

2023



Customer Service Quality Benchmark Report

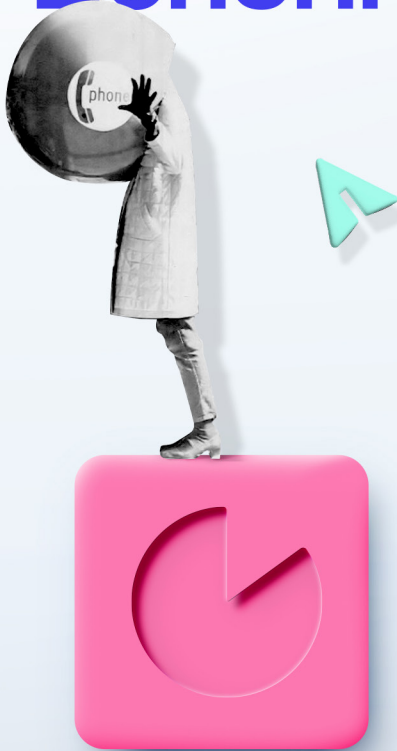


Table of contents

- 3** **Intro: Adapting Support for a Resilient 2023**
- 4** **Who took the survey**
- 7** **What is quality in customer support?**
- 10** **How are businesses speaking to customers?**
- 13** **Working smarter with support automation and AI**
- 17** **Let's talk numbers: metrics in measure**
- 20** **2023 Customer Support Quality Benchmarks**
- 26** **How companies measure customer service quality**
- 30** **How the information from conversation reviews is used**
- 32** **Conclusion: AI and automation are paving the way for better human-centric support**

Adapting Support for a Resilient 2023

72%

OF MID-SIZE COMPANIES ARE INVESTING IN AUTOMATION THIS YEAR.



MARTIN KÕIVA
CEO, Klaus

A lot of reports generated this year will probably lead with a discussion on the macroeconomic climate. And we would be blithe not to mention it. Purse strings are tightening, so every department will feel under pressure to perform.

However, I think customer service is in a much better position to navigate turbulent times than, for example, pre-pandemic. **The fact that better support quality is a remedy for customer churn has become more widely accepted.**

Customer service teams can offer a more diverse range of support across multiple channels, and tech advancements enable them to meet the growing demand for personalized, efficient, and accurate service from customers.

Although larger companies currently have the technological advantage, it is clear that mid-sized companies are closing the gap: 72% are investing in automation this year. Artificial intelligence is increasingly abundant and accessible, so smaller companies will likely catch up. The democratization of these technologies means we all have access to technology that, not long ago, was only available to the upper echelons of corporations and governments. And I speak for ourselves here, too – Klaus is becoming an AI-driven company.

Already, **a third of all teams surveyed are using AI to assist in the selection of conversations for review** (a proportion that our data team is eager to expand).

I definitely find it encouraging that most who took part have quality specialists or teams. And 50% of those without dedicated quality professionals plan to hire for these roles in the coming year. The focus on quality is not least demonstrated by the mass of survey responses we received.

Hopefully, our findings will help the third of teams who struggle with quality management, and this percentage will decrease in the coming year.

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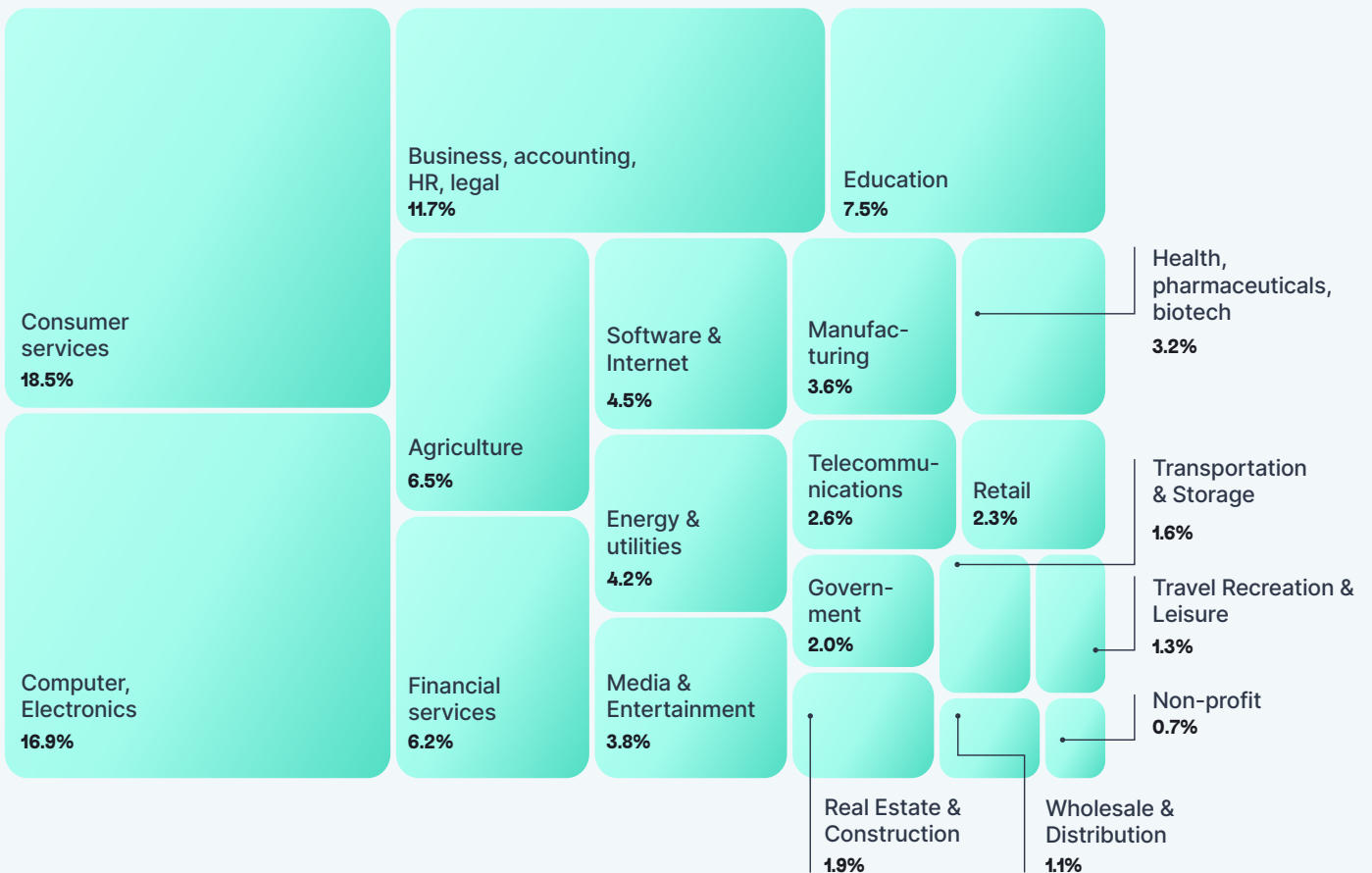
Who took the survey

For 2023, we did things a little differently. As a partnership, this has resulted in a bigger report than we have ever executed before.

4,050 PEOPLE RESPONDED TO OUR SURVEY

This mass of information should not be underestimated, as each and every respondee adds oxygen to the validity of what we can set out as fact. For that, we are all grateful and proud to

DISTRIBUTION OF RESPONDENTS BY INDUSTRY

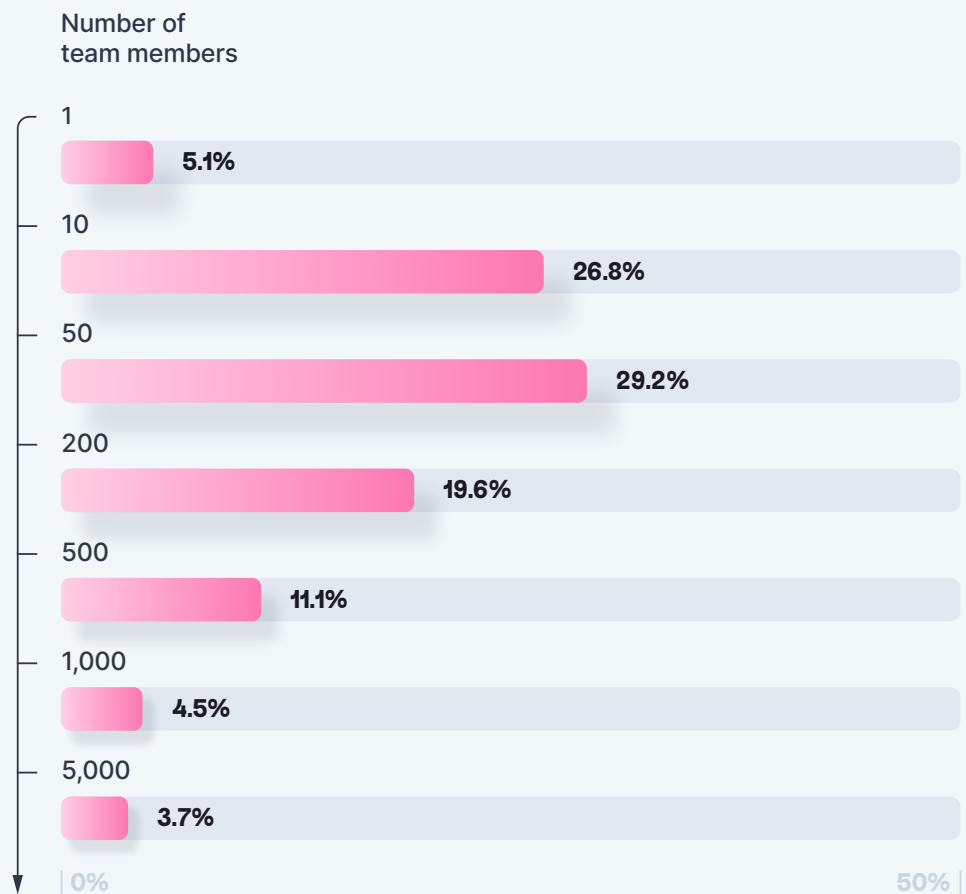


bring our customers (and any other readers!) such a condensed wealth of information.

This might make comparisons to reports of latter years more complex to ratify, however, it makes what we set out for this year more actionable and dependable. We look forward to having you readers along for the insights.



DISTRIBUTION OF SUPPORT TEAM SIZES WHO RESPONDED TO THE SURVEY



2

What is quality in customer support?

When asked about pain points and challenges overall, measuring and maintaining quality was the most popular choice:

- 30% of customer service professionals said measuring & improving support quality was a significant pain point.
- 35% of customer service professionals said maintaining support quality was a crucial challenge while scaling a team.

This mimics last year's priorities. This begs us to question why quality management is a recurring issue, more so than, for example, omnichannel management or coaching agents. The answer lies in the definition of support quality – or the lack of a unified definition.



35%

OF CUSTOMER SERVICE PROFESSIONALS SAID MAINTAINING SUPPORT QUALITY WAS A CRUCIAL CHALLENGE WHILE SCALING A TEAM.

High-quality customer service has no set rubric: there are predictable variables like industry and company size, but there are less foreseeable external factors also. Covid-19's ramifications on the customer support industry have been well documented. Less so is the effect of the recession so far, times during which customer loyalty is usually revered above all else.

By seeing the goal of providing excellent customer service as a moving target, we can put into context the diversity of approaches to serving customers.

Most significant pain points:

FOR SMALL SUPPORT TEAMS (1-50 AGENTS)

- 1 Increasing agent productivity
- 2 Onboarding new team members
- 3 Reducing repetitive requests members

FOR MID-SIZE SUPPORT TEAMS (51-500 AGENTS)

- 1 Scaling my team while maintaining quality support
- 2 Maintaining culture as the team grows
- 3 Improving the support tech stack

FOR LARGER SUPPORT TEAMS (500+)

- 1 Scaling my team while maintaining quality support
- 2 Increasing agent productivity
- 3 Improving the support tech stack

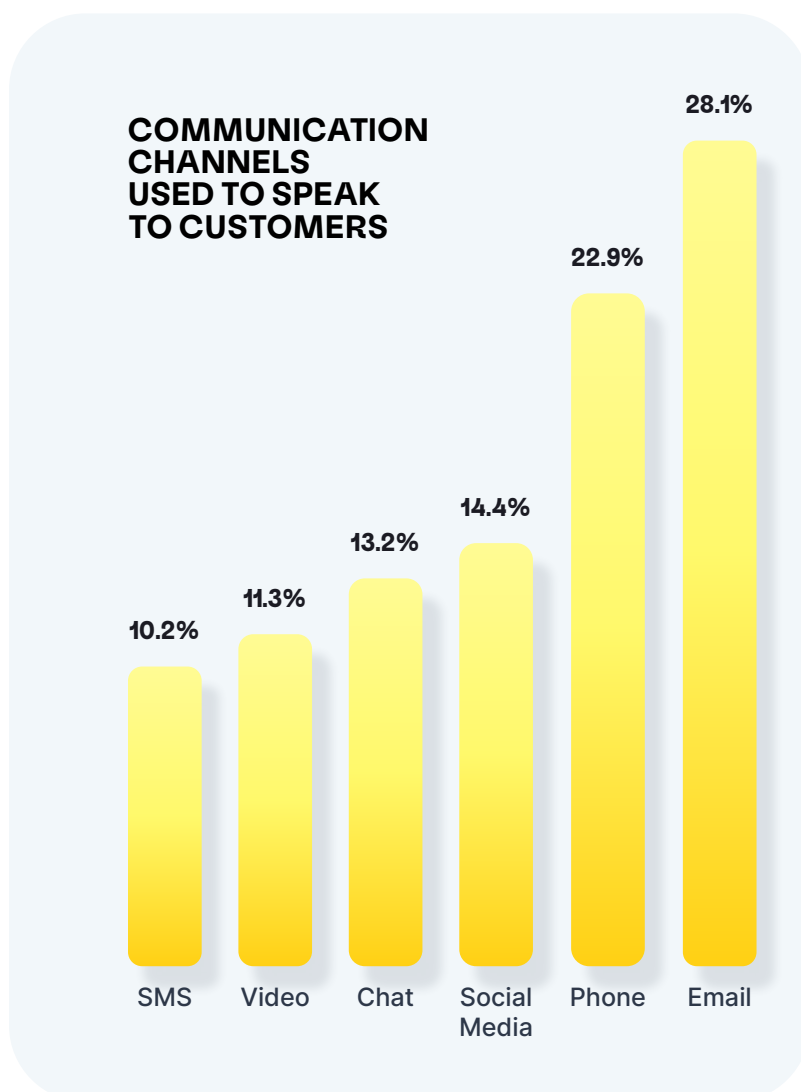
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How businesses are speaking to customers

Voice support may only be the primary channel for 23% of companies, but 71% of organizations agree that voice communication improves the quality of their customer service.

These findings suggest that voice support is used by many companies, but not necessarily as the first point of contact. Therefore, it is the preferred medium for specialized cases which demand personalized attention. Common queries, for the majority of companies, are better handled through other, less resource-intensive channels. While email and phone are the most common communication channels for support teams of all sizes, the similarities end as options diversify. The third channel in popularity for small support teams (1-50 agents) is chat. For mid-size teams (51-500 agents), it is social media – and for large teams (500+ agents) it is video.

While face-to-face customer service via video offers unmatched, immediate connection, **video is also becoming a more popular medium** to deliver tutorials and webinars. Each aims to drive engagement and loyalty. Larger teams, of course, have more resources and capacity for video production. Video production is increasingly affordable, so it will likely gain popularity as a proactive means of support in the near future.





High-quality customer service is the cornerstone of every successful company. It fosters trust between the brand and the customer and reinforces positive associations, like reliability and caring, to the brand.

Excellent customer service extends the customer lifetime value (CLV) so companies have further opportunities to upsell and cross-sell value-added products and services. Customer service experience is so interconnected to revenue that 50% of people stop buying the brand after a negative customer service experience. At the same time, there is enormous pressure on sales and support teams to operate efficiently and better track performance within the confines of limited available resources due to the current economic climate.

A Forrester Consulting study sponsored by Aircall found that cloud-based communications solution can result in a 13% lift in productivity and performance for customer-facing teams. This is a staggering productivity gain given there have never been more obstacles in the path of providing good customer experience. One of our customers even publicly stated the impressive gains they achieved after using Aircall: an increase in bookings by a whopping 350% over the span of only 1 year. I expect to see more stories that connect great customer service to strong business health over the next few years.

Being able to learn the ins and outs of your daily tools in a matter of hours is essential to reduce cognitive load and increase employees' revenue-generating activities. Complex systems create inefficiencies. Employees that have to learn, master, and continuously navigate disparate tools and systems will spend hours each week on admin tasks rather than nurturing customer relationships. Customers crave personalized engagements and premium customer service has become a deep-rooted customer expectation.

When it comes down to it, customer service employees are your front-line employees—they're the literal voice of your brand. They're who your customers interact with directly, whose tone they hear when they're seeking help on a pressing matter. A good customer service representative can further brand loyalty, the gold standard metric when predicting a company's future success. Therefore, I believe it's critical as business leaders for us to eliminate points of friction by providing our customer service employees with easy-to-use, all-in-one communications systems to ensure we're setting them up for success and letting them focus on what really matters: the customers..



MICHAEL HASKE
CEO, Aircall

4

Working smarter with support automation and AI

As expected, 2023 will be a big year for support automation and AI. In fact, Intercom's Director of Machine Learning Fergal Reid recently shared, "We believe recent and upcoming developments in AI (ie ChatGPT) are the most disruptive technology to hit the customer service industry in decades."

70%

OF ORGANIZATIONS PLAN TO INVEST MORE IN SUPPORT AUTOMATION IN THE NEXT 12 MONTHS

To keep pace, **mid-size teams (51-500 agents) are the most focused on improving in this area** – 69% on AI and 72% on automation.

Since enterprises are more likely to get funding for AI, the estimated reason for this is that mid-size teams are starting to catch up, while smaller teams still do not have as much budget for emerging technologies. Although many are keen to invest more, there are growing pains involved, and **over a quarter of teams struggle when using bots or automation to reduce support volume.**

A third of respondents also use AI to help select conversations to review for QA purposes. Natural language processing (NLP) is used by quality assurance tools to siphon off conversations that are more valuable for reviewing purposes. For example, conversations where the interaction between agent and customer is more lengthy and complex, instead of ones that contain common content. This is a logical alternative to the tendency of many to review conversations at random.



Not putting effort into creating a good review sample can hurt you more than you know: the phenomena you want to assess with your scorecard is not exposed in the sample so you cannot actually measure what you want and you waste time and effort creating bad data.

Using AI to create the review sample can save you a ton of effort. It is like having many helpers going through a large volume of data - discarding the items not worth the effort and highlighting the ones that stand out..



MERVI SEPP REI, PHD

Data Science Lead, Klaus

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RESPONDENTS USE AI TO HELP SELECT CONVERSATIONS TO REVIEW

32% of customer service teams still do review

conversations at random, however, that percentage is down drastically from 62% last year.

AI helps teams work smarter, whereas automation is usually designed to help teams save time. The smaller teams that potentially have less access to more sophisticated means for these purposes are investing more heavily, instead, in proactive support.

77%

OF SMALLER TEAMS PLAN TO INVEST MORE IN PROACTIVE CUSTOMER SUPPORT IN 2023

68%

OF LARGE TEAMS HAVE IT ON THEIR AGENDA

Strategizing ways to help customers self-serve, for example with thorough, regularly updated help centers and analyzing tickets to identify trends, will also help teams save time and work harder.



All things considered, the future of customer support aims to be a lot smarter and a lot more efficient with resources.

A key trend we've seen develop over the past iterations of this report is the consistent investment in proactive support. Support and Service leaders increasingly recognize that sometimes the best support is no support at all – but how do we make that aspiration a reality?

Proactive support is all about pre-empting customers' questions before they arise – with the right strategy and proactive support tools you can alert customers to known issues such as delivery delays, bugs in your product, and website downtime.

At Intercom, we've noticed a number of trends in the proactive support space:

- **Modern support teams leverage data to gain an in-depth understanding of what roadblocks their customers are hitting, and when.**
- **They develop unobtrusive, educational solutions that are built into their products. They leverage tools like product tours, in-app messages, tooltips, and banners, to guide users and provide the right information in the right place and at the right time.**
- **Combined with strong self-serve solutions, proactive support allows customer service representatives to focus more on high-value queries.**

Proactive support can significantly reduce the number of conversations that reach your support team, all while increasing customer satisfaction and retention – after all, customers who encounter fewer problems due to these proactive measures are going to be happier and stick around.



DECLAN IVORY

VP of Customer Support,
Intercom

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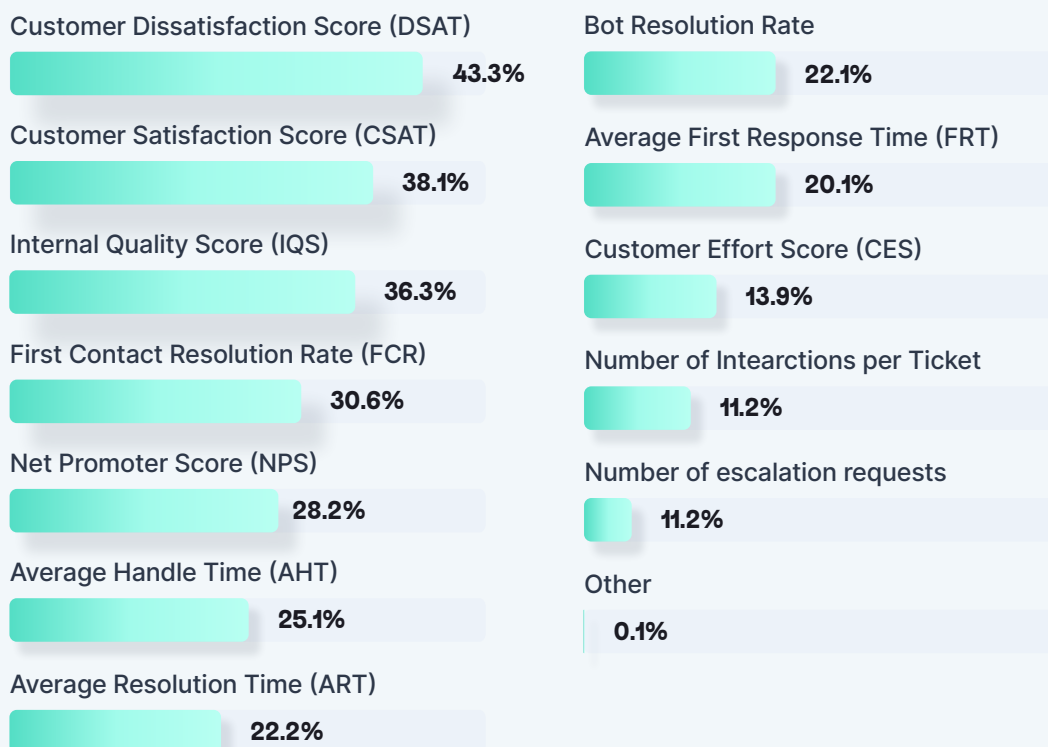
Let's talk numbers: metrics in measure

The most commonly tracked metrics are customer-defined (CSAT and DSAT): additionally, these are the two most likely to be labeled 'most important' by customer service teams. However, data shows that the average CSAT response rate is low.

The average CSAT response rate is 19% for chat, 5% for email, and 5% for phone.

Context is paramount when it comes to applying customer feedback. While a score can help you understand the greater perspective of customer sentiment, quantitative data is less useful without reasoning. In other words, to coach your customer service team, you need an explanation of why the customer gave that rating. Only scores with comments can provide this.

METRICS TRACKED BY SUPPORT TEAMS



19%**OF ALL CSAT RATINGS HAVE
A COMMENT IN ADDITION
TO THE SCORE**

30% of those surveyed said that improving key support metrics, like CSAT, was a struggle for them in 2022. This means that internal reviews are critical to pinpointing areas of improvement for your customer service: 76% of organizations agree that conversation reviews help improve CSAT.

As a companion to customer-defined feedback (like CSAT and DSAT), internal quality scores measure performance based on predefined categories, so teams gain precise feedback on improvement.



How to get higher response rates for your feedback survey?

- 1. Ask one question that matters the most, as additional questions reduce the response rate.**
- 2. Ask for feedback at the right moment. The motivation to give quality feedback diminishes fast.**
- 3. Make the survey easy to use: invest in good copy and be brief.**
- 4. Personalise the survey with context to help remind what or who you are asking about. Design the survey to reflect your brand.**
- 5. Ask regularly! If you follow the rules above, you can ask for feedback after each interaction, and it will not feel like a chore for users.**



MART OBJARTEL

Product Manager, Klaus



2023 Customer Support Quality Benchmarks



Customer Satisfaction Score

Customer Satisfaction Score (CSAT) is a customer service, marketing, and business metric that measures how well a company meets its users' expectations. It is calculated by survey, with a question to the effect of 'How satisfied are you with the company's services'?

HOW TO CALCULATE

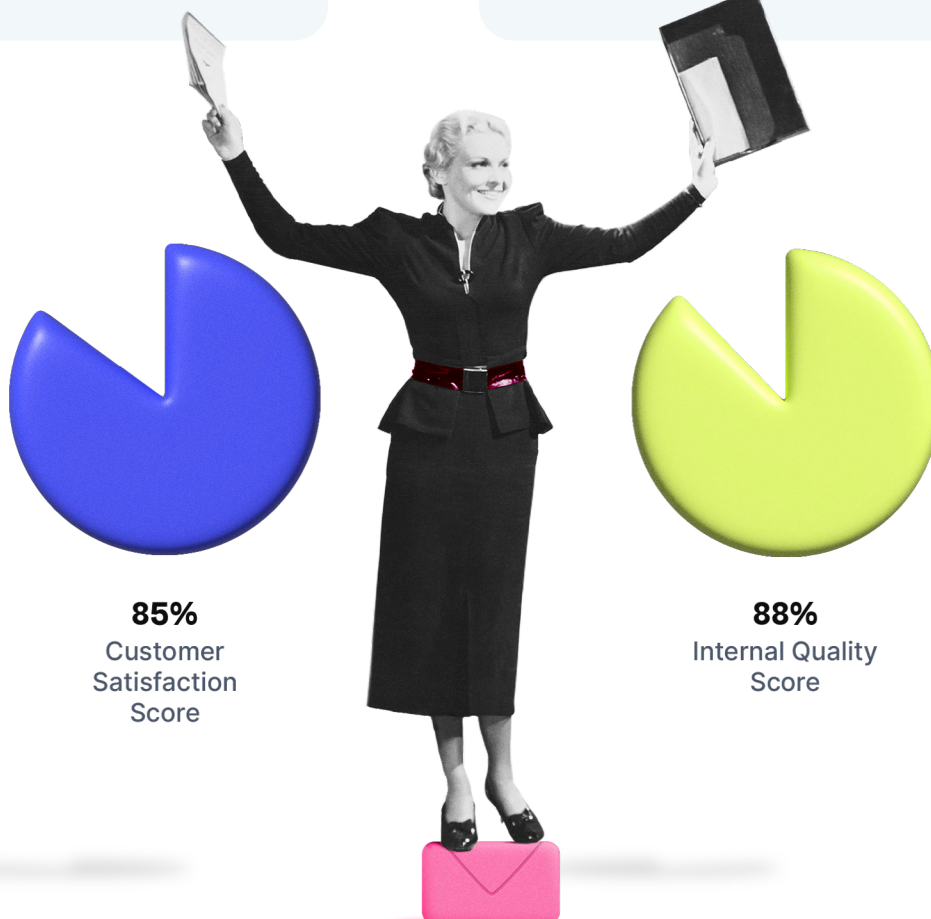
$$\frac{\text{number of positive responses}}{\text{number of total responses}} \times 100 = \text{CSAT (\%)}$$

Internal Quality Score

Internal Quality Score (IQS) is a metric that represents how well your support team performs against defined internal standards. This is calculated through conversation reviews, the score is based on each support team's individual scorecards.

HOW TO CALCULATE

$$\frac{\text{sum of ratings}}{\text{maximum available score} \times \text{number of categories}} \times 100 = \text{IQS (\%)}$$



Customer Dissatisfaction Score

Customer Dissatisfaction Score (DSAT) measures the proportion of unhappy customers among all survey responses. The definition of "dissatisfied" can vary by company if you use a more granular survey scale. For example, on a scale of 1 to 5, a score of 3 could be considered neutral or could be considered dissatisfied.

HOW TO CALCULATE

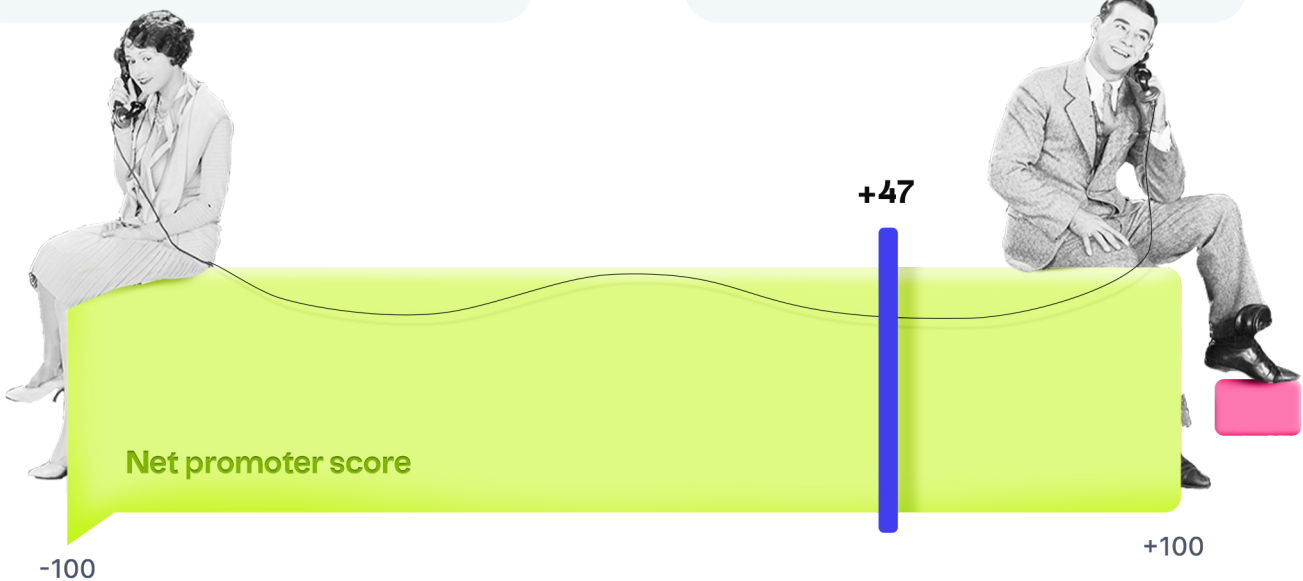
$$\frac{\text{number of negative responses}}{\text{number of total responses}} \times 100 = \text{DSAT (\%)}$$

Net Promoter Score

The Net Promoter Score (NPS) is a holistic metric used to measure customer loyalty to a product or service. It is calculated by survey, with a question to the effect of 'How likely are you to recommend [company] to a friend or colleague?'

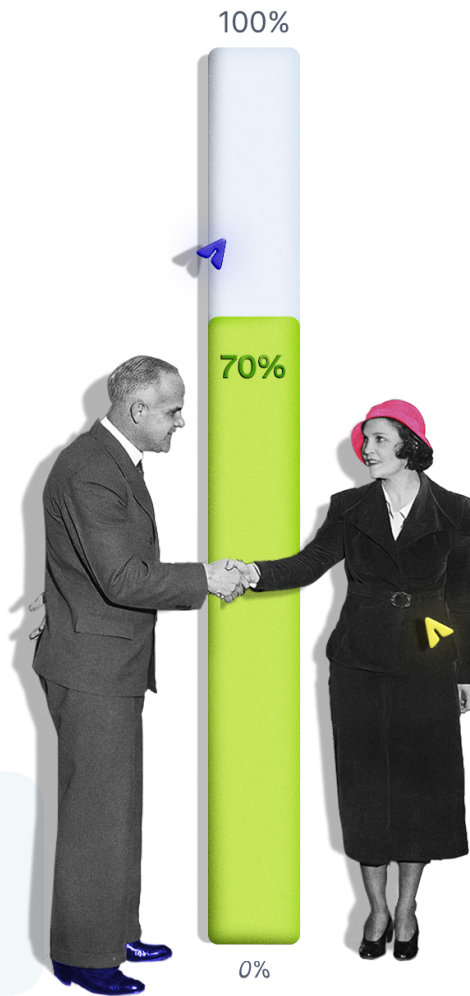
HOW TO CALCULATE

$$\frac{\text{number of promoters} - \text{number of detractors}}{\text{number of total responses}} \times 100 = \text{NPS (\%)}$$



First Contact Resolution Rate

First Contact Resolution Rate (FCR), or First Call Resolution, is a measure of the percentage of customer service calls that are resolved during the initial call. High FCR indicates that a customer service team is able to effectively address customer concerns and resolve issues quickly, which can improve customer satisfaction and loyalty.



HOW TO CALCULATE

$$\frac{\text{number of issues resolves on first contact}}{\text{total number of issues}} \times 100 = \text{FCR (\%)}$$

Average Resolution Time

Average Resolution Time (ART) is often also known as Mean Time To Resolution (MTTR) or Average Ticket Resolution Time. ART is a metric calculated per agent, displaying the average time taken by them to solve all opened tickets in a given time frame.

HOW TO CALCULATE

$$\frac{\text{total resolution time for all tickets solved}}{\text{number of tickets solved}} = \text{ART}$$

Average Handle Time

Average Handle Time (AHT) is used to measure the average amount of time that a customer service representative (CSR) spends handling a customer interaction.

HOW TO CALCULATE

$$\frac{\text{total handle time for all tickets solved}}{\text{total number of interactions}} = \text{AHT}$$

Average First Response Time

First Response Time (FRT) is a customer service metric that measures the average amount of time it takes for an agent to respond to a customer query. The usual aim is for the time to be as low as possible.

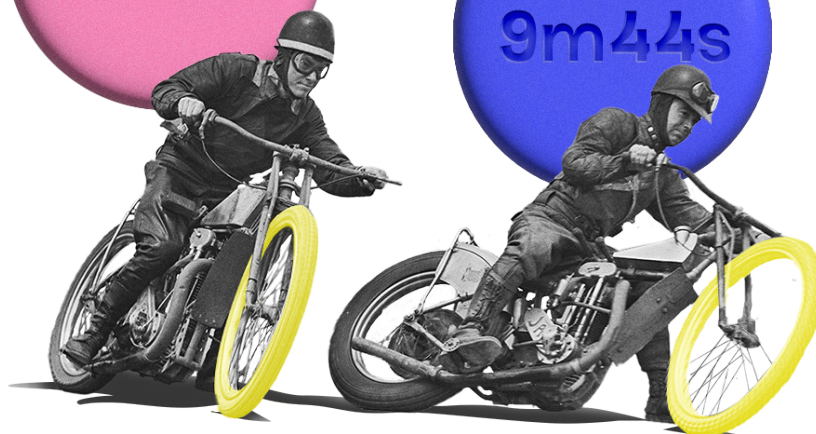
HOW TO CALCULATE

$$\frac{\text{total first response time for all tickets received}}{\text{total number of interactions}} = \text{FRT}$$

First Response Time



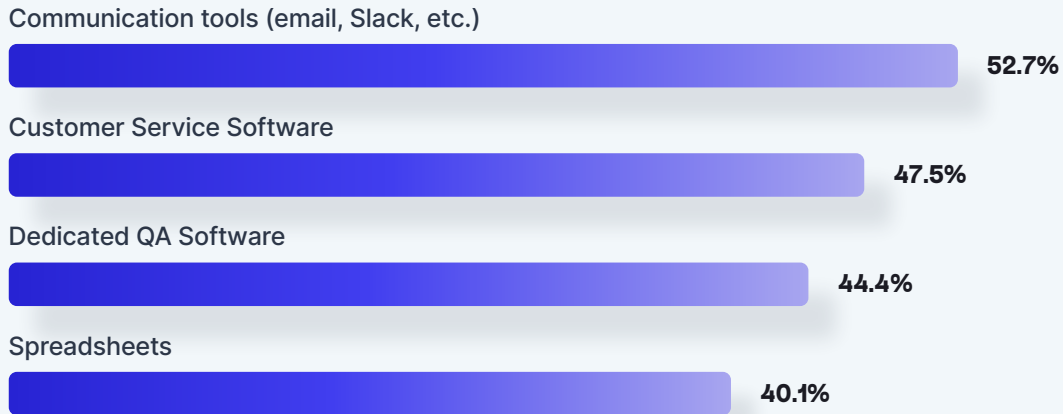
Average Handle Time





How companies measure customer service quality

TOOLS USED FOR CONVERSATION REVIEWS



We defined excellent customer service as an ever-moving target, but it is also apt to discuss multiple targets. By that, we mean that no one industry or company or even sometimes team is serving the same customer with the same product or service.



Empathy is a popular category - and yet it's often as undefined as the term quality itself. If you want to rate and measure empathy, make sure that you share a very clear understanding with your team about what that actually means.

The entire purpose of reviews is to enact improvement. You want to clearly promote specific behaviors or help your team unlearn certain habits. That means you need to be able to define what empathy looks like for your support reps.

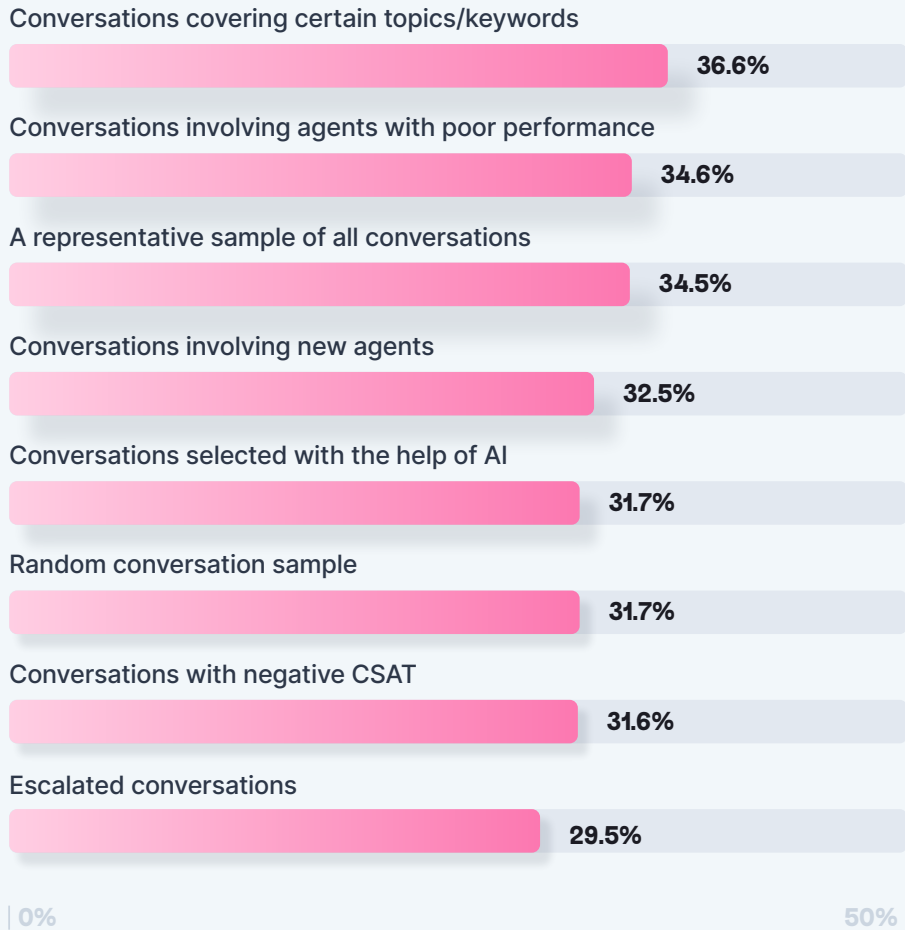
Does it mean they summarize the problem for the customer? Does it require specific language? The more specific you can be, the easier it will be to both rate the category and improve your team's performance.

Your goal is excellence in customer support. Your support reps do not need to have a degree in psychology or be licensed therapists. Instead, teach them how empathy looks for your company and then focus on behavior and impact.



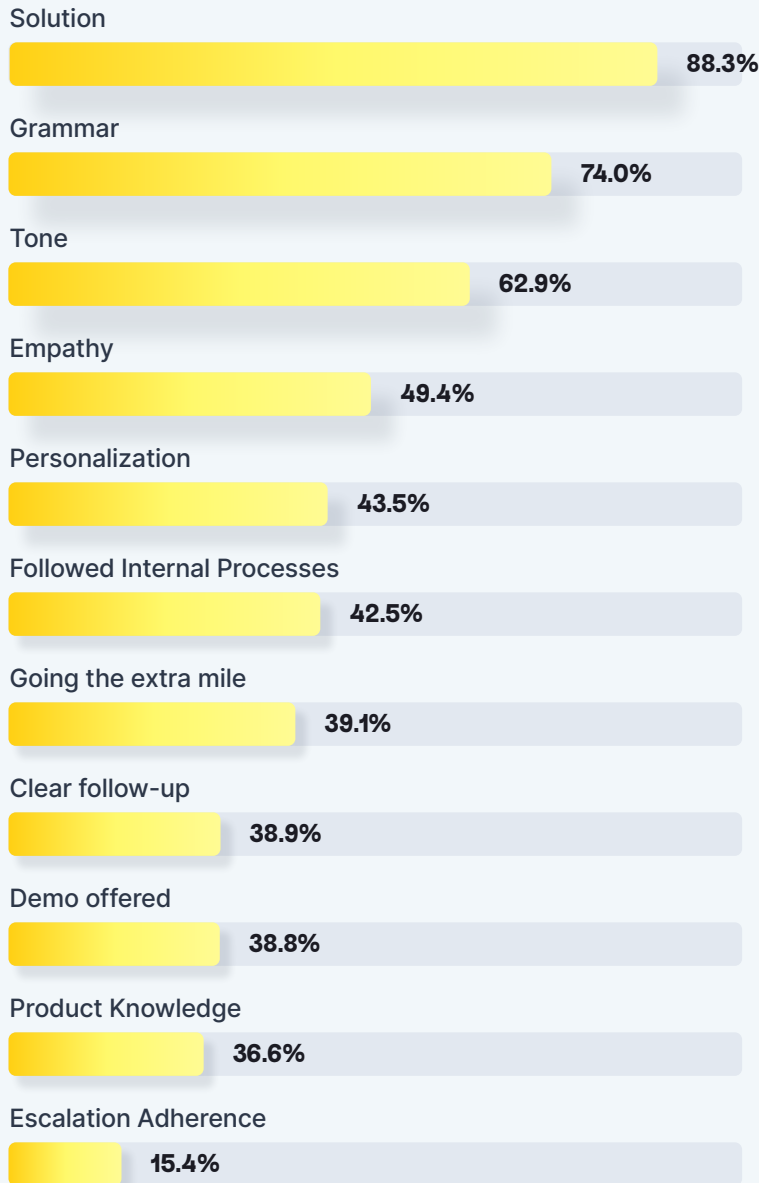
VALENTINA THÖRNER
Empress of Remote and Support, Klaus

TYPE OF CONVERSATIONS REVIEWED

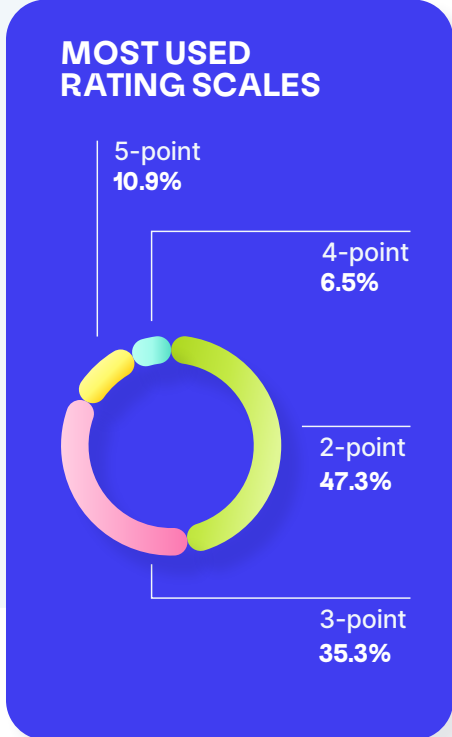


Most support teams surveyed already have quality specialists or teams: **86% of smaller teams (1-50 agents) have dedicated quality professionals, and 92% of teams of larger than 50 agents do**. However, the need for a better understanding of quality is apparent, since half of the companies without dedicated quality professionals plan to hire one in 2023. It is clear that there is a growing need for better quality management in the support industry.

CATEGORIES EVALUATED



| 0% | 100% |



8

How the information from conversation reviews is used

48% of teams use conversation reviews to track Internal Quality Score (IQS) over time. Tracking this metric enlightens teams on trends or patterns. It helps leaders make data-driven decisions about how to improve quality, provide better support, and redefine support goals.

44%

**OF TEAMS USE REVIEW FEEDBACK
IN 1:1 MEETINGS WITH AGENTS**

These meetings help managers provide individualized, actionable feedback to agents. By using conversation reviews as a starting point, managers can coach and train with precision – and track results with regular reviews over time.

Support teams often face the challenge of proving their value to the wider company. However, conversation reviews fulfill the need for support teams to solidify their worth company-wide. **29% of those surveyed said that implementing and improving reporting was a challenge.** However, structured quality assurance reports compiled from review data can help provide a high-level overview of team improvements and success.

AI and automation are paving the way for better human-centric support

Despite a bleak economic outlook, customer support teams feel more poised than ever to tackle the challenges that lie ahead. They're leveraging a clear set of tactics to do more with less while still meeting and exceeding customer expectations:

1. Prescriptively hire talented reps, and invest in better training and internal QA
2. Investing heavily in proactive support to get ahead of questions before they're asked
3. Leveraging existing technology and automations (such as bots) and exploring ways to implement new advancements in AI (such as ChatGPT)

Innovative support leaders recognize that the goal is not to eliminate the human component of customer service – it's actually quite the opposite. The ideal solution means enabling reps to spend as much time as possible on queries that genuinely require the help of a real person. The ultimate goal is to strip away all the repetitive queries.

With every improvement to your onboarding campaign, fewer support queries are ever opened. With every tweak of an existing bot or automation, hundreds of customers can triage their own problems faster, and without needing to talk to a person.

With every new help article published, countless subsequent users will find the information they need without needing to pick up a phone.

This isn't the exciting part, though. What's so energizing now is the emerging technology - the recent breakthroughs in neural network technology, AI, and machine learning - which are making these motions even easier to execute. The speed of innovation is reducing the time it takes to implement better automation.

Service leaders know the best support is personal, fast, and genuine. Advancements in new technology are paving the way for any team, regardless of size or operating budget, to spend more time providing quality support.



DECLAN IVORY

VP of Customer Support, Intercom

Want to access more resources on Customer service trends, best practices, and more?

Check out the [Klaus](#), [Intercom](#), and [Aircall](#) blogs – and join the [Support Driven](#) community.