

**Gartner**<sup>®</sup>

2019-2020 Annual Edition

# Top Insights for the C-Suite

How to Excel at Both Strategy and Execution:  
A Customer Service & Support Perspective



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# A Perspective From Mike Harris

Executive Vice President  
Research & Advisory, Gartner

Business leaders today face a very challenging business environment marked by significant change, competition, uncertainty — and opportunity.

Although many organizations find it hard to accelerate through the kinds of disruptions and mixed signals they face, Gartner research shows that there are ways to position your business to drive through disruption and come out ahead, but it takes concerted action and preparation.





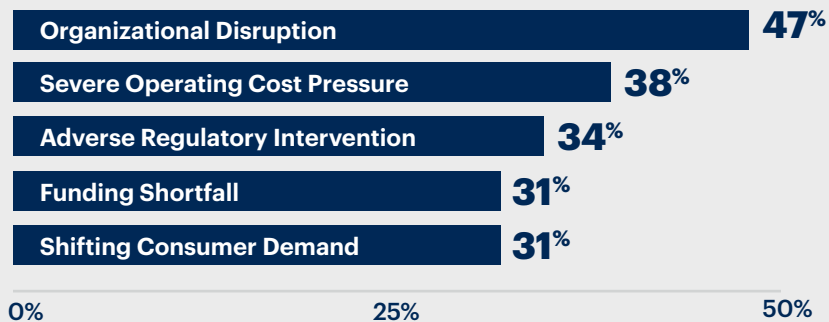
## A Perspective From Mike Harris continued

If you're like most business leaders, you'd probably prefer not to make big moves until the signals are clearer, or you may look for ways to weather uncertainty — perhaps first leveraging low-hanging tactics like cost-cutting to improve a few performance metrics.

But neither a “wait-and-see” approach nor defensive cost-cutting will power you through adversity — not least because today's current state of uncertainty won't magically disappear.

### Types of Disruption Over the Past Four Years

Percentage of Respondents, Multiple Responses Allowed



N=1,070

Q: Has your organization faced any of these situations in the past four years?

Source: 2020 Gartner CIO Survey

There's little clarity on a range of economic, regulatory, geopolitical and trade issues, and digital disruption has made widespread and multidimensional uncertainty the new normal.

Turns of fortune may be sudden (e.g., enormous security breaches) and can blindside you unexpectedly (e.g., new competition from outside your industry). The g-forces in the turn may be extreme (a nontraditional competitor that doesn't need to make a profit) and the time to impact short due to digital capabilities (viral anti-brand social media). Turns often coincide, increasing the need to react on different business vectors and requiring a high-performing executive team.

To survive any such turns, organizations must be able to flex as the environment changes. But some progressive business leaders, our research shows, do more than survive; they thrive — by embracing turns as a prime opportunity to seize and sustain a competitive edge.

But winning in the turns in this way requires you to prepare before the turn — whether you're on the executive committee crafting enterprise strategy or leading your function to execute it.

## A Perspective From Mike Harris continued

The risk of paralysis is very real, especially if your organization lacks institutional memory of operating outside of a growth cycle. Many of today's leaders have, for example, only led strategy and operations during times of growth. Fewer than half of current CxOs were functional heads during the 2008-09 financial crisis, and less than 10% were heading the same function in their current company.

Lack of preparation creates business risk. In today's business environment, being right is only half the battle. Companies also need to execute at speed — intensely pursuing strategy with confidence and discipline as the environment changes.

This e-book delivers insights from Gartner research in 2019, featuring data and findings from proprietary surveys and engagements. It highlights the actions that progressive functional leaders are taking to improve their execution and drive forward the organization's objectives, especially through disruptive turns and uncertainty.

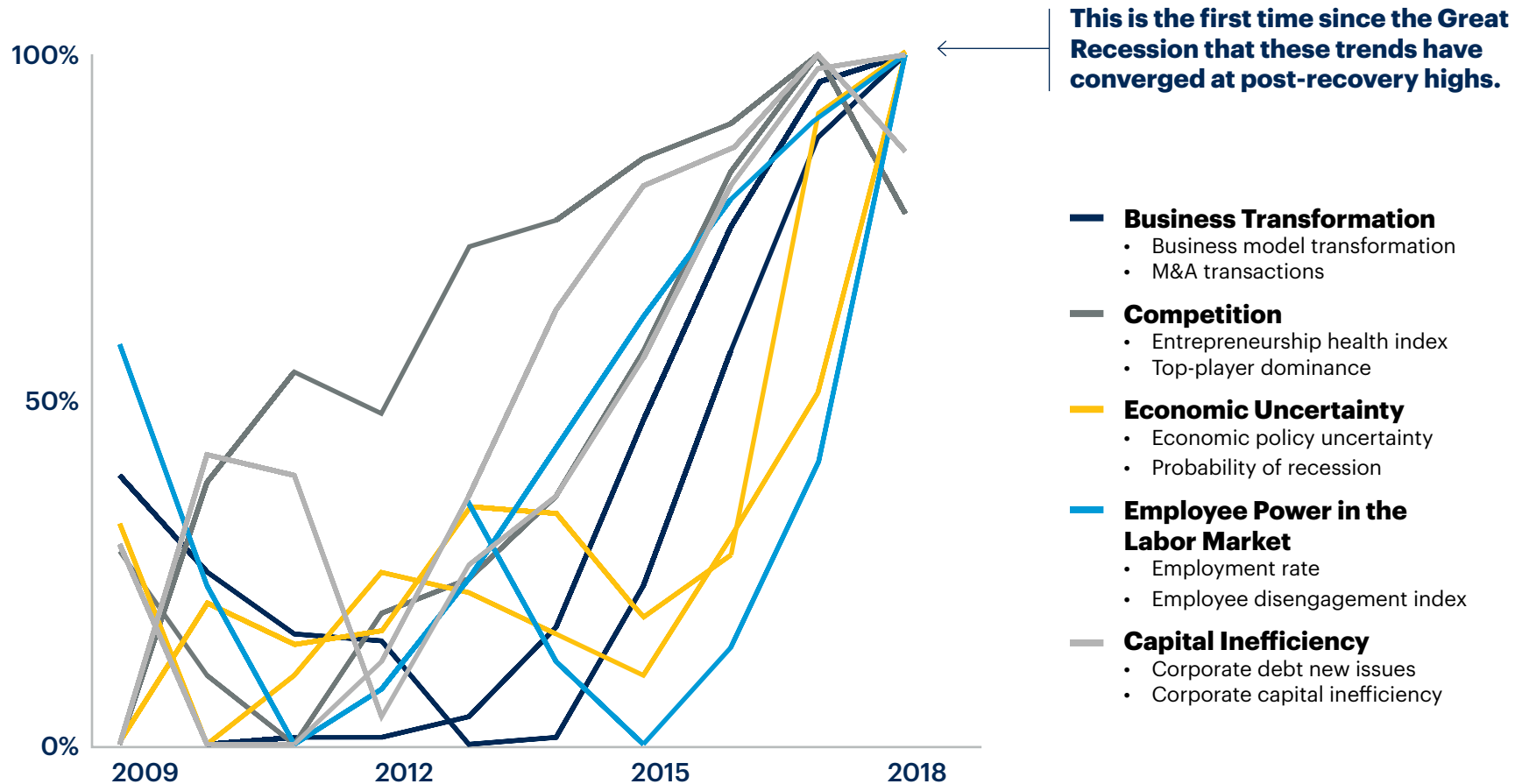
These practice-specific insights tackle the very real changes that functional leaders face in their own areas of the organization — from the lack of critical skills and capabilities to evaluating risks and speaking data as a second language — as well as their imperative to execute against the enterprise objectives.

Best regards,



# Uncertain Business Conditions Seen in Unprecedented Market Trends

Trend lines across major indexes



Scaled from 0% to 100%, and where 0% is the minimum while 100% is the maximum rolling three-year average reached since 2009. Trends are based on well-known indexes and reported benchmarks and both public and proprietary data.  
Source: Gartner

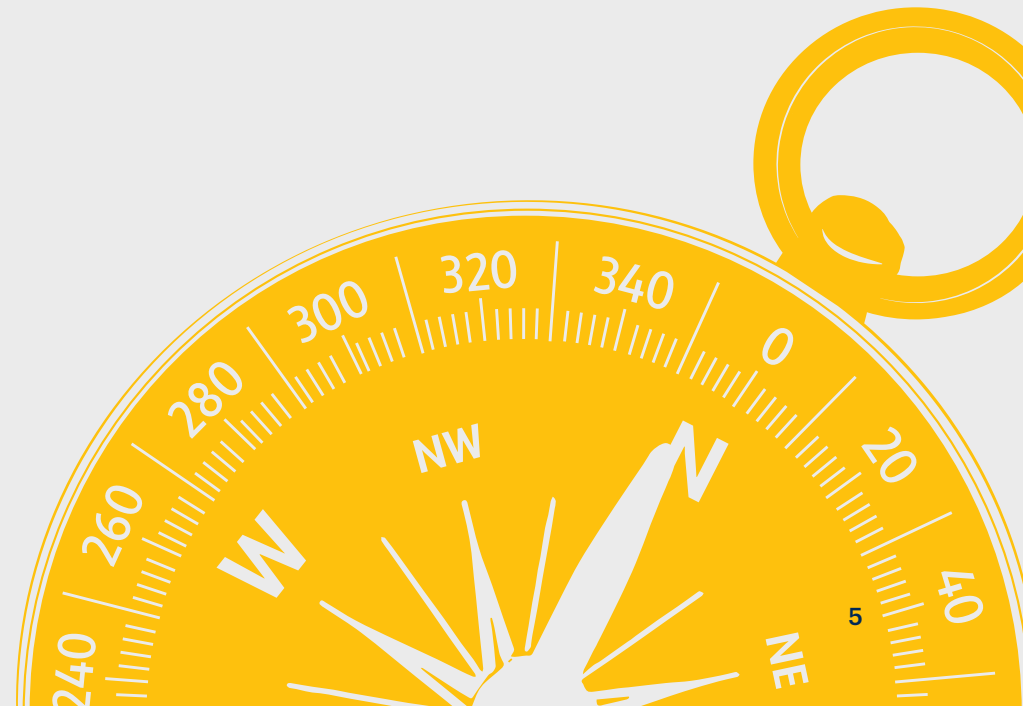
# What customer service & support leaders should know

**T**he service function is evolving. To drive higher levels of self-service — and significantly lower live contact volume — companies need to take a step back and reexamine how they’re investing in self-service capability, and recognize that more isn’t always better.



**Nick Toman**

Group Vice President  
Gartner Research & Advisory



**Customer Service & Support**

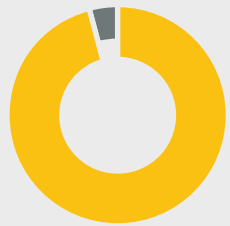
# **A digital-first customer service organization**





# Service leaders feel pressure to add more channels

Over the past decade, companies have been investing in multiple digital service channels such as web portals, mobile apps and chatbots, all in an effort to deliver on the perceived preferences that they hear from customers. But to date, few companies are seeing the expected returns of significant reductions in live contact volume and lower cost to serve.



**96%**

**of companies say their primary focus is either adding new channels or integrating those they've added in the past.**

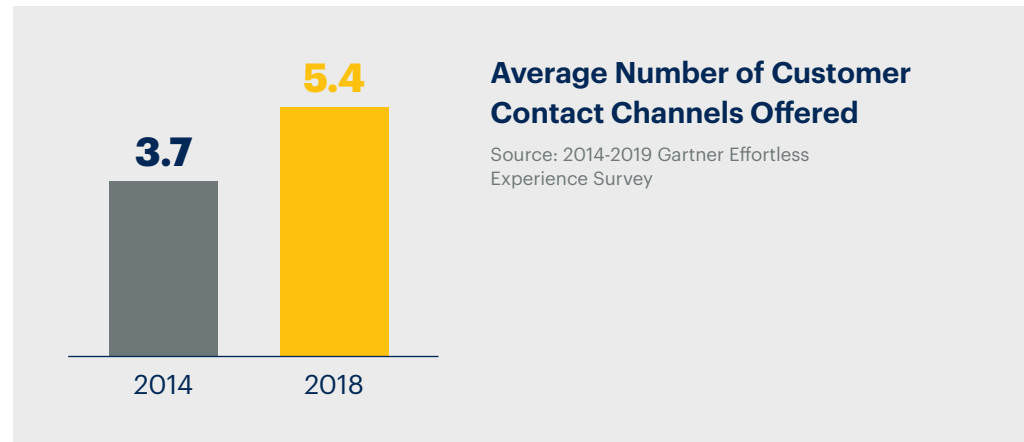
Source: 2019 Gartner Customer Service and Support Leader Poll



**Although 70% of customers start their resolution journey in self-service, only 9% are wholly contained there.**

Source: 2019 Gartner Customer Service Behavior and Expectations Survey

Further, self-service channels have often been built in silos, and feel more like a "bolt-on" approach than a cohesive strategy designed to deliver a lower-effort, and more cost-effective, customer service experience.

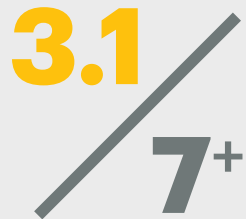


**Average Number of Customer Contact Channels Offered**

Source: 2014-2019 Gartner Effortless Experience Survey

## More channels, more cost

Customers (and vendors) have been making noise about preferred channels for service, often leading companies to try to serve these multiple different preferences. Doing so, of course, entails more cost with little savings. While customers use newly offered channels, they also continue to use higher-cost live channels at the same rate they always have.



**Customers use 3.1 service channels when companies offer 7 or more options.**

Source: 2014-2019 Gartner Effortless Experience Survey

After examining over 8,000 customer journeys, we found most customers are using both live and self-service channels in their attempts to resolve a single issue. Of all customer journeys, 30% begin and end in a live (i.e., agent-assisted) channel. Only 9% are contained (i.e., begin and remain) in self-service. The remaining 61% of customers use self-service channels but travel through at least one live, agent-assisted channel at some point in their journey.

These journeys make managing any service experience more complex and costly.



**Live service is 80x more expensive than a self-service interaction.**

Source: 2019 Gartner Customer Service Behavior and Expectations Survey



# Embrace a digital-first strategy

Gartner research shows that although customers say they prefer certain channels or even a variety of channels, it is resolution, not channel choice, that is paramount to delivering a high-quality service experience.

Winning service organizations, reflecting this reality, dedicate their efforts and resources to building and optimizing self-service capabilities to achieve resolution where feasible.

## 78% of containment in self-service is driven by just three factors.



### Clarity

Create information that is simple and directional



### Credibility

Develop content that is relatable and believable



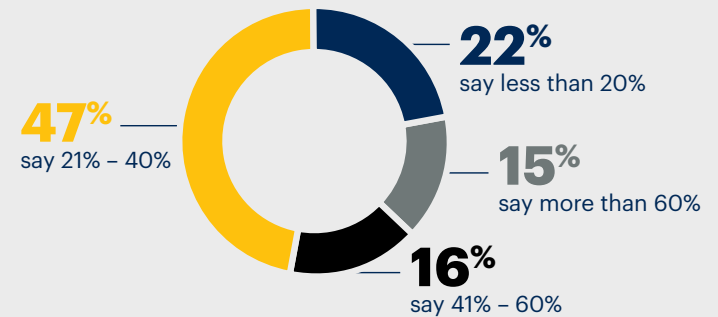
### Confirmation

Provide messaging to signal that actions are being taken or are complete

Source: Gartner

## How much live volume could be handled in self-service?

% of service leaders



Source: 2018 Gartner Customer Contact Self-Service Capability Poll

Given the superior economics of digital, self-serve channels — and customers’ willingness to use them — service organizations should move aggressively toward a digital-first strategy. Rather than providing self-serve channels as additional choices to customers, leaders need to engineer the service experience to move and keep customers in digital channels.

Doing so requires deliberate migration of issue resolution from live to self-service channels as well as targeted reduction of self-service abandonment. The best service organizations are not only making these moves, but are also fully integrating digital channels in their management and measurement.

# The Gartner Expert View



“It’s so tempting to add more channels because more is better, right? Wrong. More channels means a worse experience for the customer and a higher cost for us, and that means that we lose. Twice.”

**Peter Slease**

VP, Team Manager



“While 70% of customers start their journey in self-service, the large majority of them fail to resolve their issue, creating a much higher cost to serve for the company.”

**Rick DeLisi**

VP, Advisory



“To succeed going forward, companies need to focus their strategy on helping customers find the most effective channel for resolution.”

**Devin Poole**

Sr. Director, Advisory

# Moving From Insight to Action

## Gartner for Customer Service & Support Leaders

### Discover how Gartner supports heads of customer service & support

Gartner for Customer Service & Support Leaders is the definitive research and advisory resource for service and support decision makers. Gartner equips CSS leaders and their teams to transform their function across a range of key areas, including service and support talent management, service and support planning and operations, customer analytics, VoC and insights.

In addition, Gartner's unique blend of insights, advice and tools support the success of CSS leaders by:

- Maintaining customer loyalty while containing costs
- Optimizing service channel strategy
- Hiring, developing and retaining high-potential frontline staff
- Making smarter digital and technology decisions

### Learn more

#### Does Your Digital Customer Service Strategy Deliver?

Download this free guide to better position your service and support strategy for success.

### Connect with Gartner today

Gartner equips customer service and support executives to make the right decisions and stay ahead of change.

Learn more about how Gartner can support your success.

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