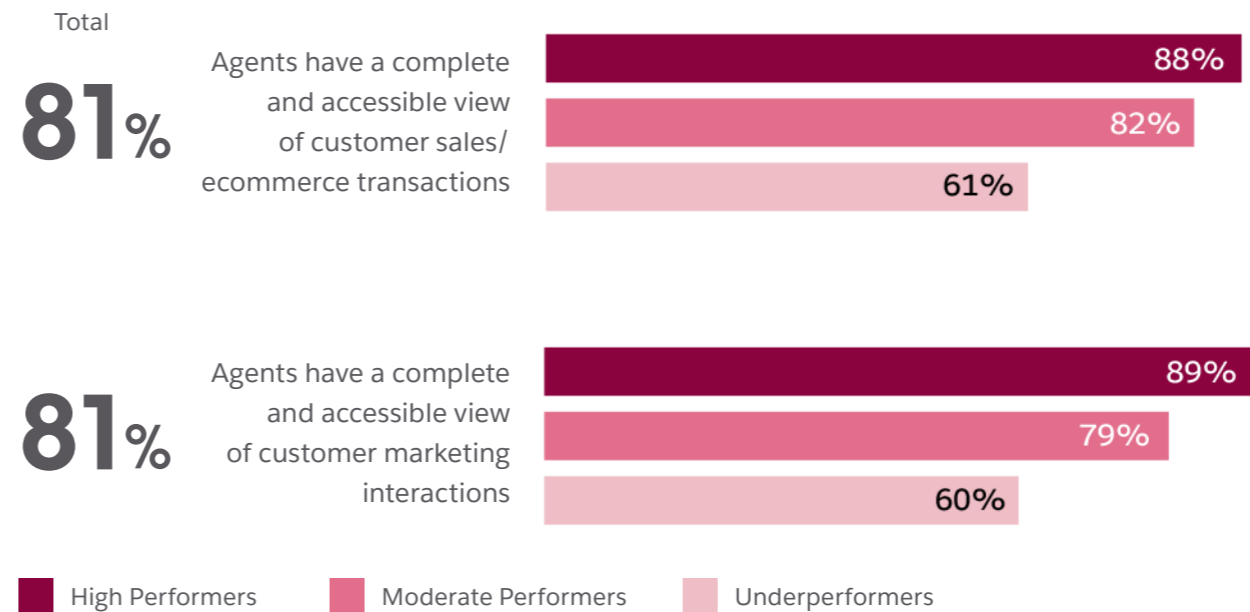
\* Source: Salesforce "State of the Connected Customer," May 2022.

## Silos Fall in Favor of a Shared Customer View

Service Professionals Who Agree with the Following



Base: Service professionals



Base: Service professionals

# Connection Is the Heart of Service

Of course, personalized, empathetic, and connected service is not the only thing customers seek today: They also expect speedy resolutions to their issues.

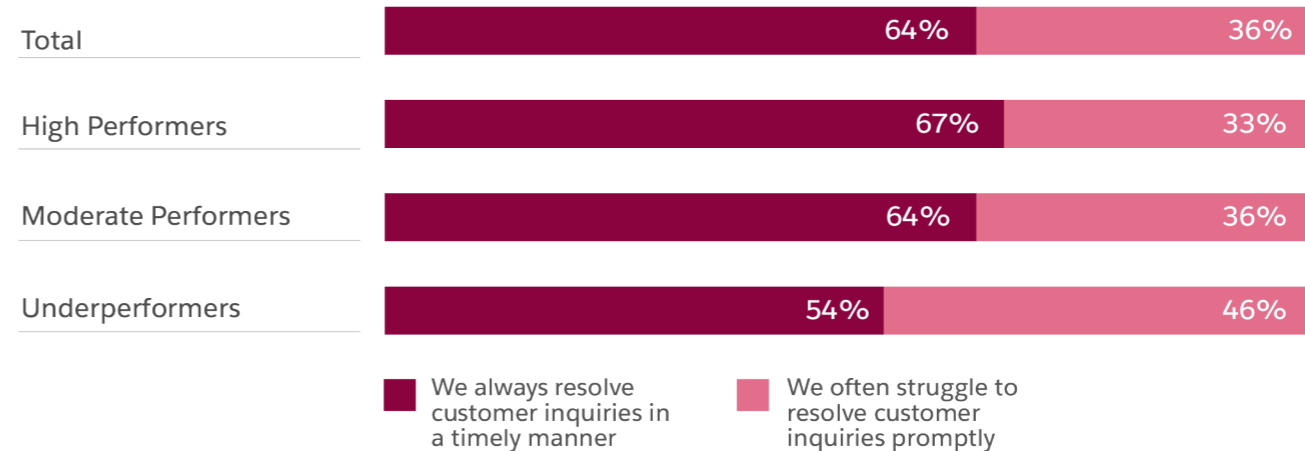
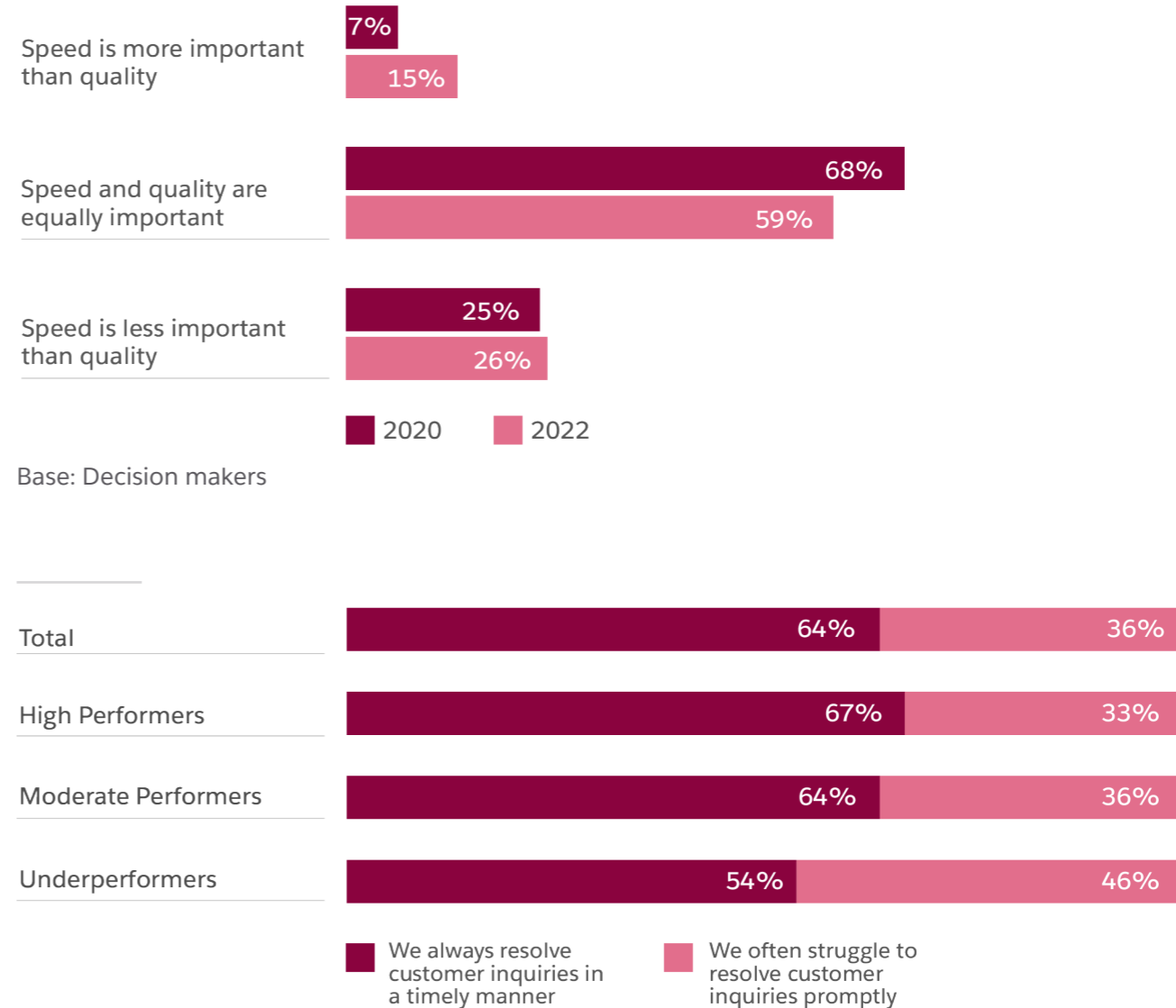
**83% of customers expect to interact with someone immediately upon contact, and 83% expect to resolve complex problems through one person.\***

Seventy-eight percent of service agents say it's difficult to balance speed and quality – up substantially from 63% who agreed in 2020 – and while the majority of survey respondents still view speed and quality as equally important, the share of those who place a higher value on speed has more than doubled since 2020. While the majority of service organizations say they can generally solve customer issues promptly, underperformers are significantly more likely than high performers to struggle with this.

\* Source: Salesforce "State of the Connected Customer," May 2022.

## In Pursuit of Scale, Agents Find a Tug-of-War Between Quality and Speed

### Service Professionals Who Agree with the Following



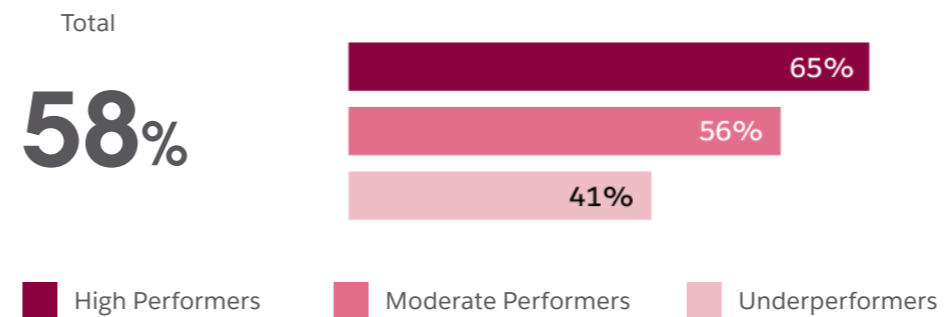
## SPOTLIGHT: Automation Scales Connection

Balancing customer expectations for empathy and speed amid economic uncertainty that could challenge resource availability presents service organizations with a conundrum: how to increase productivity without burning out agents on the front line. For many, the answer lies in process automation, which is now a staple of nearly four-fifths of service organizations, but is especially prevalent in high-performing teams. Time savings is the most apparent benefit for automation users, followed closely by connection with other departments and error reduction, among others.

A related technology, artificial intelligence (AI), which can gather key information for agents and recommend next steps, is also increasingly a part of customer service toolkits. **The share of service decision makers who report using AI has increased by 88% since 2020, from 24% of respondents to 45%.**

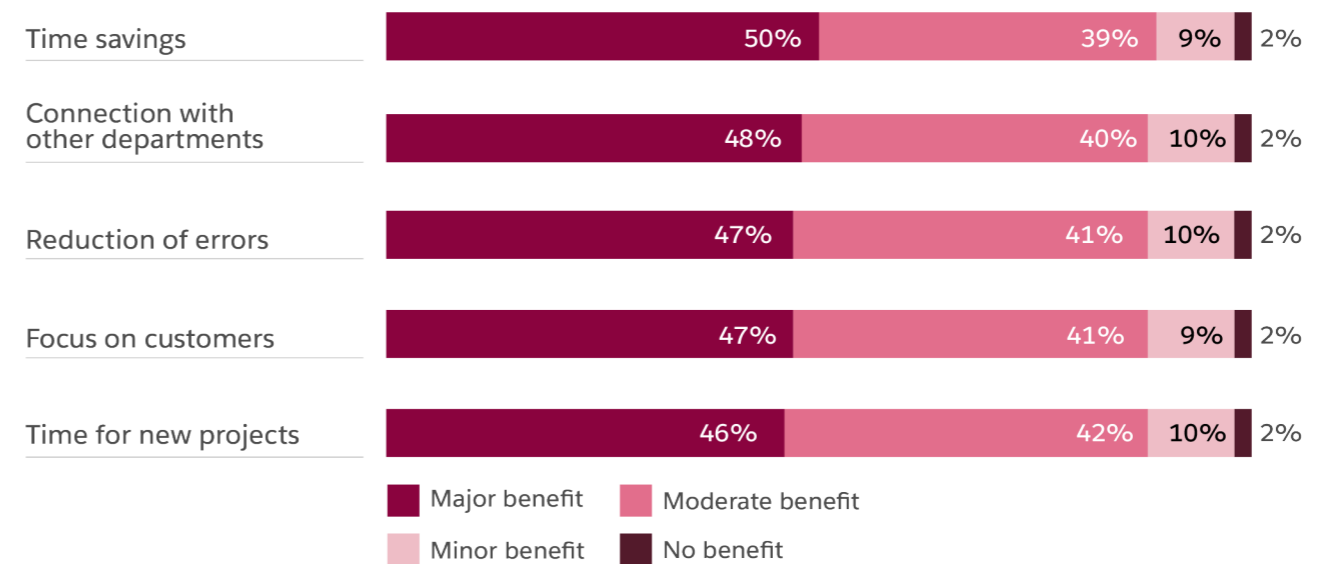
### Automation Is Critical in the Quest for Efficiency

#### Service Organizations Using Automation



Base: Decision makers

#### Reported Benefits of Automation



Base: Service professionals at organizations using automation



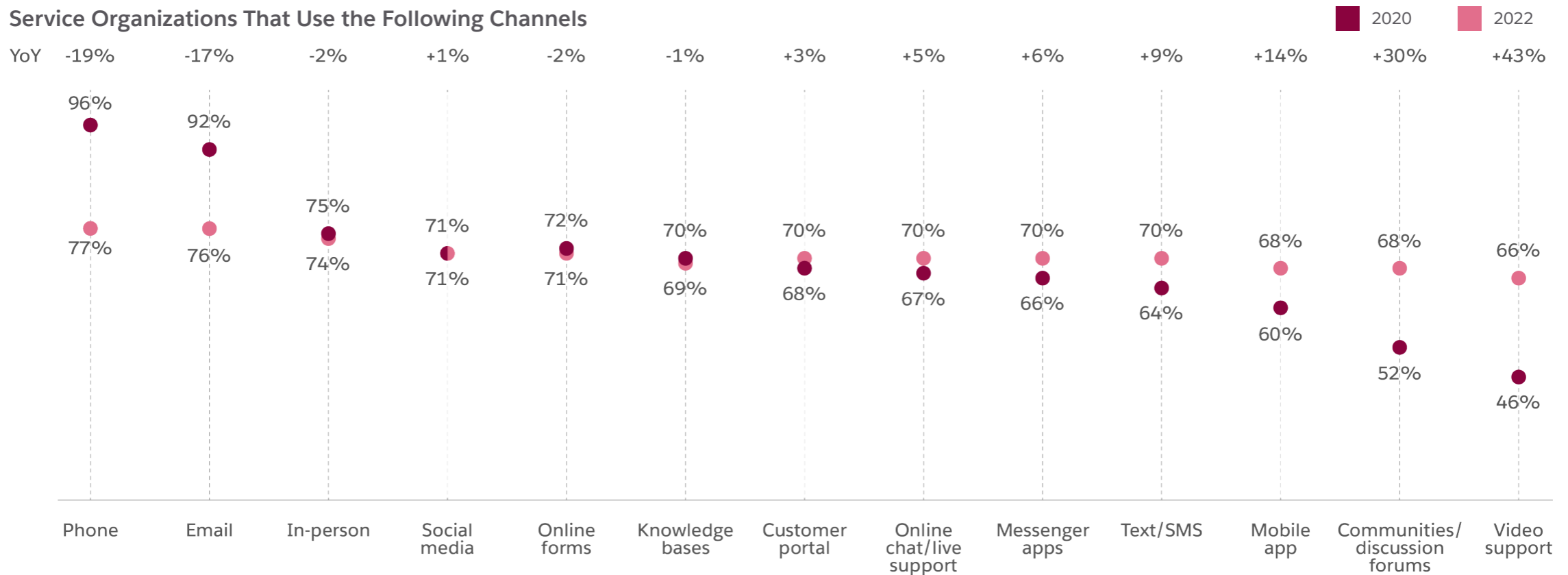
# Digital Engagement Becomes the Norm

The increased use of digital service channels has not dissipated since the previous State of Service survey from early in the pandemic. Despite economic reopenings, the use of digital channels such as social media and customer portals has not backtracked, while use of additional channels like mobile apps, online chat/live support, and video support have seen substantial upticks. **Fifty-seven percent of customers prefer to engage companies through digital channels.\***

Self-service, a notable tool in the pursuit of case deflection during a time of efficiency initiatives, remains a popular win-win for service organizations seeking cost savings and customers seeking quick resolutions. **Fifty-nine percent of customers prefer self-service tools for simple questions/issues.\***

## As Adoption of Some Channels Settles, Others Soar in Popularity

Service Organizations That Use the Following Channels



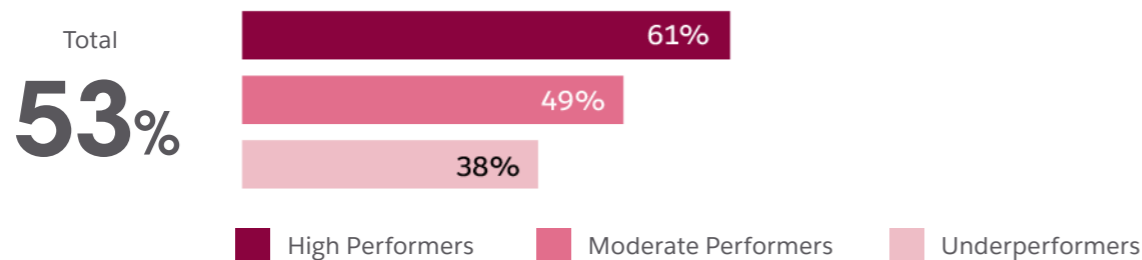
Base: Service professionals

\* Source: Salesforce "State of the Connected Customer," May 2022.

# Digital Engagement Becomes the Norm

## The Phone Evolves, But Remains a Critical Service Channel

Service Organizations with Automated Digital Transcription of Phone Conversations



Base: Service professionals

## How Agents Handle Phone Calls



Base: Agents

The humble telephone, despite having decreased in customer service organization adoption since 2020, remains the most used customer service channel today, reflecting the fact that some issues are best handled live and through a familiar medium. **Eighty-one percent of service professionals say the phone is a preferred channel for complex issues – up from 76% in 2020.**

But “phone” is now a vague term, not necessarily reflecting the hardwired landline of call centers from the last century or even the smartphones in our pockets. Today, more than half of agents handle calls through their agent console or computer, rather than a desk phone, and a similar percentage need not take notes, given the presence of automated digital transcription of voice conversations, allowing them to focus on providing quick and empathetic service.



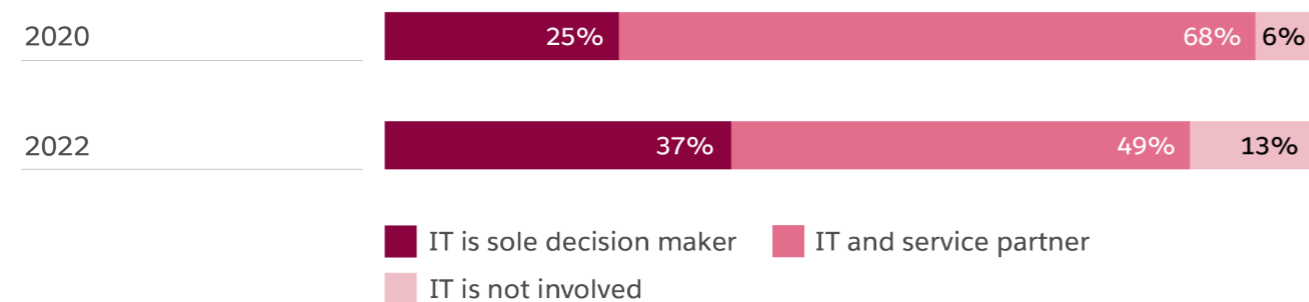
## SPOTLIGHT: Service's Relationship with IT Evolves

Given the rising importance of digital channels, breaking down of data silos, and agent empowerment to meet rising customer expectations, one might assume that partnerships between service and IT departments are strengthening. However, while service-IT partnerships remain commonplace, such technology decision-making arrangements are on the decline. Today, over one-third (37%) of organizations say IT is the sole decision maker, compared to 25% in 2020, and the share of service organizations cutting IT out of such processes entirely, while small, has more than doubled to 13%.

The growing divide between service and IT departments may not be a positive development, according to the nearly half (49%) of teams that maintain such partnerships.

### IT Partnerships Fray Even As Their Value Becomes Apparent

Extent of Service/IT Partnerships In Tech Decision-Making



Base: Decision makers

**77% of decision makers who partner with IT say it helps the organization save on software cost, and 79% say it results in faster time-to-market for new technology solutions.**



03

# Customer Service Extends to the Doorstep

Field service – support capabilities brought straight to the customer’s doorstep – is the object of significant investment across industries. The vast majority of decision makers at organizations with field service view it as a key element of their business model, as well as an additional sales channel.

Field service is no longer limited to industries like manufacturing and utilities. Many high-touch consumer brands now deliver service to the doorstep. In fact, **79% of service decision makers across industries view mobility – the ability to work from anywhere with all necessary information – as a priority.**



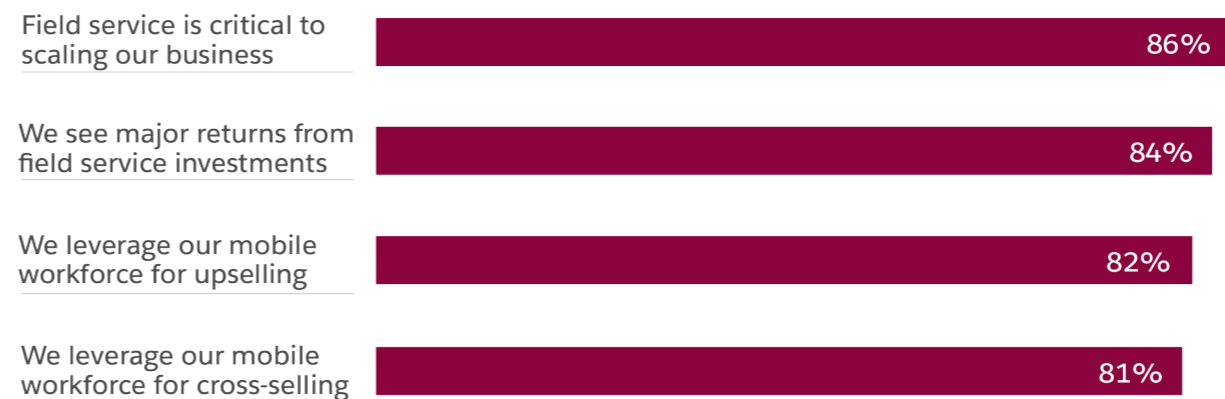
## Organizations Expand Business Impact by Bringing Service to Customer Doorsteps

### Industries in Which Mobility Is the Highest Priority

- 1 Energy and utilities
- 2 Professional and business services
- 3 Life sciences and biotechnology
- 4 Retail
- 5 Supply chain and logistics

Base: Service professionals

### Decision Makers at Organizations with Field Service Who Agree with the Following Statements



Base: Decision makers at organizations with field service



# Customer Service Extends to the Doorstep

According to frontline service workers, their experiences and capabilities are reaching parity with those of their colleagues in the contact center. Nine in 10 frontline service workers are satisfied with the timeliness, accessibility, and accuracy of the information they have in the field, the agility their technology enables, and the overall level of service they can provide.

Yet obstacles remain on the field service technology front, particularly as organizations turn to contractors to scale their offerings. **An average of 33% of frontline service workforces are comprised of contractors, and 80% of decision makers say adequately equipping them is a challenge.**

## Field Service Capabilities March Closer to the Contact Center's

### Frontline Service Workers Who Agree with the Following Statements



Base: Frontline service workers



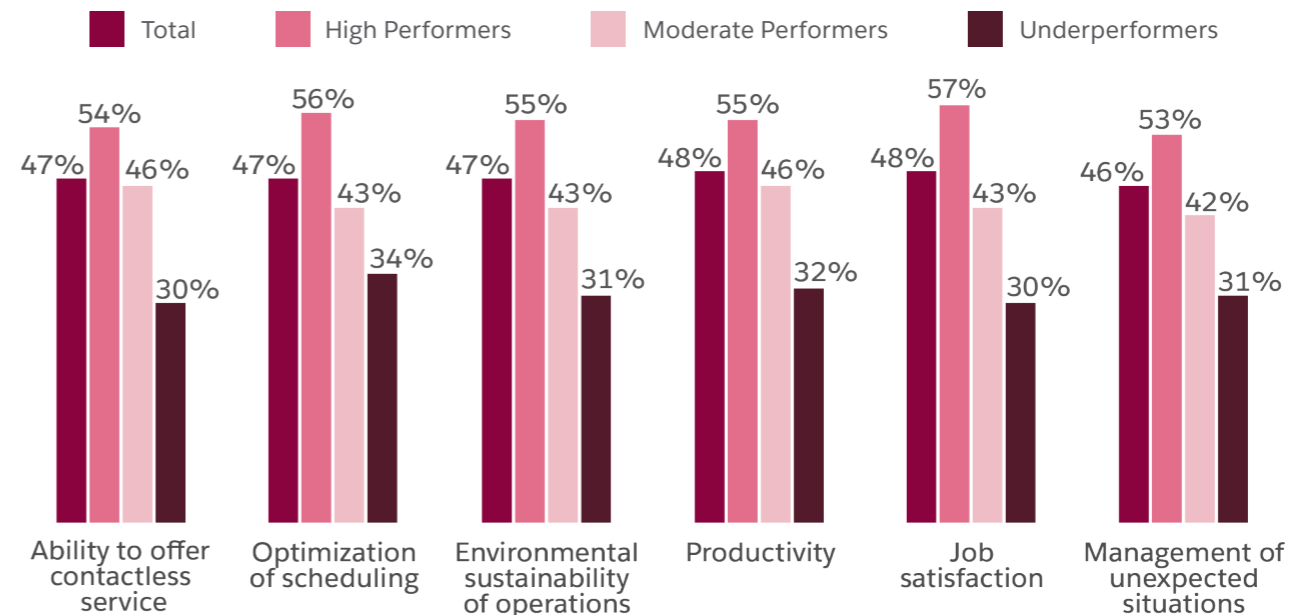
# Customer Service Extends to the Doorstep

A nod to the fact that delivering excellent field service requires specialized capabilities, the adoption of field service management software (FSM) is high across performance levels. Yet high-performing field service organizations are more likely to report major benefits, like productivity increases, from FSM use, begging the question of whether all organizations are maximizing the return on their investments or enabling frontline service workers with necessary training.

**98% of FSM users credit it with productivity benefits.**

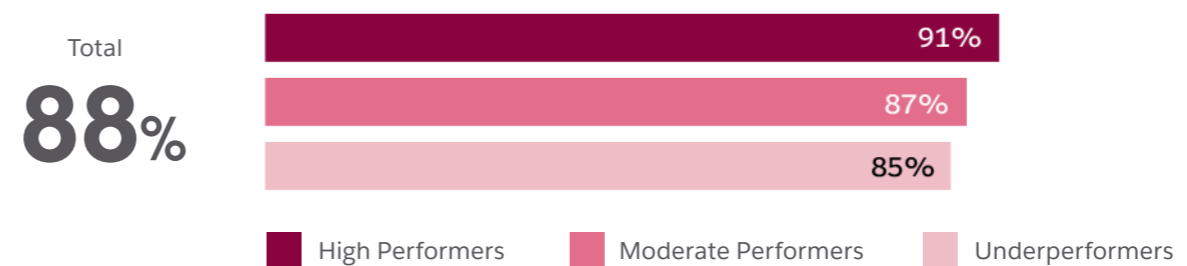
## The Benefits of Field Service Management Are Felt Unevenly Across Performance Levels

Reported Rate of "Major" Benefits from Field Service Management Software



Base: Service professionals at organizations with field service management software

## Field Service Organizations Using Field Service Management Software

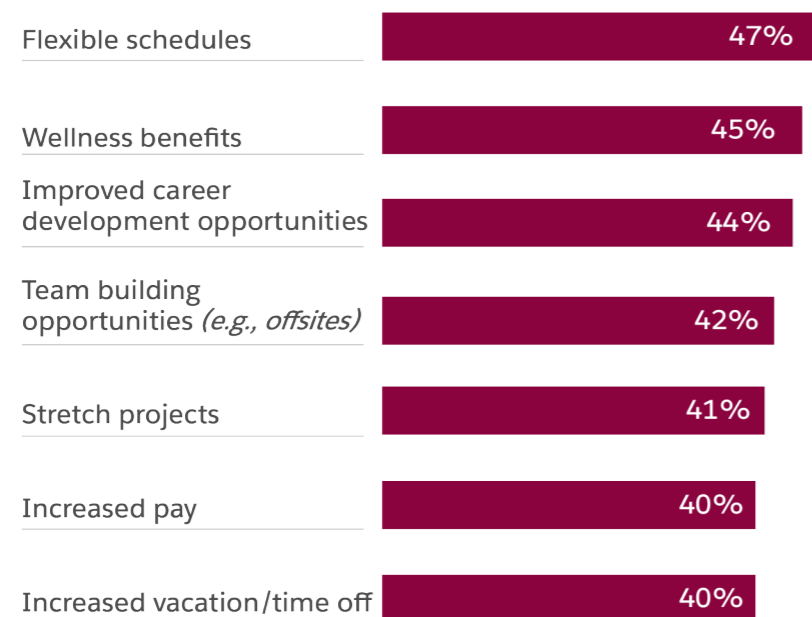


Base: Service professionals at organizations with field service

# Labor Dynamics Put Focus on Agent Experience

## The Agent Experience Gets Renewed Attention Amid Retention Challenges

Service Organizations That Have Offered Employees the Following Perks During the Pandemic



Base: Service professionals

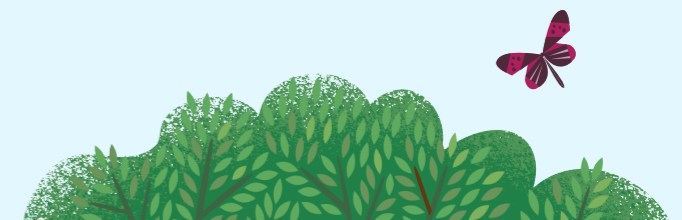
**85% of agents say they have a clear path for career growth — up from 67% in 2020 and 59% in 2018.**

Call it the Great Resignation, the Great Reshuffle, or any other term that's defined the labor market's recent upheaval – service organizations have not been immune.

**Service professionals report an average turnover rate of 19% over the past year.**

Eighty-five percent of decision makers agree there is a direct link between employee experience and customer experience. As such, there have been a slew of employee experience initiatives at service organizations since the pandemic took hold, perhaps because of the downstream impacts on customer loyalty, retention, and more.

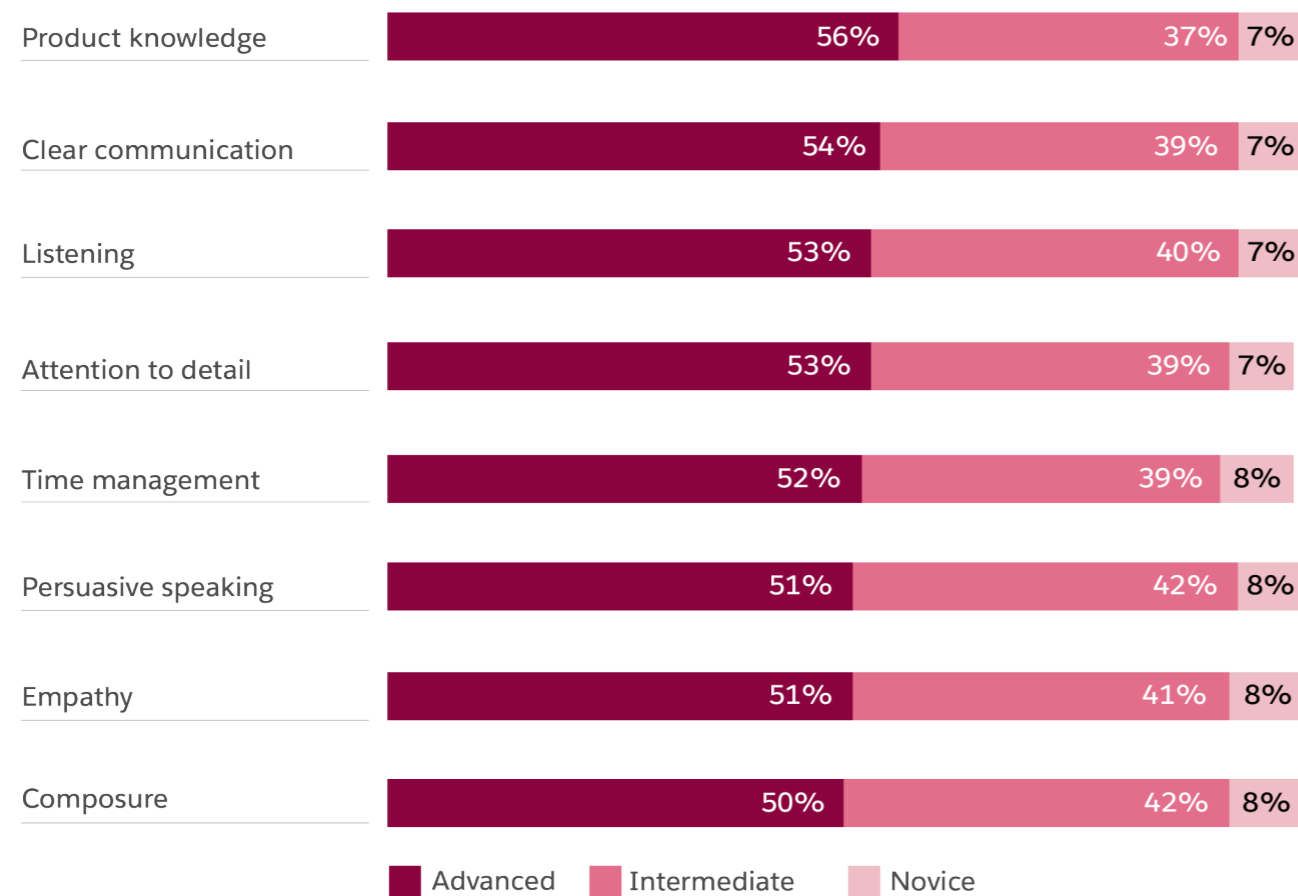
Flexible schedules, wellness benefits, and career development improvements are the most popular perks for employees, but struggles remain.



# Labor Dynamics Put Focus on Agent Experience

## Agent Skill Sets Come into Focus

### Self-Assessment of Service Organization Skill Sets



Base: Service professionals

High customer expectations means that service organizations must empower their employees with a wide range of both hard and soft skills, and given high turnover rates, training is also important for onboarding new employees and ramping them up quickly.

**81% of decision makers say they're making significant investments in training — up from 79% in 2020 and 77% in 2018.**

The majority of service professionals view their organizations as having advanced skill sets across many relevant areas, though some differentiation is apparent. Extensive product knowledge, clear communication, and listening rank as the strongest service skills, whereas composure, empathy, and persuasive speaking – while strong – are seen as needing the most improvement.

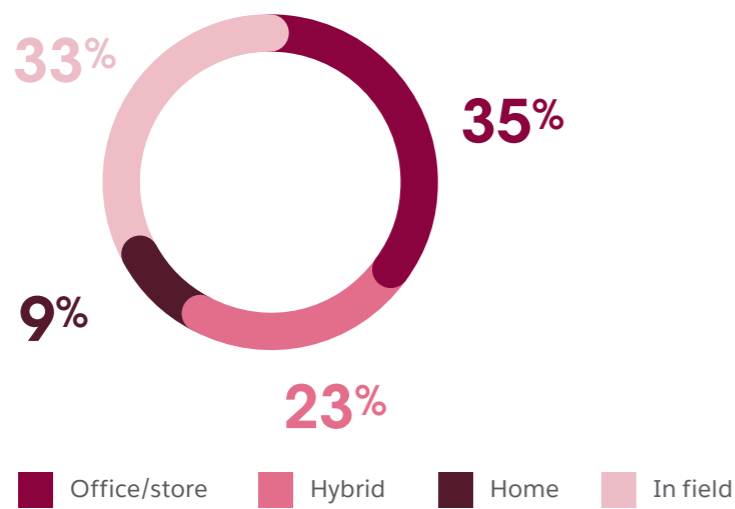


04

# Labor Dynamics Put Focus on Agent Experience

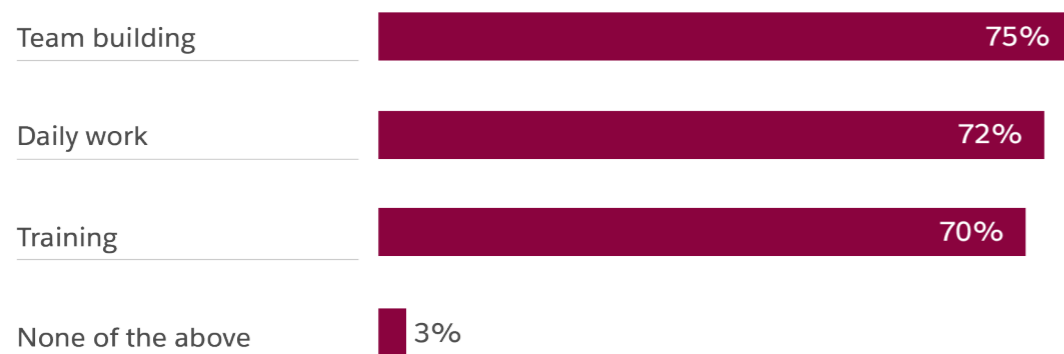
## The Purpose of the Office Is Redefined in the Work-from-Anywhere Era

Where Service Professionals Work



Base: Service professionals

## Planned Reasons for Bringing Employees Together Physically This Year



Base: Decision makers

Arguably the most consequential impact on labor dynamics over the recent past – for service teams as well as other departments – has been the shift away from physical offices as the default work setting. Indeed, just over one-third (35%) of service professionals now report working primarily from a dedicated physical location like an office or store.

**76% of service professionals say they're allowed to choose where they work.**

The contact center, office, or store may not be the primary daily destination for service professionals anymore, but it's not gone by any means. Ninety-seven percent of service organizations plan to bring employees together in a physical location this year, whether it be for team building, daily work, or training purposes.





# LOOK AHEAD: The Rise of the Chief Customer Officer

Service organizations are embracing a new role responsible for customer loyalty and happiness: the chief customer officer.

**54% of service professionals say management views customer service as a revenue generator, rather than a business cost.**

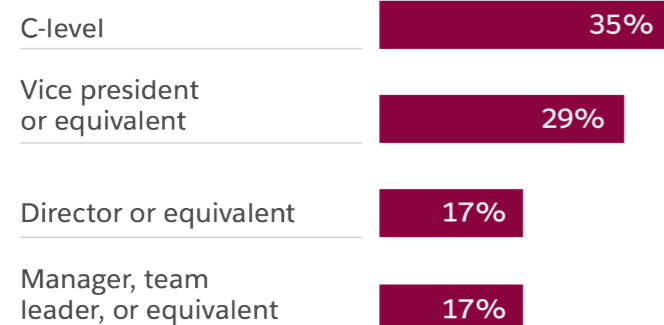
Also known as the VP of service, this individual is hyperfocused on customer needs by driving cross-functional alignment, identifying new post-sale customer journey strategies, and

leveraging data and technology to improve customer outcomes and increase efficiency.

Just over one-third (35%) of service organizations have C-level representation, with VPs representing the top service employee at an additional 29% of organizations. But with service's rising prominence as a driving force of business outcomes, those numbers are primed to grow. **Eighty-eight percent of service professionals without a chief customer officer believe such a role would provide major or moderate benefit.**

## Service Enters the C-Level

### Most Senior Leader at Customer Service Organizations



Base: Service professionals



# Survey Demographics



# Survey Demographics

## Country

Argentina .....	4%
Australia .....	2%
Belgium .....	1%
Brazil .....	4%
Canada .....	4%
Denmark .....	<1%
Finland .....	1%
France .....	4%
Germany .....	4%
Hong Kong .....	1%
India .....	4%
Indonesia .....	4%
Ireland .....	1%
Israel .....	1%
Italy .....	4%
Japan .....	4%
Malaysia .....	4%
Mexico .....	4%
Netherlands .....	3%
New Zealand .....	2%
Norway .....	<1%
Philippines .....	4%
Poland .....	2%
Portugal .....	2%
Singapore .....	2%
South Africa .....	3%
South Korea .....	4%
Spain .....	4%

Sweden .....	<1%
Switzerland .....	1%
Taiwan .....	4%
Thailand .....	4%
United Arab Emirates .....	1%
United Kingdom .....	4%
United States .....	6%
Vietnam .....	4%

## Industry

Architecture, engineering, construction ..	4%
Automotive .....	8%
Communications .....	3%
Consumer goods .....	6%
Energy and utilities .....	5%
Financial services .....	7%
Government .....	2%
Healthcare .....	6%
Life sciences and biotechnology .....	3%
Manufacturing .....	15%
Media and entertainment .....	5%
Nonprofit .....	1%
Professional and business services ....	8%
Retail .....	14%
Supply chain and logistics .....	3%
Technology .....	7%
Travel and hospitality .....	3%
Other .....	1%

## Business Model

B2C .....	44%
B2B .....	15%
B2B2C .....	42%

## Seniority

VP+ .....	9%
Team leader, manager, or director ..	39%
Individual contributor .....	52%

## Individual Contributor Roles

Office/store-based agent .....	58%
Frontline service worker .....	42%





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