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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 Midsize and Enterprise Market Segment

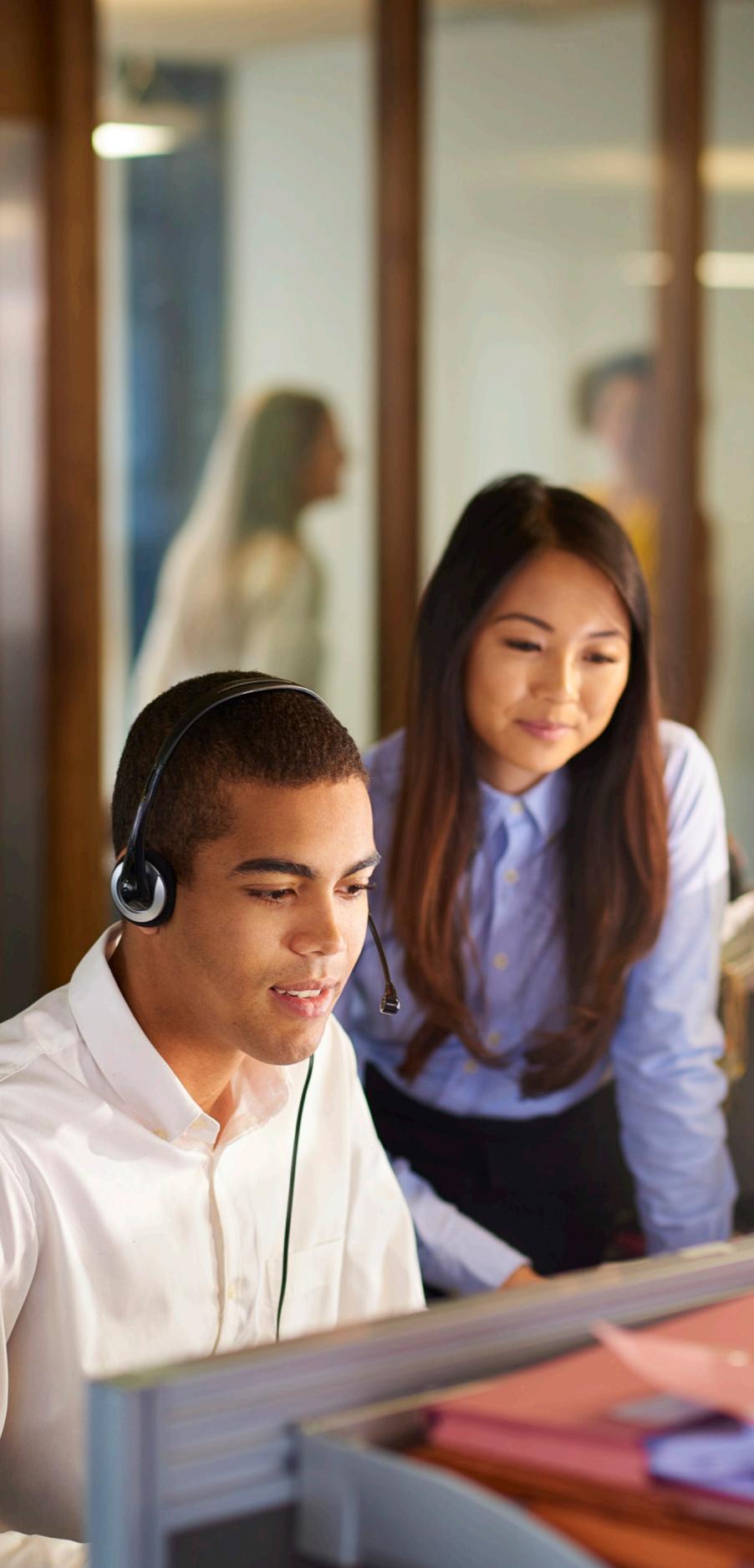
PREPARED BY ESG FOR



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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=553 respondents in the survey based in the APAC region and employed at organizations with 100 or more employees (Australia [N=120], Japan [N=142], Singapore [N=137], India [N=97], and South Korea [N=57]).

Highlighted Findings

An organization’s CX maturity is an assessment of the people, processes, data, and technology in place to service customers. CX maturity among midsize and enterprise companies in the APAC region has remained relatively flat over the past year:²

- The proportion of midsize and enterprise-sized companies in the APAC region that are Champions has increased from 6% to 8%. While it is encouraging that CX maturity has improved in the face of continued economic uncertainty, other regions have seen more significant increases in the number of Champions.
- It is encouraging to note that organizations in the region plan to increase CX investment by 33%, on average. This increase should help organizations close the gap.



BUSINESS OUTCOMES

Champions achieve greater business success. Relative to their peers, midsize and enterprise-sized APAC-based Champions are:

16.5x more likely

to exceed customer satisfaction goals.

4.7x more likely

to have grown their customer base.

10.1x more likely

to have increased per-customer spending significantly in the past 6 months.



SERVICE EXCELLENCE

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

Resolve problems
39% faster.

Make getting service easy, according to
83% of their customers.



THE AGENT EXPERIENCE

High CX maturity organizations optimize the agent experience. Relative to their peers, midsize and enterprise-sized APAC-based Champions:

Are 6x more likely

to have excellent customer visibility.

Have agents that are
72% more productive.

Are 4.3x more likely
to rate their agent retention as excellent.

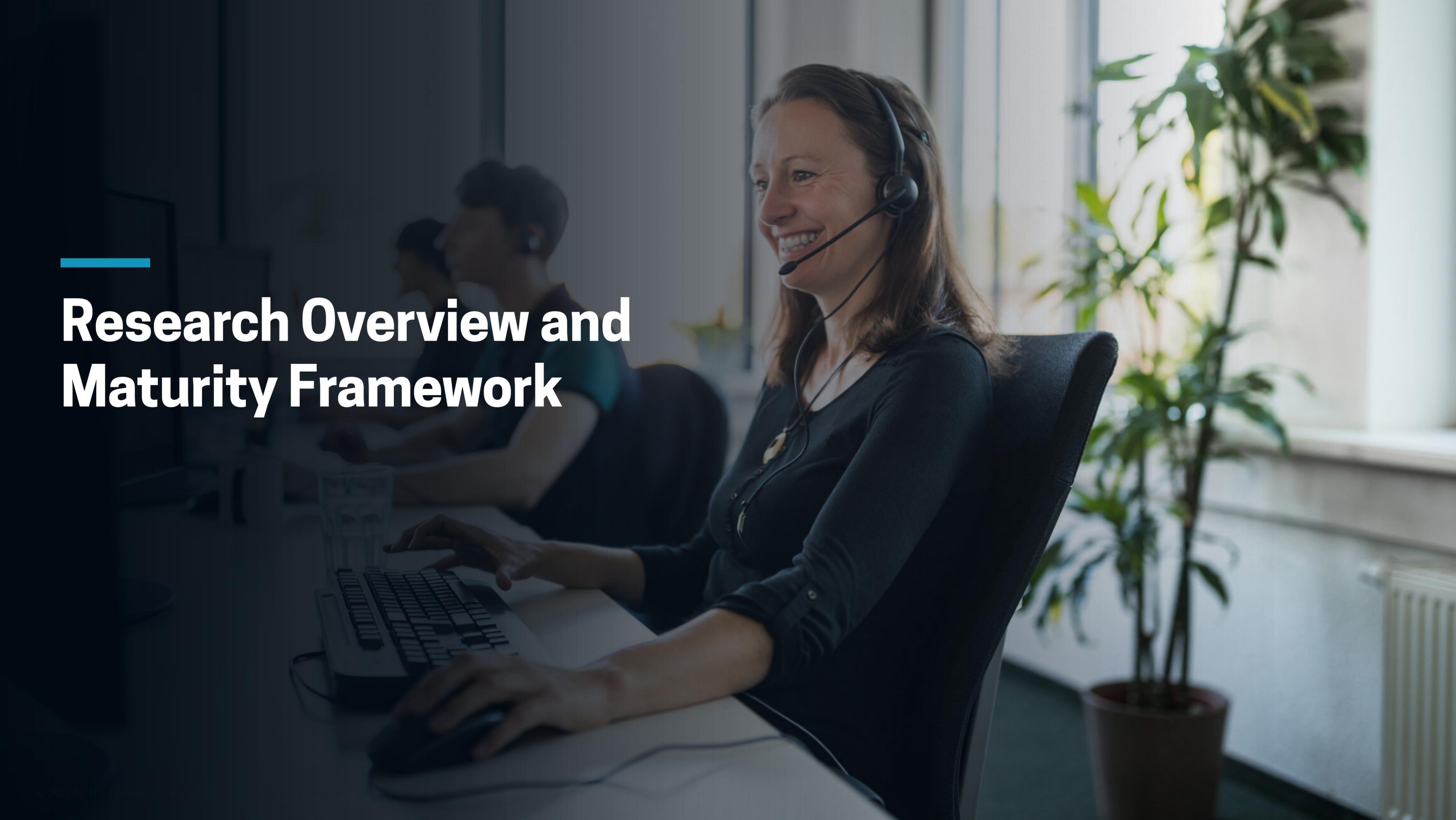


BUSINESS OPERATIONS

Midsize and enterprise-sized APAC-based Champions:

Are 2.8x 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 MIDSIZE AND ENTERPRISE ORGANIZATIONS IN THE APAC REGION TODAY VERSUS A YEAR AGO.



REGIONAL DIFFERENCES:

Midsized and enterprise-sized companies in the APAC region trail behind their peers in the rest of the world, where 13% achieve Champion status (i.e., have all seven characteristics of a Champion).

COUNTRY MATURITY RANKING:



India
(16% Champions, up from 10%)



Australia
(12% Champions, up from 6%)



Singapore
(9% Champions, up from 3%)



South Korea
(4% Champions, not included in last year’s survey)



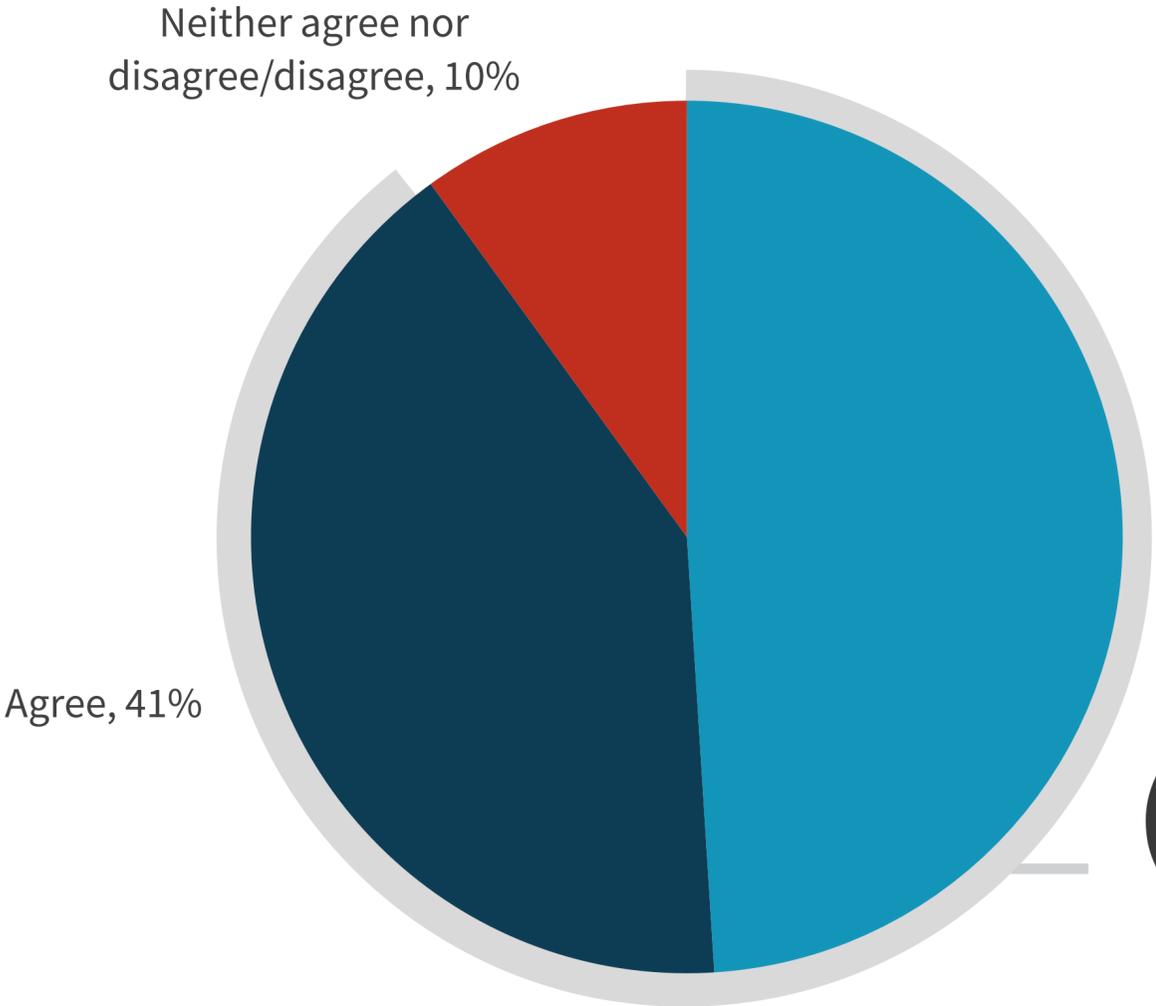
Japan
(2% Champions, up from 0%)

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.

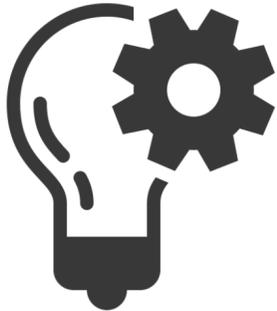
While organizations are clearly maturing their CX capabilities, every organization must evaluate whether it is transforming its customer service teams fast enough to keep pace with customer expectations. **For those organizations stuck in either the Starter or Emerging segment of the market, this data 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:
 Mid-sized and enterprise-sized organizations in India most often recognize the strategic imperative of CX innovation: 75% strongly agree, a higher percentage than their counterparts in South Korea (49%), Japan (45%), Singapore (42%), and Australia (41%).

Strongly agree, 49%



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 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 **2.5** more channels, on average.



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

73% of organizations anticipate chat and social channels will be heavily used by customers in the future, up from **54%** today.

What Champions achieve:



39% shorter

total resolution times.



78%

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



83%

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

The imperative to transition away from transactional interactions

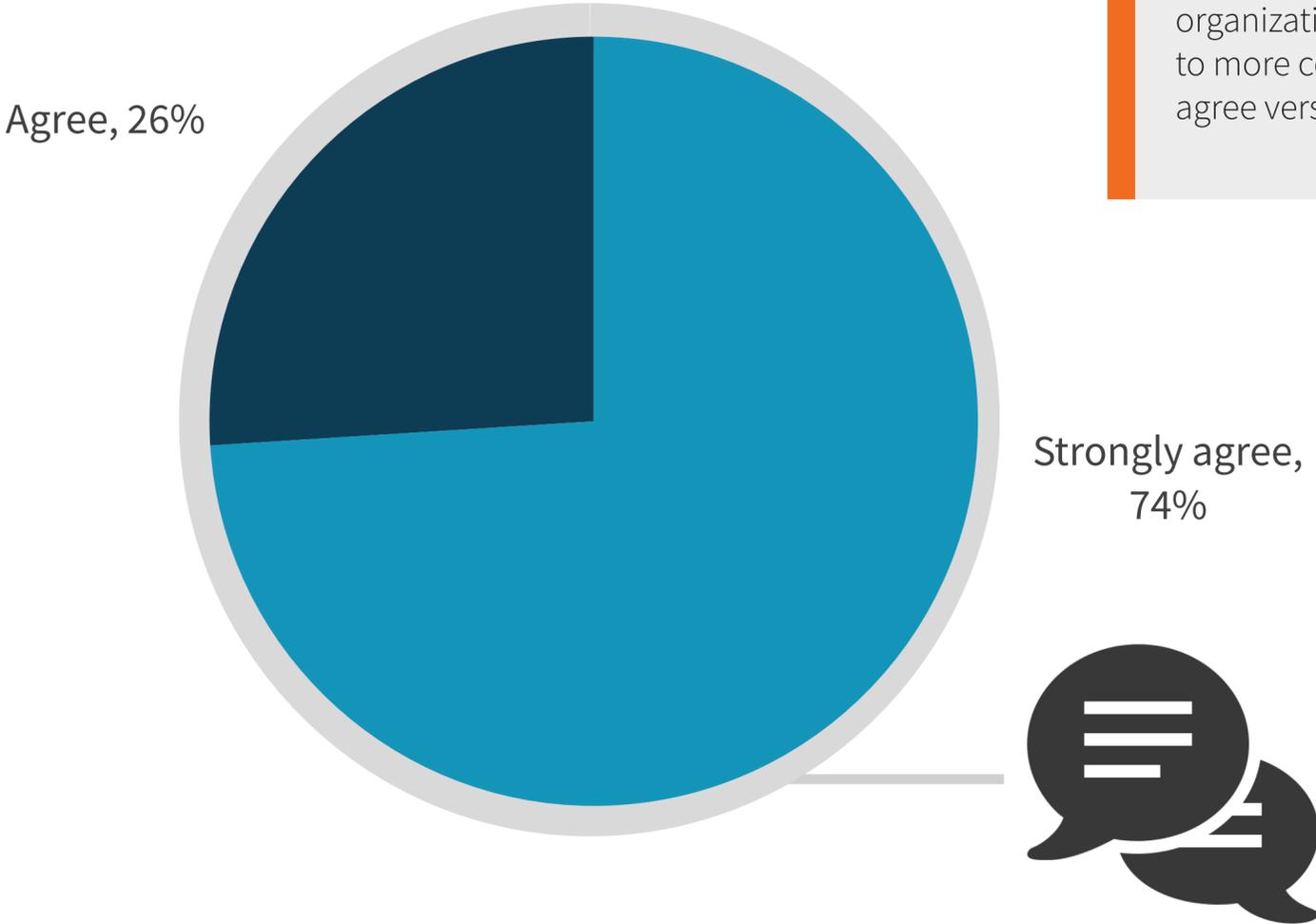
Service, when done right, lets your customers know they are heard and valued. A conversational experience conveys empathy, builds rapport, and helps the service team have a productive interaction with the customer.

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 (74% vs. 23%). In short, **Champions are 3.2x more likely to prioritize delivering conversational customer experiences.**

REGIONAL DIFFERENCES: Mid-sized and enterprise-sized organizations in India are most likely to feel the need to make service more conversational: 77% strongly agree, a significantly higher percentage than their counterparts in South Korea (26%), Japan (29%), Singapore (30%), and Australia (34%).

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



REGIONAL DIFFERENCES: In the aggregate, mid-sized and enterprise-sized organizations in APAC feel less pressure to pivot to more conversational experiences: 39% strongly agree versus 45% in other regions surveyed.

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 2.5 more channels to customers than Starters.**

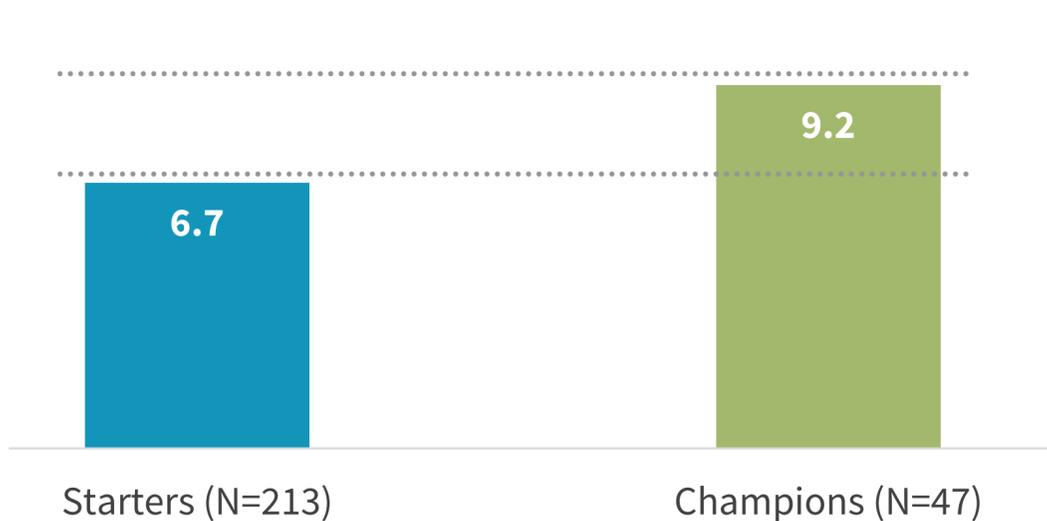
While providing flexibility in how customers engage with your business is important, customer preferences change over time. It is important to anticipate these changes so support teams are best positioned to deliver service in the future.

While 58% report email or phone are among the channels where they see the highest conversational volume today, 39% 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.



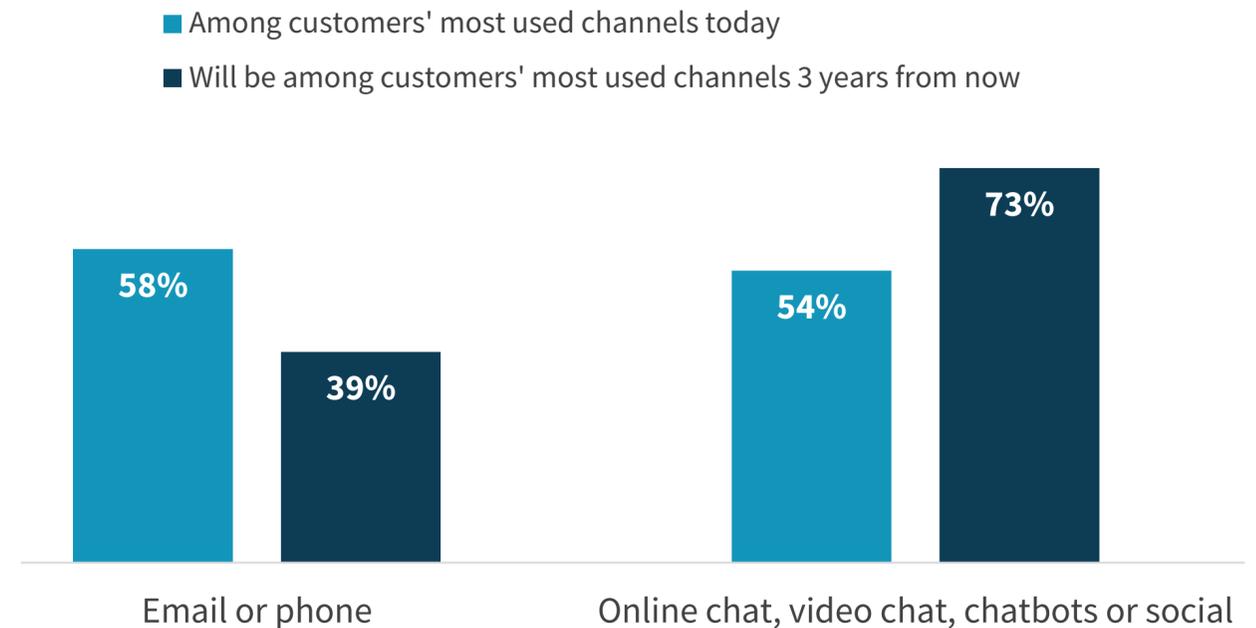
Champions offer **2.5 more channels to customers** to interact with their brands.



REGIONAL DIFFERENCES:

Midsized and enterprise-sized APAC businesses report their customers are less likely to heavily utilize chat, video, and social engagement channels today (39% versus 61% in other regions surveyed.)

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



Champions resolve customer issues faster

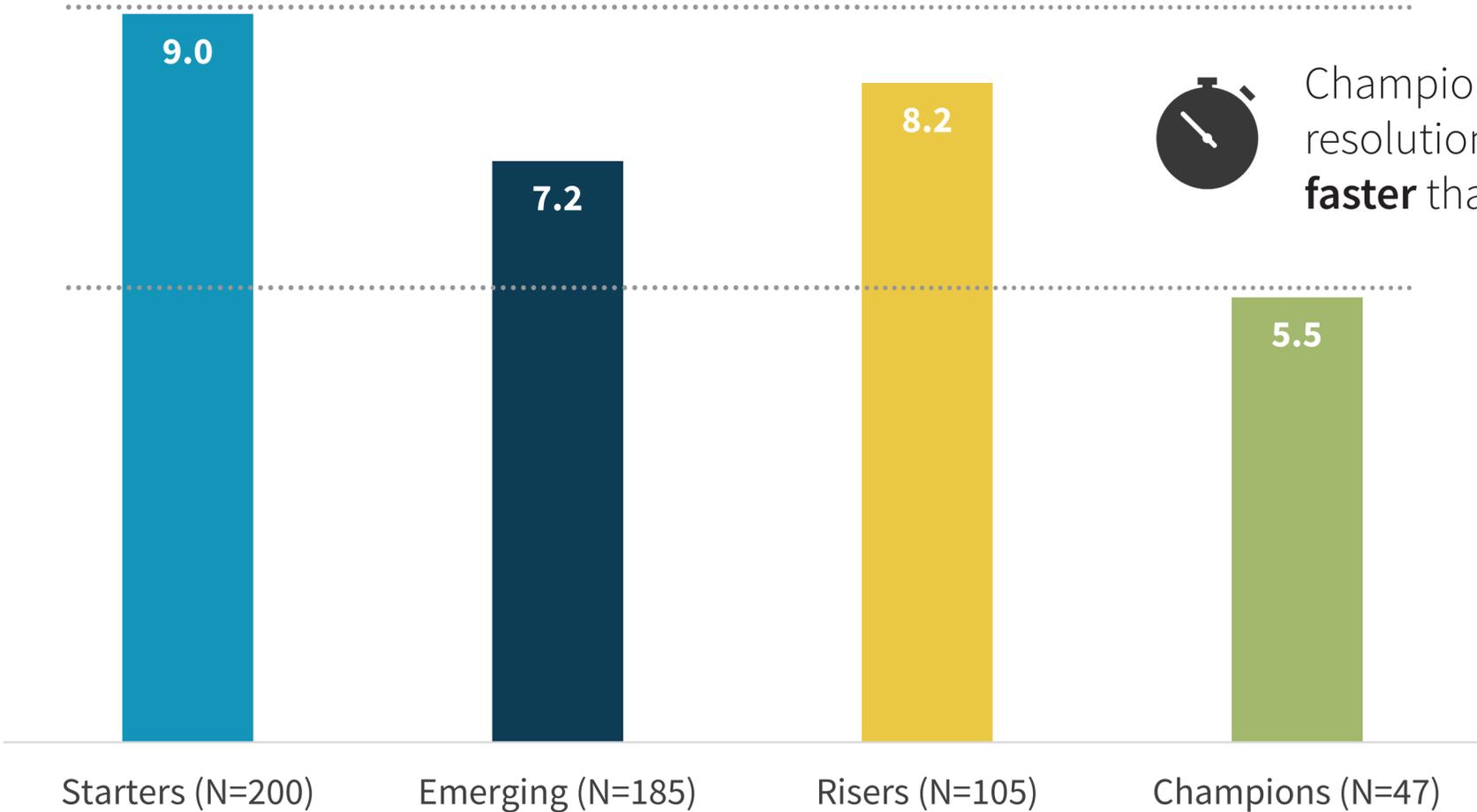
Agility is a core tenet of customer service. When a customer has a question or a problem, one of the worst mistakes a business can make is making them wait for a solution.

Our research shows that Champions are outperforming their peers in this area: **Champions’ average total resolution time is nearly 39% faster than Starters’ (and 3.5 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.

REGIONAL DIFFERENCES:
In the aggregate, midsize and enterprise-sized organizations in APAC are slower to resolve customer issues than their peers globally: their average resolution time is nearly an hour and a half longer (7.9 versus 6.5 globally).

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



Champions’ average total resolution time is **39% faster** than Starters’.

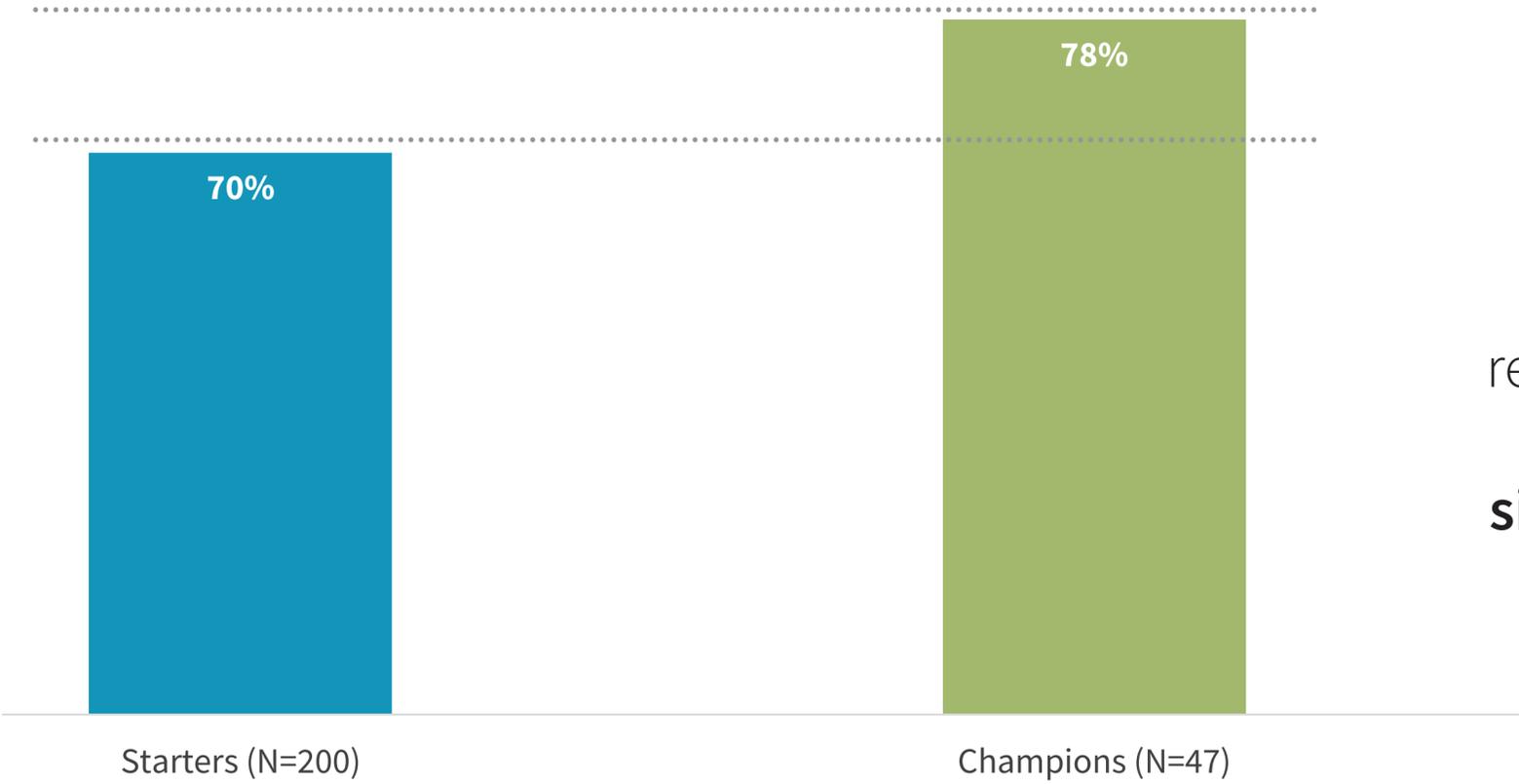
Champions are not only faster, but more effective at resolving customer issues

While speed matters, another critical component of delivering optimal CX is efficacy. One-touch resolutions can be viewed as a proxy for agent efficacy.

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, an increase of 8 percentage points 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.

AVERAGE PERCENT OF ONE-TOUCH RESOLUTIONS, BY MATURITY.



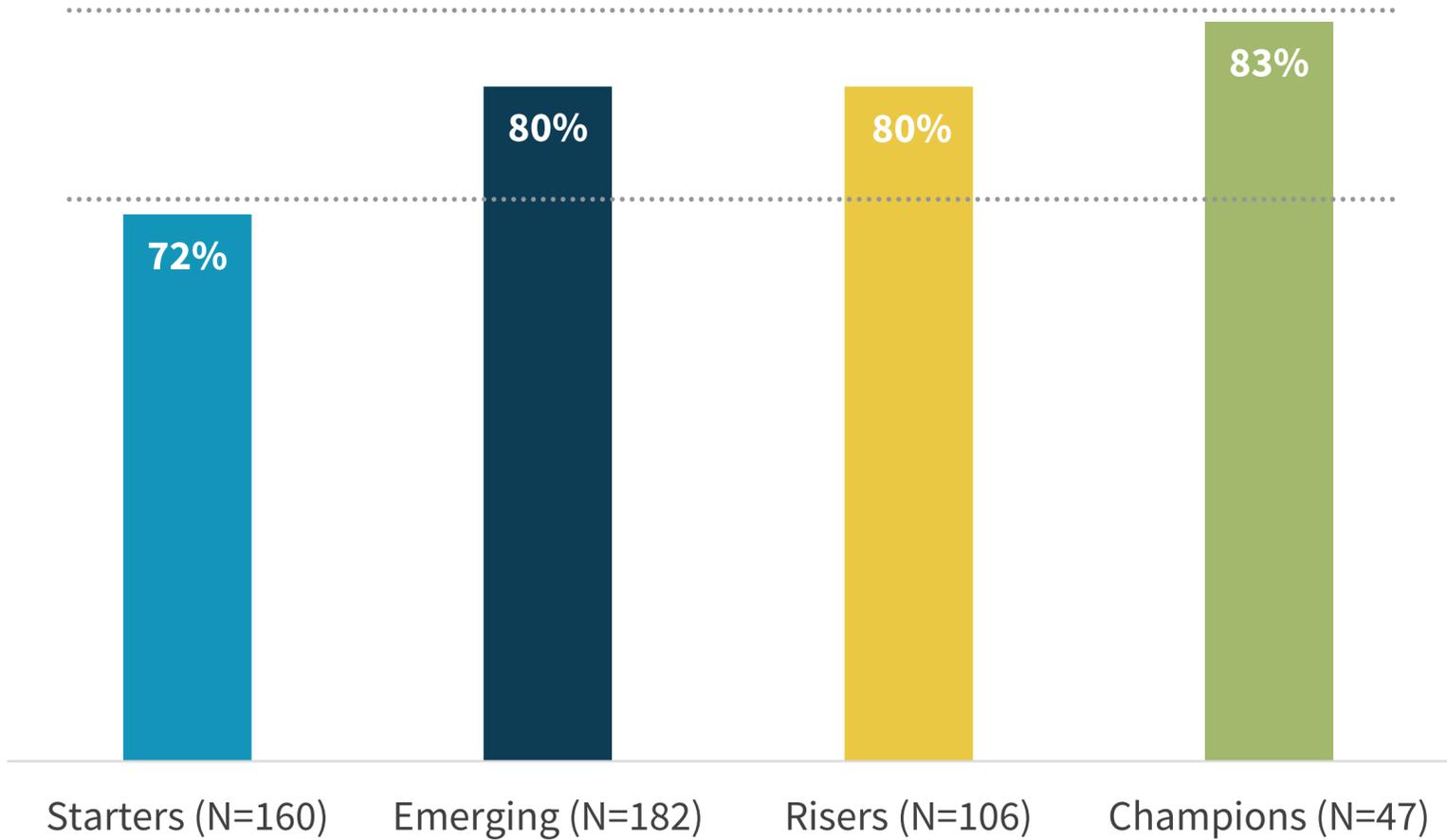
Champions resolve **8% more inquiries in a single customer interaction.**

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 83% of their customers would agree their company is making the service experience easy. Starters believe 72% of their customers would agree with that sentiment. In short, **customers of Champions are 15% 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 **15% more likely to agree the service experience requires little customer effort.**



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. 78% of Champions are 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 4.4x more likely to provide a seamless channel-switching experience to agents.



Prepare for remote work scenarios to continue. On average, organizations expect a 25% 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:



16% more efficient customer interactions on the phone and in chat sessions.



72% higher agent throughput.



They are 4.3x more likely to have excellent agent retention.



Superior team agility: Champions estimated it would take 49% less time to expand and ramp their team and 53% less time to add a brand-new service channel to their mix.

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

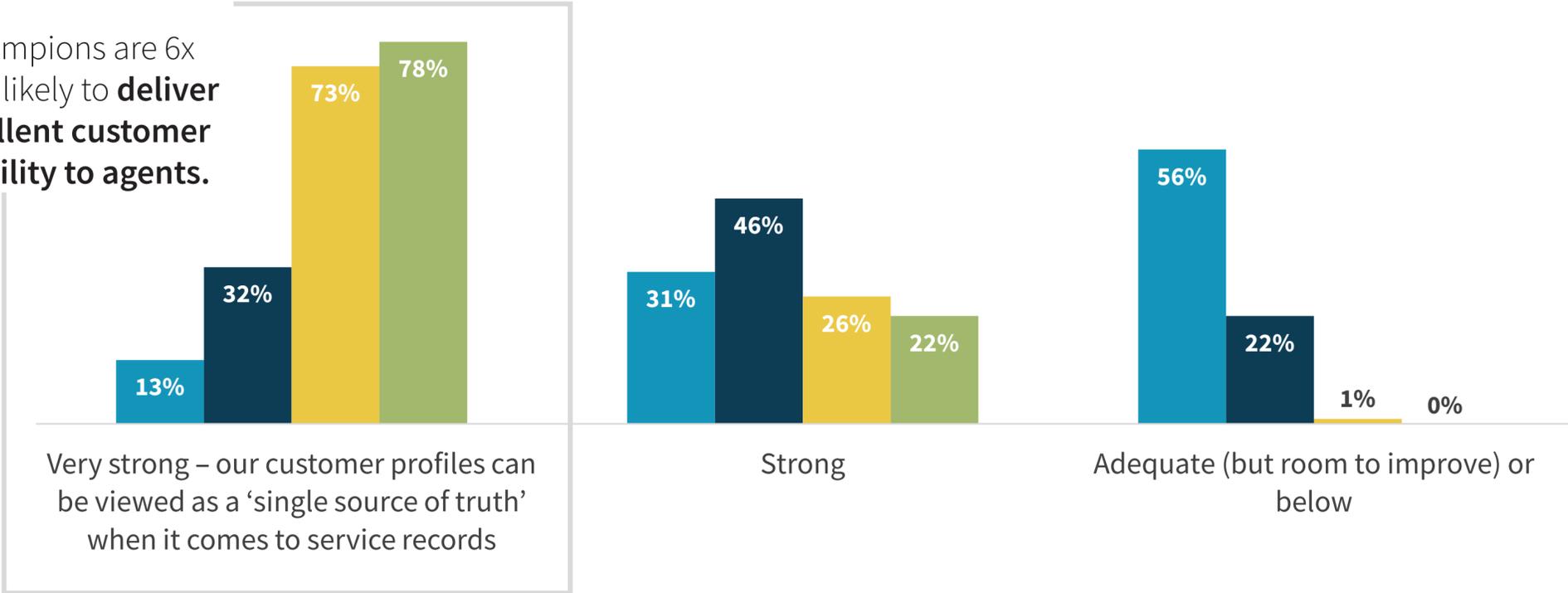
To deliver the best CX, agents need to be informed about the brand-customer relationship. This information helps an agent do their job better, and Champions are far better at delivering it. In fact, 78% of Champions report their organization provides customer profiles, combining interactions in any channel with CRM and database records, which can be viewed as a “single source of truth.” More simply, **Champions are 6x 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?



Starters (N=91) Emerging (N=156) Risers (N=99) Champions (N=46)

Champions are 6x more likely to **deliver excellent customer visibility to agents.**



YEAR-OVER-YEAR DIFFERENCES:

Larger APAC-based businesses in the aggregate have increased customer visibility in the last year, with 43% saying they have achieved a “single source of truth” when it comes to customer profiles versus 25% a year ago.

REGIONAL DIFFERENCES:

75% of midsize and enterprise-sized organizations in India rate their customer visibility as very strong, a significantly higher percentage than their counterparts in Singapore (29%), Japan (31%), South Korea (33%), and Australia (41%).

Champions empower agent agility

96% of midsize and enterprise organizations 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.

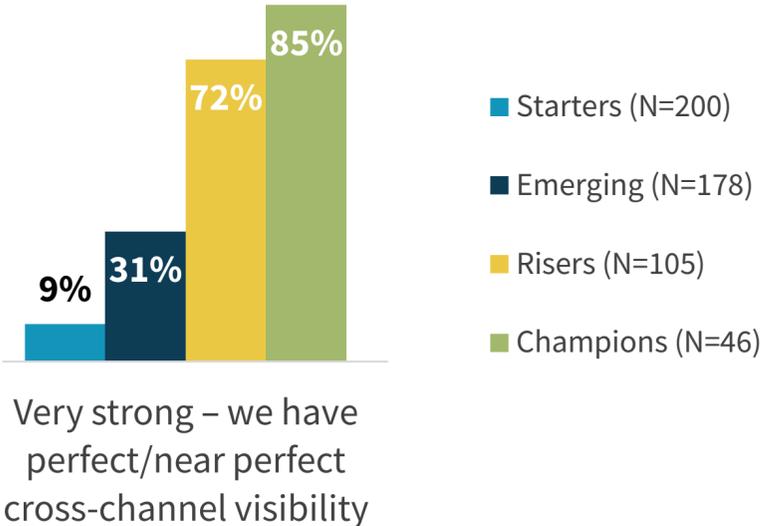
Champions are 9.4x more likely than Starters to have excellent cross-channel visibility in terms of customer inquiry volume. Similarly, Champions are 4.4x more likely than Starters to provide their agents with a seamless service channel switching experience.

YEAR-OVER-YEAR DIFFERENCES:
Larger APAC-based businesses in the aggregate have improved their ability to switch service channels on the fly, with 42% reporting the experience is seamless versus 23% 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 **9.4x more likely to have excellent cross-channel visibility.**

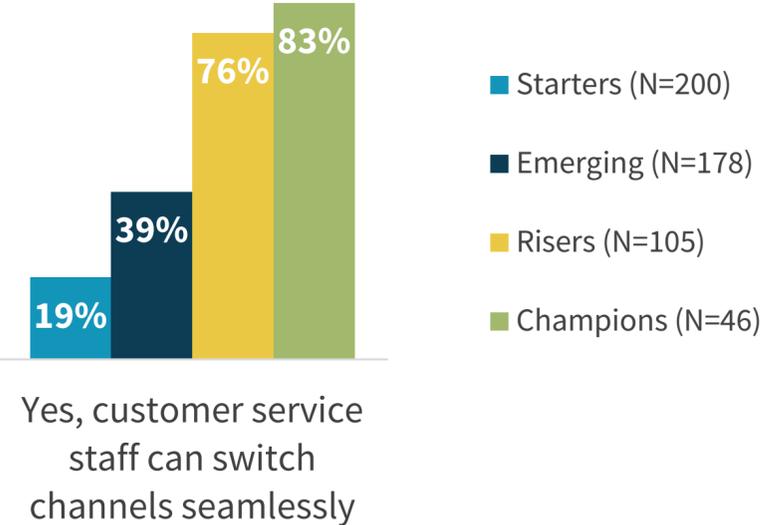


REGIONAL DIFFERENCES:
Companies in India (77%) achieve the greatest cross-channel visibility, a significantly higher percentage than their counterparts in Japan (17%), South Korea (23%), Singapore (29%), and Australia (36%).

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



Champions are **4.4x more likely to provide a seamless channel-switching experience to agents.**



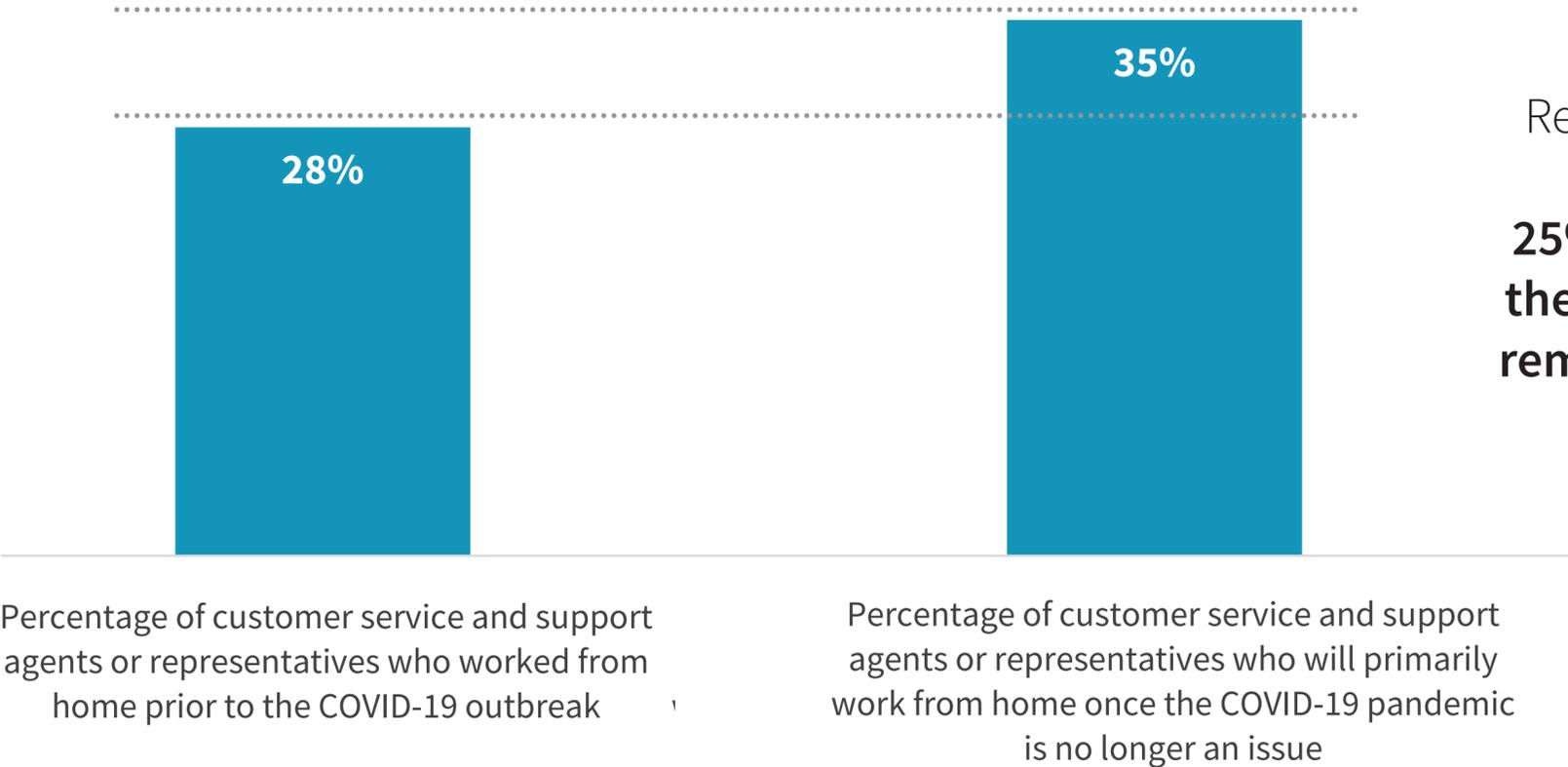
REGIONAL DIFFERENCES:
Companies in India have made the most progress enabling seamless cross-channel switching (75%), more than their peers in Japan (25%), Singapore (35%), Australia (38%), and South Korea (55%).

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 larger organizations in APAC reported, on average, 28% 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 35%.

The implications for organizations are clear: With 25% more of their staff working remotely, investments in collaboration technologies, employee monitoring solutions, cloud-based applications, and other technologies to enable remote work will need to persist.

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



Respondents expect a **25% uptick in the number of remote service agents.**

REGIONAL DIFFERENCES:
 In the aggregate, mid-sized and enterprise-sized organizations in APAC expect fewer service staff to work remotely in a post-pandemic world (35% versus 39% in other regions surveyed).

REGIONAL DIFFERENCES:
 Mid-sized and enterprise-sized organizations in Singapore expect significantly more of their service staff to remain remote following the COVID-19 pandemic (41%) relative to their peers in Australia (28%) and Japan (33%).

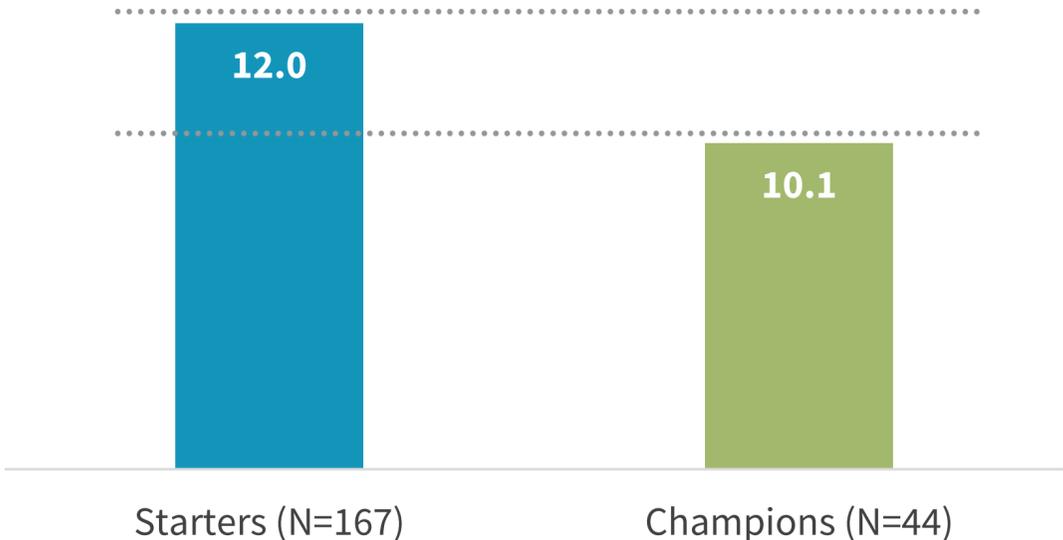
Champions have more efficient customer interactions

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 that 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 16% more efficient when speaking with customers on the phone and have 16% 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.

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

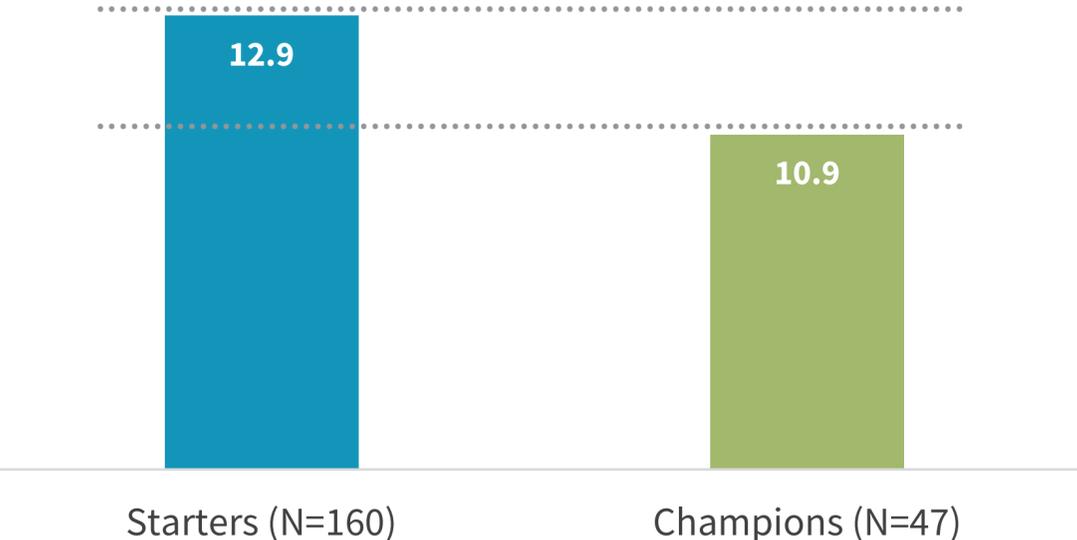


Champions are **16% more efficient on the phone.**

REGIONAL DIFFERENCES:

Indian companies tend to have the most efficient handle times regardless of medium: phone and chat sessions are reported to be shorter than those had by their counterparts in Australia, Japan, Singapore, and South Korea.

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



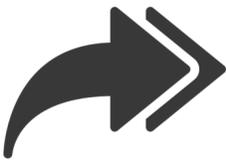
Champions are **16% more efficient in chat sessions.**

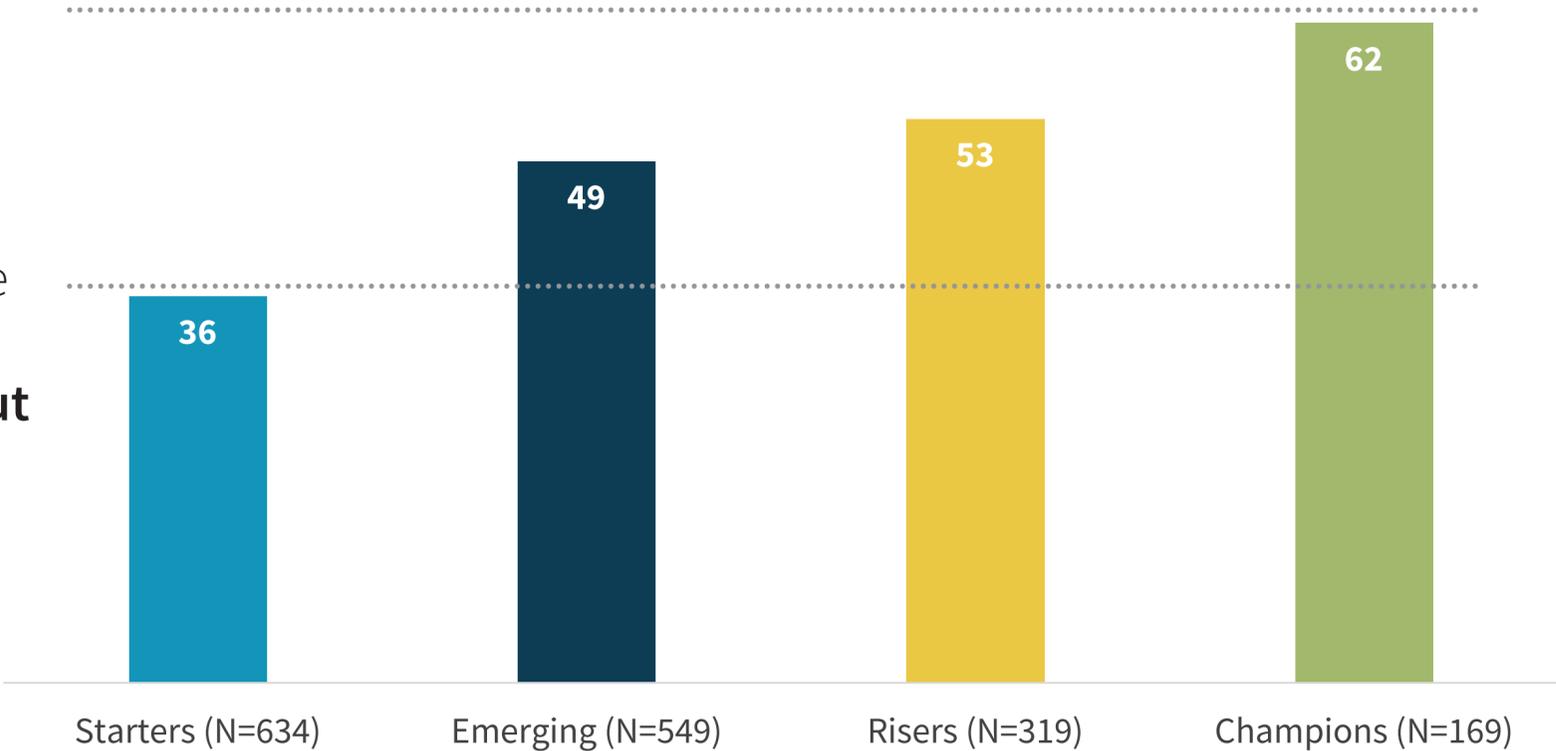
Champions achieve greater agent throughput

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 at midsize and enterprise organizations:

1. Australia (207 inquiries per agent)
2. Singapore (65 inquiries per agent)
3. Japan (23 inquiries per agent)
4. India (20 inquiries per agent)
5. South Korea (4 inquiries per agent)

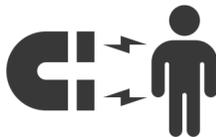
*Both questions were optional write-in questions, which not all respondents answered. Aggregate data is presented.

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.

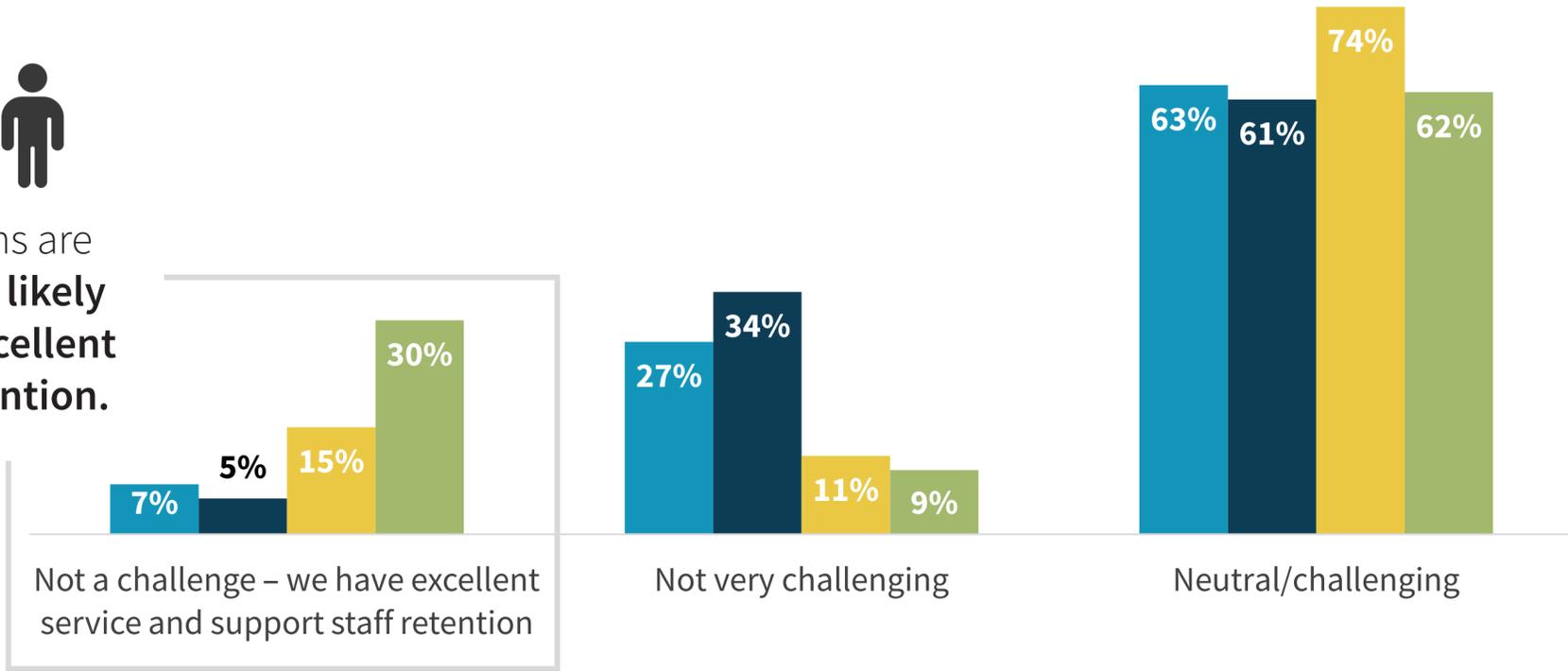
When asked to describe the turnover within their service teams, **Champions were 4.3x more likely than Starters to report having excellent agent retention.**

AGENT TURNOVER, BY MATURITY.



Champions are **4.3x more likely to have excellent agent retention.**

Starters (N=206) Emerging (N=160) Risers (N=59) Champions (N=31)



REGIONAL DIFFERENCES:

In the aggregate, mid-sized and enterprise-sized organizations in APAC struggle with service agent retention more often: 10% report this is not a challenge versus 20% in all other regions surveyed.

REGIONAL DIFFERENCES:

Organizations in India tend to struggle most with agent retention: 60% report this as very challenging, significantly more than their counterparts in Japan (6%), South Korea (7%), Australia (8%), and Singapore (18%).

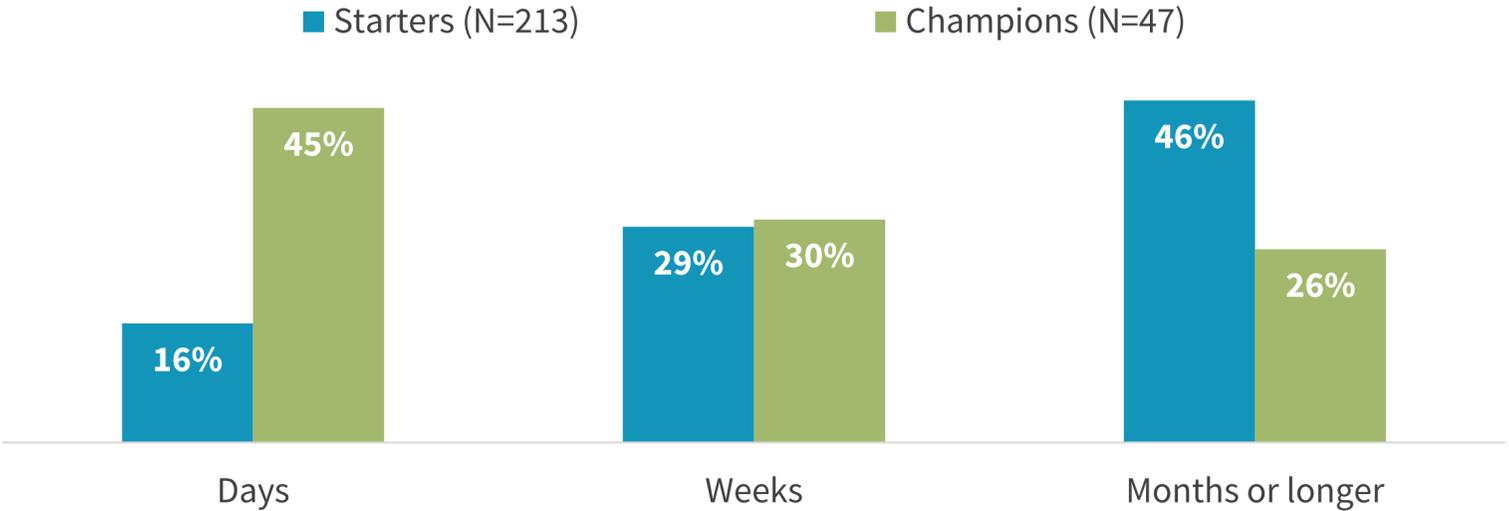
Champions are best positioned to adapt and thrive

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.

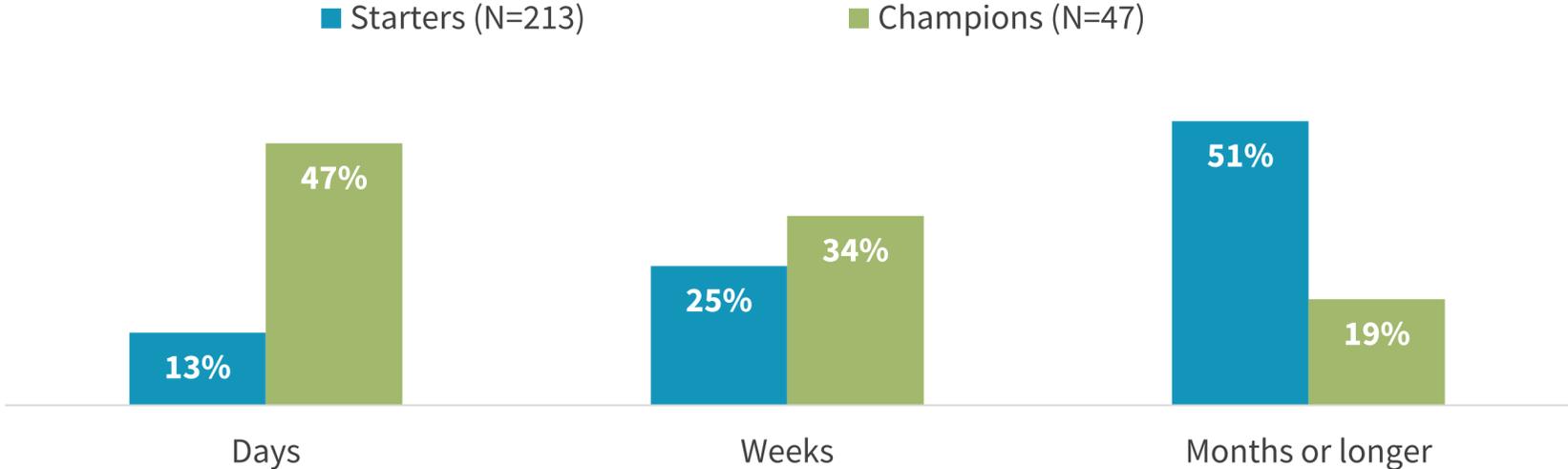
We asked respondents how quickly they could grow their service teams by 50% and fully onboard the new hires. Measuring the average calendar time, **Champions estimated it would take 49% less time to ramp their team (22 days versus 43 days for Starters).**

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 53% less time to add a new channel (21 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?



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 2.8x more likely than Starters to have accelerated major CX projects. As a result, Champions are 10.3x more likely to believe they made the right decisions during the pandemic to maximize their resiliency.



What isn't measured and monitored can't be effectively improved: Business leaders at Champions are 12.3x more likely to review CX metrics and key performance indicators daily.



Recognizing an opportunity to create and widen a competitive edge: Business leaders at Champions are 2.3x more likely than Starters to view the service team as a competitive differentiator, not a cost center.

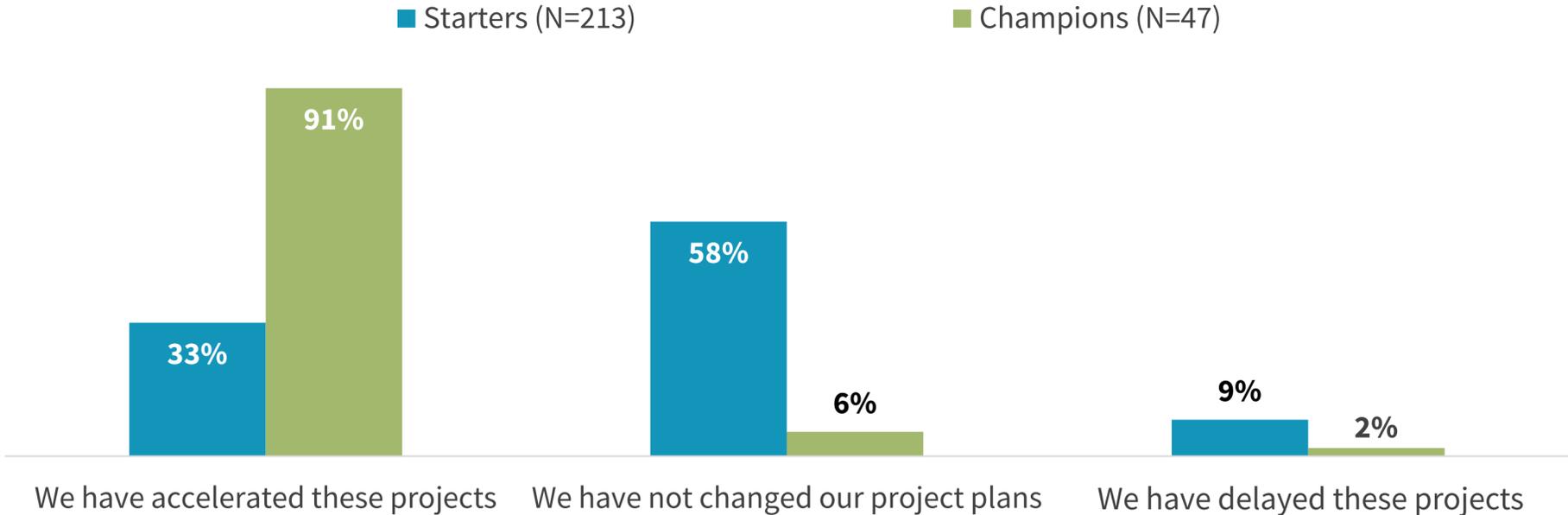
CX investment acceleration in the face of uncertainty

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 2.8x as likely as Starters to have accelerated major CX projects over the past 12 months.**

The implication is clear: Champions believe 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 37% of Japanese companies have accelerated CX projects over the past 12 months, far fewer than counterparts in Singapore (62%), Australia (65%), South Korea (67%), and India (88%).

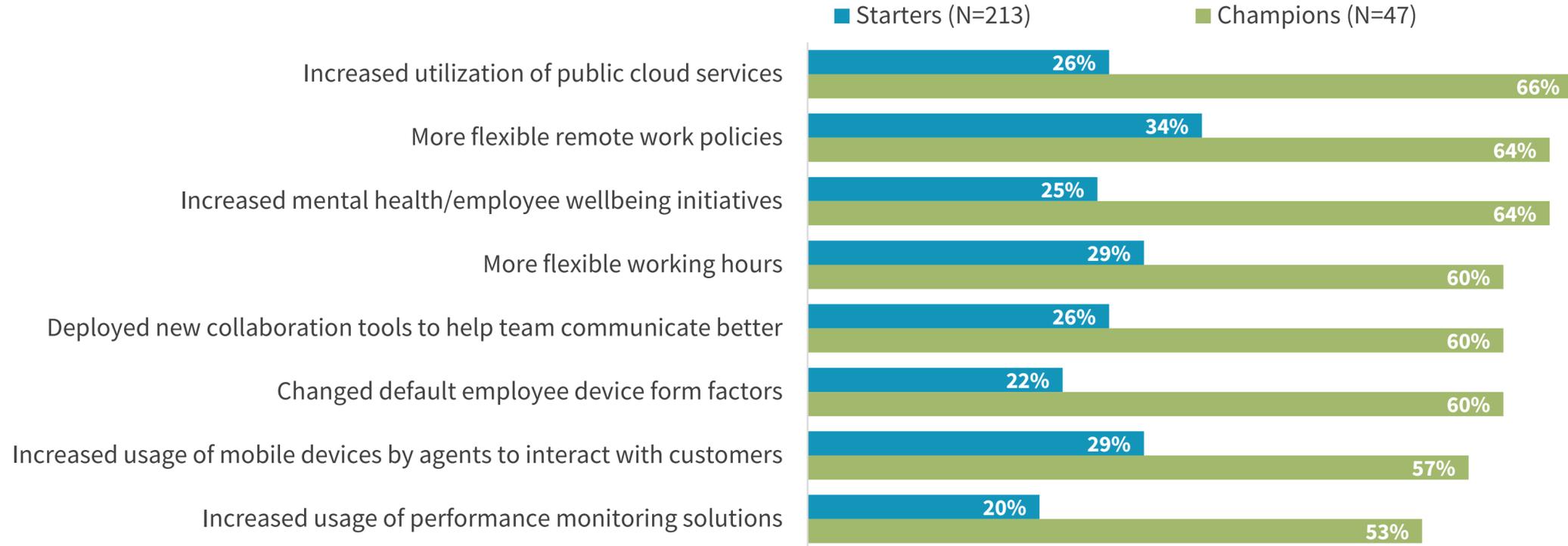
Spotlight: What can be learned about how organizations reacted to COVID-19?

In addition to leaning into CX investments, there are several other ways Champions reacted to COVID-19 differently than their peers. When asked whether their organizations adopted policy changes in response to the pandemic, the majority of Champions said they increased utilization of public cloud, adopted more flexible remote work policies, and increased mental health initiatives early in the pandemic. Champions exhibited market-leading agility in the shifting macroeconomic and societal landscape.

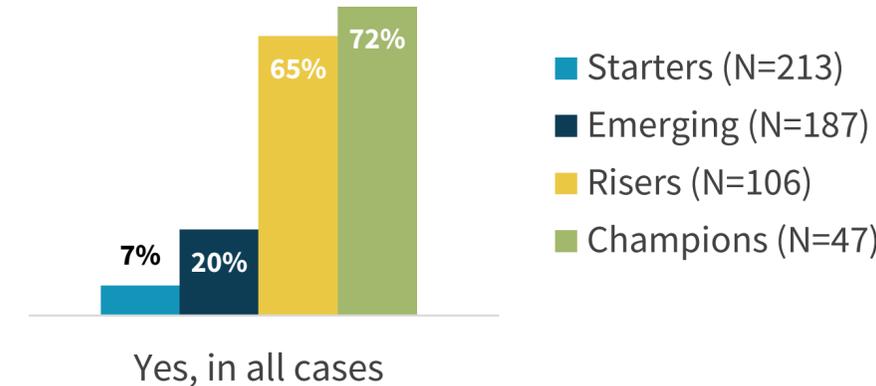
The payoff? Between accelerating CX investments and adapting service policy changes earlier in the pandemic, **Champions are 10.3x more likely to believe they made the right investment and policy decisions during the pandemic to maximize their resiliency.**

REGIONAL DIFFERENCES:
 Mid-sized and enterprise-sized companies in Japan were less likely than those in Australia, Singapore, India, and South Korea to have increased utilization of public cloud services over the course of the COVID-19 pandemic.

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:
 Mid-sized and enterprise-sized companies 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 21% in Singapore, 28% in Australia, 28% in South Korea, and 64% in India.

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 **mid-sized and enterprise-sized businesses in the APAC region expect to increase their CX-related spending by 33% from this fiscal year to next.**

Beyond capital investments, Champions invest more executive attention on optimizing CX. C-suite executives at **Champions are 12.3x more likely than Starters to review CX performance metrics daily, and over two-thirds of Starters report leadership only reviews these metrics monthly or less often.**

AVERAGE PERCENTAGE OF TECHNOLOGY BUDGETS ALLOCATED TO CX TOOLS AND TECHNOLOGIES.



Organizations plan to increase spending by 33%.

REGIONAL DIFFERENCES:

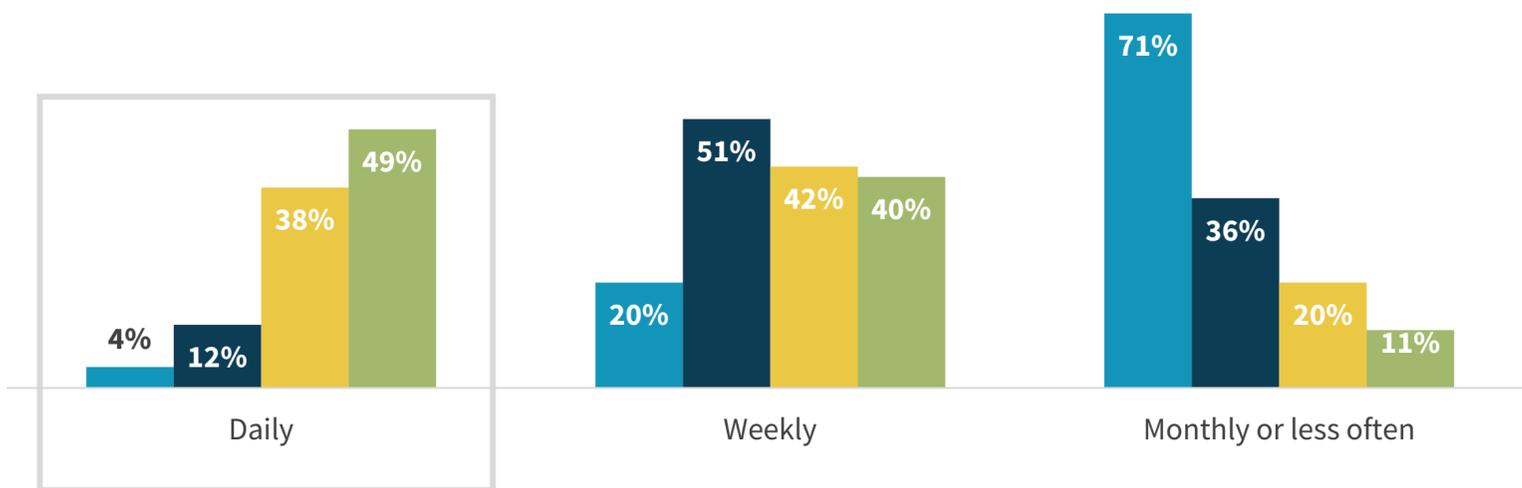
Service metrics get the most executive attention at mid-sized and enterprise-sized organizations in India: 42% say executives inspect metrics daily versus 7% in Japan, 11% in Singapore, 13% in Australia, and 23% in South Korea.

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

Starters (N=213) Emerging (N=187) Risers (N=106) Champions (N=47)



Business leaders at Champions are **12.3x more likely to review CX performance daily.**



REGIONAL DIFFERENCES:

Midsized and enterprise-sized companies in India expect to spend more of their technology budgets on CX next FY (12.8%) when compared to their peers in Australia (11.3%), Japan (9.6%), South Korea (9.5%), and Singapore (8.9%).

Recognition that service is a differentiator

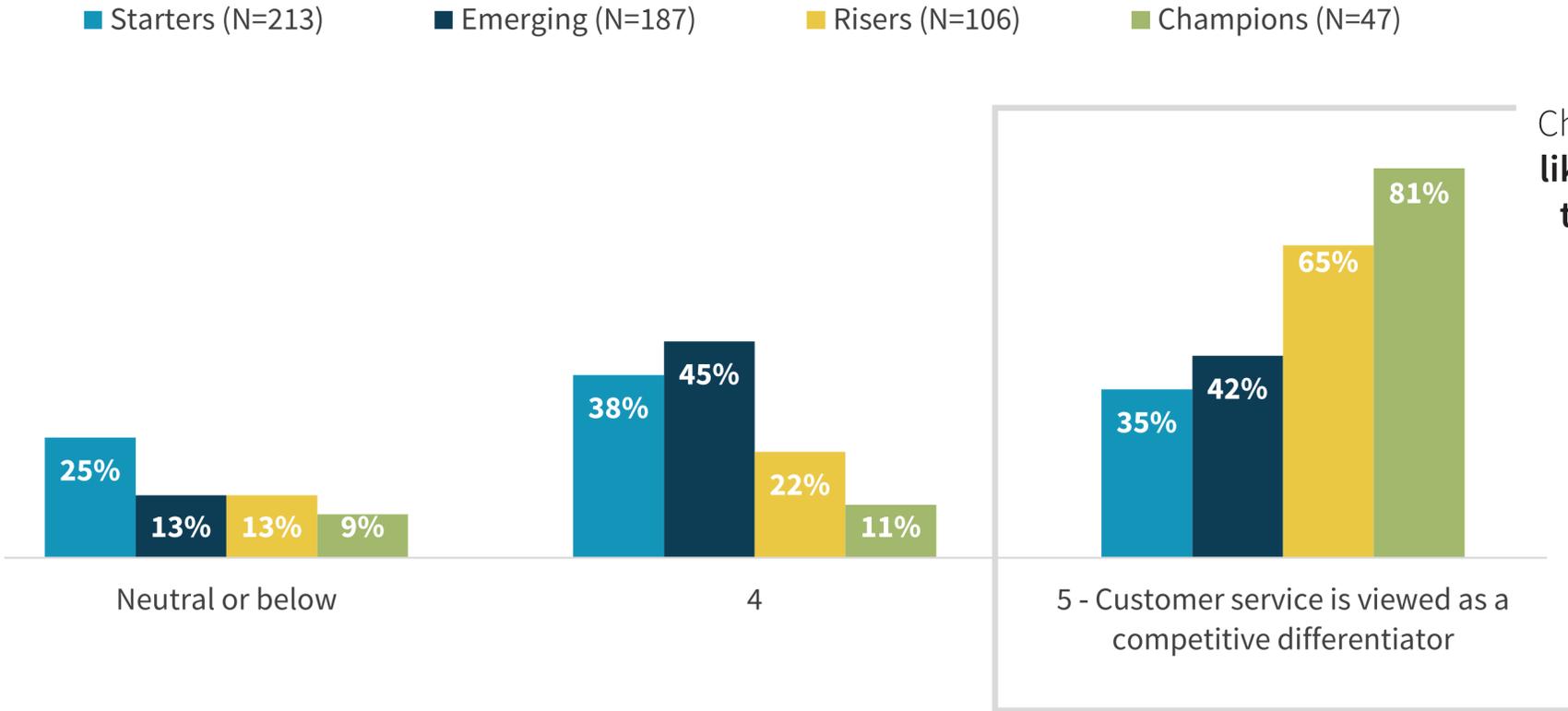
Finally, the perception of the service team is markedly different when comparing organizations with a high level of maturity to those that are less mature. **Business leaders at Champions are 2.3x more likely to view the service team as a competitive differentiator.**

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

YEAR-OVER-YEAR DIFFERENCES:

Larger APAC-based businesses in the aggregate view their service teams in a far better light than one year ago: 47% are seen as competitive differentiators today compared to 38% in last year's research.

HOW DO SENIOR BUSINESS LEADERS VIEW YOUR SERVICE ORGANIZATION?



Business leaders at Champions are **2.3x more likely to view the service team as a competitive differentiator.**

REGIONAL DIFFERENCES:

Midsized and enterprise-sized companies in Singapore and South Korea were the least likely to say they see service as a differentiator (36% and 37% respectively), a significantly lower percentage than their counterparts in Australia (48%), Japan (49%), and India (65%).

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

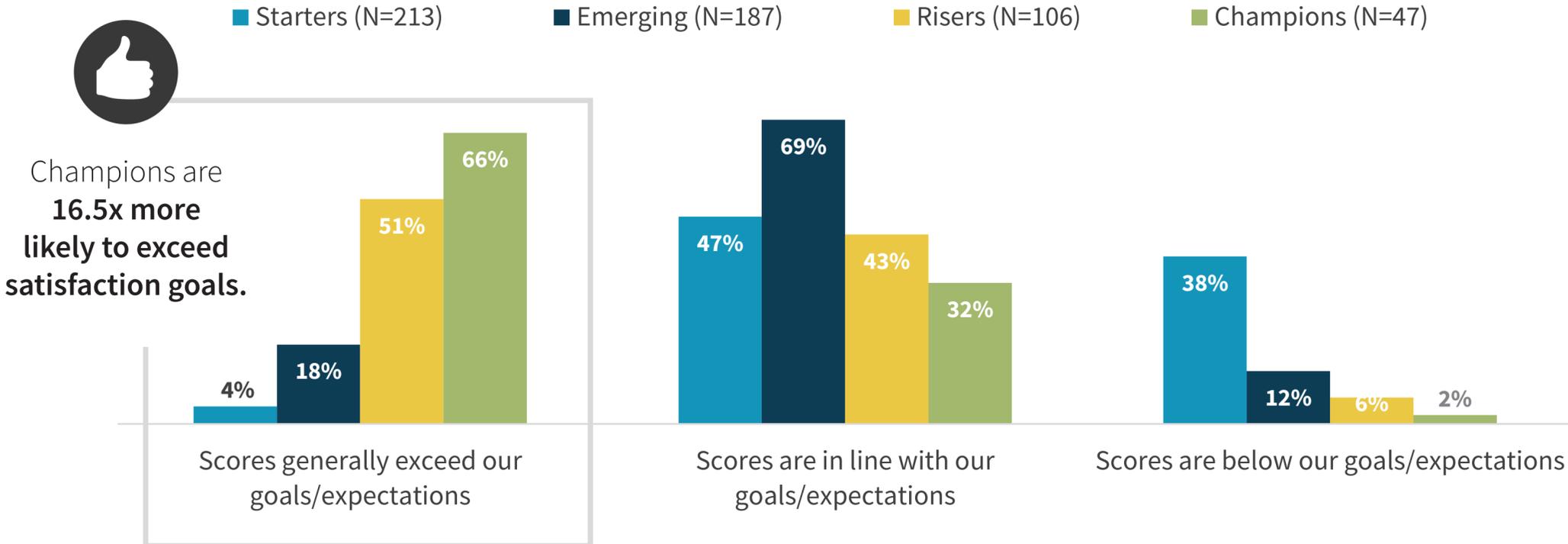


Champions outperform their customer satisfaction goals

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 16.5x 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?



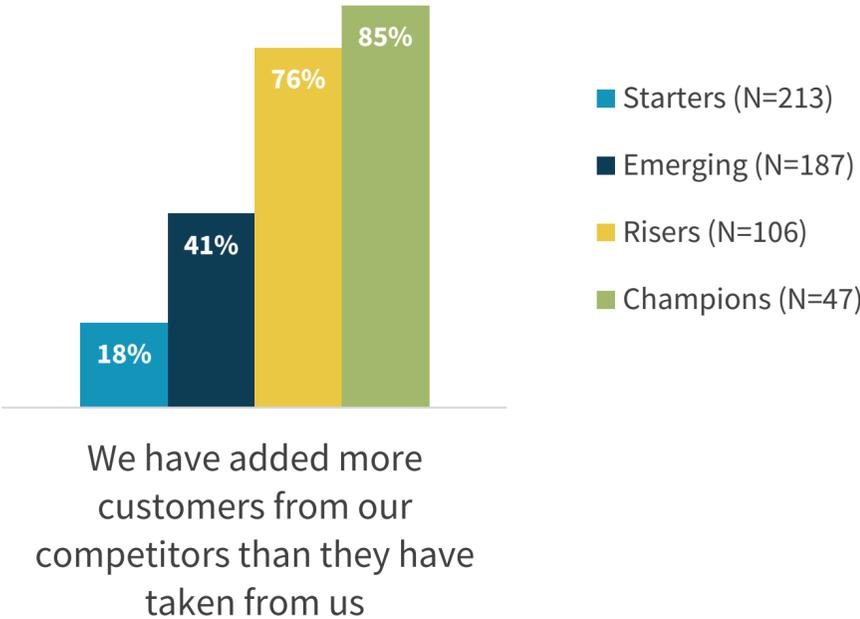
REGIONAL DIFFERENCES:
 61% of mid-sized and enterprise-sized companies in India typically exceed their satisfaction goals, a higher percentage than their peers in South Korea (19%), Australia (17%), Singapore (16%), and Japan (11%).

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 4.7x more likely than Starters to report having grown their customer base in the last 6 months.**

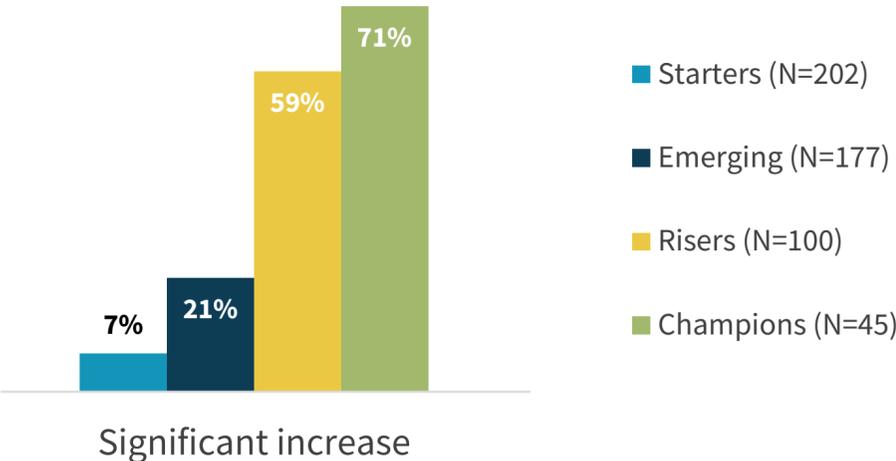
Similarly, happy customers tend to show their appreciation with their wallets, buying additional products and services from brands that have delighted them. Again, the data backs this up: **Champions are 10.1x more likely to report their per-customer spending has increased significantly in the past 6 months.**

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



REGIONAL DIFFERENCES: Mid-sized and enterprise-sized organizations in Japan were the least likely to report an increase in customers (16% versus 40% in Singapore, 45% in Australia, 47% in South Korea, and 79% in India).

HOW HAS CUSTOMER SPENDING CHANGED IN THE LAST 6 MONTHS?



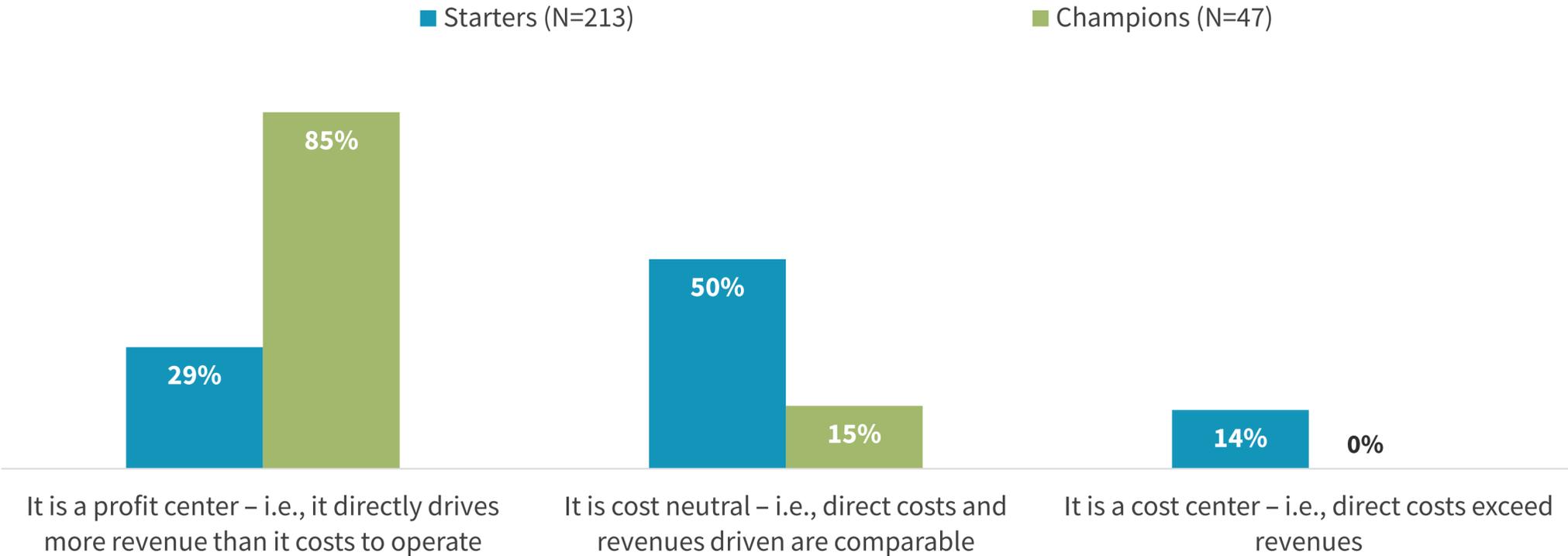
REGIONAL DIFFERENCES: Mid-sized and enterprise sized-organizations in Japan were the least likely to report an increase in average spending per customer (7% versus 21% in South Korea, 22% in Australia, 27% in Singapore, and 69% in India).

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 2.9x more likely than Starters to operate a profitable service team.**

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



REGIONAL DIFFERENCES: Mid-sized and enterprise-sized organizations in Japan are increasing profits with service less often (32%) than their peers globally in Australia (48%), Singapore (50%), South Korea (58%), and India (84%).



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

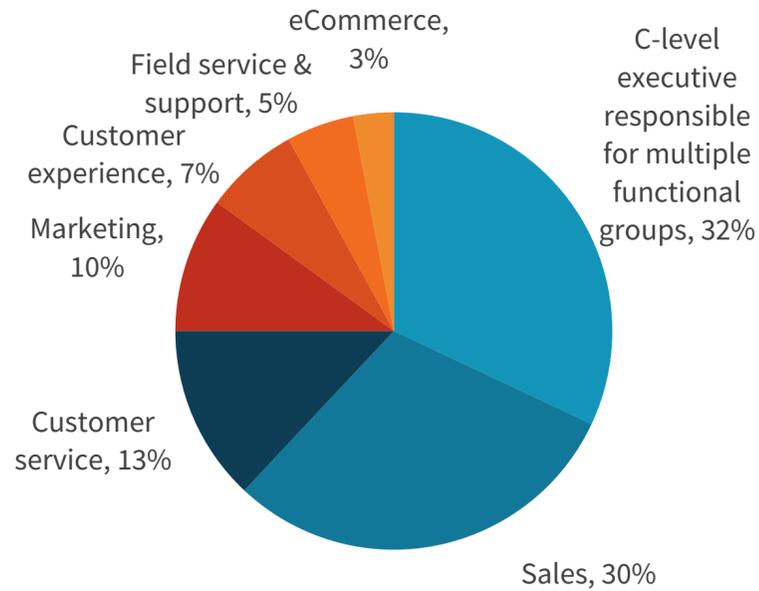
The data in this report was derived from a survey fielded between April 27 and August 24, 2021.

The figures that follow detail the demographics of respondents to the survey located in the APAC region (Australia, Japan, Singapore, South Korea, and India) and employed at organizations with 100+ employees (N=553).

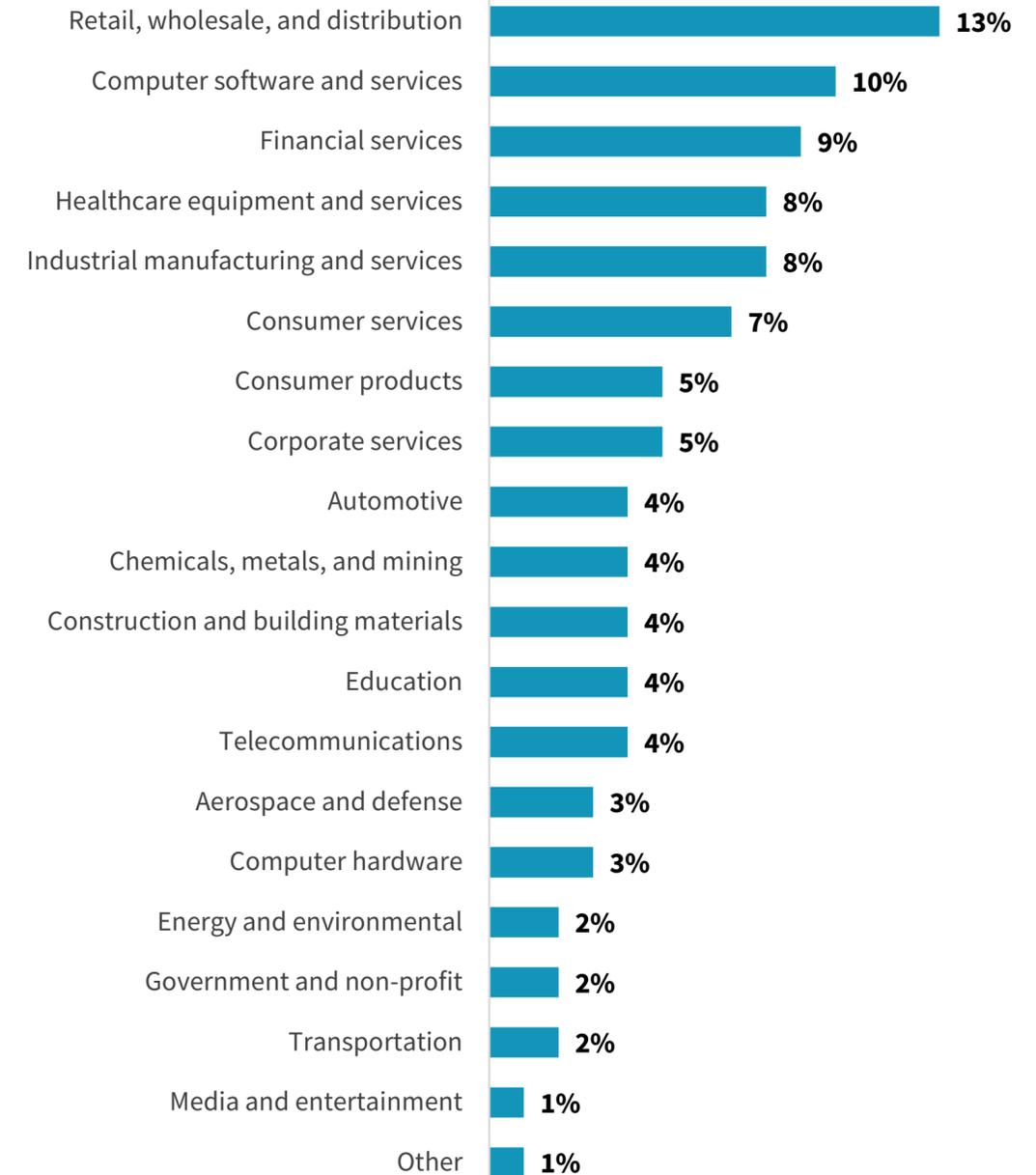
Totals in figures and tables throughout this report may not add up to 100% due to rounding.

The margin of error for a sample size of 553 at the 95% confidence level is + or - 4 percentage points.

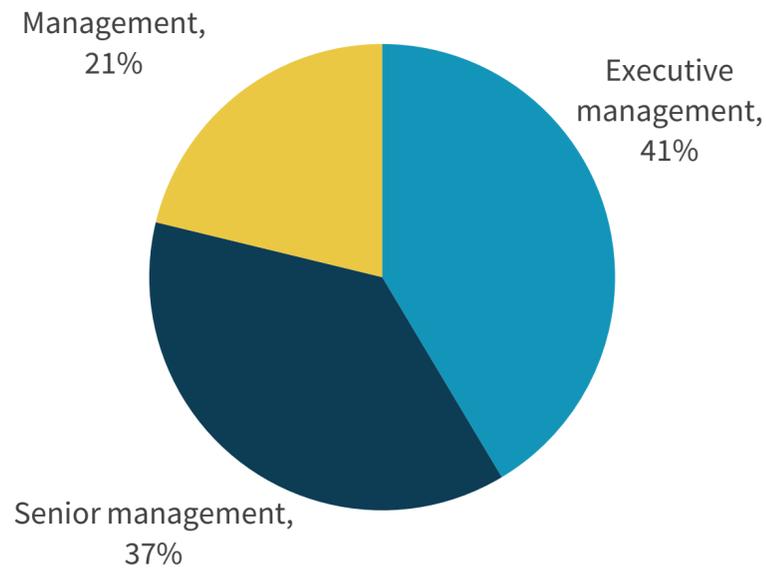
RESPONDENTS BY JOB FUNCTION.



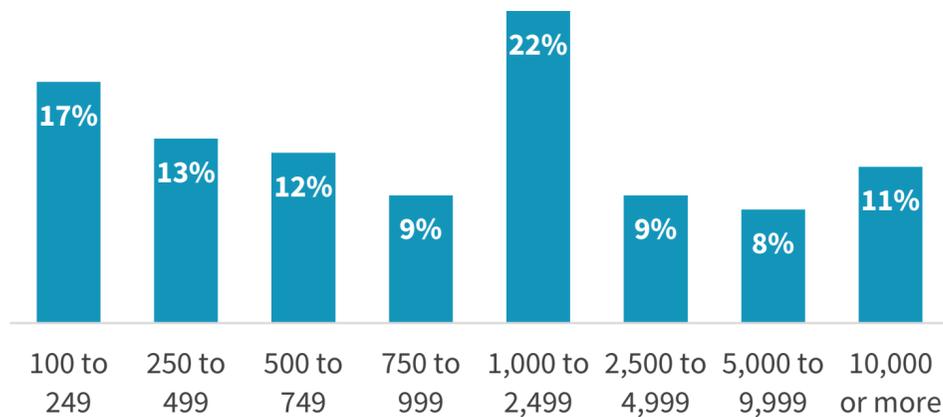
RESPONDENTS BY INDUSTRY.



RESPONDENTS BY SENIORITY.



RESPONDENTS BY COMPANY SIZE.





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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