



# The Zendesk Benchmark Q2 2013

IN FOCUS: CUSTOMER SELF-SERVICE

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# Global Customer Satisfaction, Q2 2013




## TOP COUNTRIES









## Global Customer Satisfaction, Q2 2013

81%  3 Points\*

TOP COUNTRIES		Q2 (2013)	SINCE Q1 (2013)*
1	New Zealand	92%	 1
2	Canada	91%	 4
3	Australia	89%	 4

BOTTOM COUNTRIES		Q2 (2013)	SINCE Q1 (2013)*
1	United Arab Emirates	58%	 5
2	South Africa	60%	 16
3	Turkey	68%	 3

TOP INDUSTRIES		Q2 (2013)	SINCE Q1 (2013)*
1	Education	95%	 0
1	IT Services & Consultancy	95%	 1
2	Real Estate	94%	 0

BOTTOM INDUSTRIES		Q2 (2013)	SINCE Q1 (2013)*
1	Social Media	64%	 2
2	Media & Telecommunications	73%	 0
3	Entertainment & Gaming	76%	 4

\*change in percentage points

### Summary

Customer satisfaction is on the rebound, after more than a year of decline. In the second quarter, the average customer satisfaction in the Zendesk Benchmark reached 81 percent—a 3 percentage point jump from the quarter before and a 1 percentage point increase from a year earlier. The rebound coincided with a couple of larger trends. First, industries with historically low customer satisfaction, in particular financial services, saw some of the highest gains in percentage terms. Meanwhile, consumers generally have been reporting greater confidence in the economy, and, not surprisingly, the trend of rising consumer confidence worldwide parallels the rise in customer satisfaction in the Zendesk Benchmark. It seems happier shoppers make happier customers.

A key approach to improving efficiency is giving customers the tools to help themselves. This quarter's report takes a closer look at how well companies are encouraging customer self-service through online forums, communities, and social media. Measuring its effectiveness is simple. We found that a good indicator is what we're calling the "Self Service Score." It is the number of customers using self-service tools, such as online forums and community, for every single customer submitting a request for support.

### Background on Zendesk Benchmark

The Zendesk Benchmark was introduced in March 2012 as a way for participating companies to compare their support performance against their industry peers. Rather than a survey or expert opinion, the Zendesk Benchmark is based on actual support and customer service interactions from more than 16,000 companies across 125 countries who have chosen to participate. They are drawn from the more than 30,000 companies that use Zendesk to provide customer service to more than 200 million people. It measures key metrics around customer support efficiency, customer self-service behavior, and levels of customer engagement.

Now, starting with Q2 2013, global data from the Zendesk Benchmark is being analyzed and released every quarter to report on the health of customer service and identify trends in how companies provide support and consumers receive it. The quarterly reports will track overall customer satisfaction, based on the aggregated responses of real customers to the question of whether or not they were satisfied with a support interaction. It will be reported by industry, country, and other measures that reach a minimum threshold of responses. In order for a country to be included, there must have been a minimum of 10,000 customer satisfaction responses in that country for the quarter. Each quarter, the report also will explore a special customer service topic in

more depth. The focus this quarter: How well companies are offering customer self-service, the ability for customers to support themselves through online forums, communities, and social media.

### Customer Satisfaction Rebounds with Economy

Customer satisfaction is back on the rise, reaching 81 percent in Q2 2013. Interestingly, the rebound measured in the Zendesk Benchmark coincides closely with a jump in global consumer confidence as noted in the Q2 Nielsen Global Survey of Consumer Confidence and Spending Intentions. Both indexes fell consistently after the first quarter of 2012, only to rise again in the middle of this year. Perhaps as consumers feel more comfortable with spending, their perception of brands and companies has gone up.



Source: Zendesk Benchmark, Nielsen

The mood of consumers wasn't the only factor. Individual industries that have traditionally scored low in customer satisfaction saw substantial improvements in recent quarters. For example, financial and insurance services—regularly ranking in the bottom three industries for customer satisfaction—rose almost 6 percentage points in customer satisfaction in the second quarter. That moved it up one spot with 77 percent customer satisfaction—still below the Zendesk Benchmark average of 81 percent but now within sight of the benchmark.

## EDUCATION GETS AN A

The education industry took the top spot in customer satisfaction for the second quarter of 2013, with 95 percent satisfaction. Education barely edged out IT services and consultancy, the leading industry last quarter, by a fraction of a percent. Why is a field known more for research labs and lecture halls getting an A in customer service? It's likely due to increasing competition among institutions and the changing expectations from the millennial generation of students who grew up with instant access to information and have expectations for similar access to answers and support from their schools. Schools that participate in the Zendesk Benchmark, such as the University of Michigan (see sidebar), are increasingly treating their stakeholders—students, applicants, staff, and faculty—as customers and are adopting customer-first principles to help meet their needs.

### UNIVERSITY OF MICHIGAN

For the University of Michigan Medical School, it wasn't about Zendesk at all. They have a philosophy: the value we have is not the equipment and software but in the service and guidance we provide to our customers. The team set out to create a customer-centric culture within their organization serving 144 departments with 14,000+ customers—striving to move away from the us vs. them mentality that's often found when working with IT support.

The team at Medical School Information Services worked to create better customer interactions by increasing one-touch resolutions with the use of business rules and tags in Zendesk. To help support their custom software serving researchers, educators, clinicians, students, and administrators, they paved clear communication channels with their development teams using the Zendesk for JIRA integration. But to truly build customer relationships, they took Zendesk with them—on their mobile devices—to where the work and customer, were.

#### CUSTOMER SATISFACTION RATING

University of Michigan:	98%
Education industry:	95%

## CUSTOMER SATISFACTION BY COUNTRY

	COUNTRY	Q2 (2013)	SINCE Q1 (2013)*
1	New Zealand	92%	↓ 1
2	Canada	91%	↑ 4
3	Australia	89%	↑ 4
4	Norway	89%	↑ 2
5	Denmark	89%	↑ 1
6	United Kingdom	87%	↑ 1
7	Czech Republic	87%	↑ 4
8	Finland	86%	↑ 1
9	Russia	86%	↑ 6
10	Mexico	85%	↑ 4
11	Sweden	83%	↑ 2
12	United States	82%	↑ 2
13	Chile	82%	↑ 1
14	Poland	82%	↑ 4
15	Germany	81%	↑ 2
16	Malaysia	79%	↑ 3
17	France	79%	↑ 1
18	Netherlands	77%	↑ 8
19	Italy	77%	↑ 2
20	Israel	77%	↑ 2
21	Spain	75%	↑ 7
22	India	74%	↑ 1
23	Singapore	71%	↓ 3
24	Brazil	70%	↑ 8
25	Belgium	69%	↑ 4
26	Turkey	68%	↑ 3
27	South Africa	60%	↑ 16
28	United Arab Emirates	58%	↑ 5

## CUSTOMER SATISFACTION BY INDUSTRY

	INDUSTRY	Q2 (2013)	SINCE Q1 (2013)*
1	Education	95%	→ 0
2	IT Services & Consultancy	95%	↓ 1
3	Real Estate	94%	→ 0
4	Government & Non-profit	94%	→ 0
5	Web Hosting	93%	↓ 1
6	Health Care	91%	↑ 4
7	Manufacturing & Computer Hardware	89%	↑ 2
8	Web Applications	87%	↑ 2
9	Software	85%	↓ 1
10	Travel, Hospitality & Tourism	83%	↑ 1
11	Marketing & Advertising	81%	↑ 6
12	Professional & Business Support Services	81%	↑ 3
13	Retail	81%	↑ 1
14	Financial & Insurance Services	77%	↑ 5
15	Entertainment & Gaming	76%	↑ 4
16	Media & Telecommunications	73%	→ 0
17	Social Media	64%	↑ 2

\*change in percentage points

COUNTRIES IMPROVE GLOBALLY:  
NEW ZEALAND ON TOP

With a few exceptions, every country in the Zendesk Benchmark saw a rise in customer satisfaction, increasing the competition to make it into the top spots. New Zealand held onto the honors as the country with the greatest customer satisfaction with a score of 92 percent, but Canada was on its heels as it made big gains to reach 91

percent. Australia jumped ahead to No. 3 by improving satisfaction by 4 percentage points to 89 percent. Other traditionally high-scoring countries such as Norway and Denmark all saw gains in their customer satisfaction scores following several consecutive quarters of falling scores.

In more signs of the rising tide, South Africa experienced a major jump from 44 to 60 percent customer satisfaction, but it wasn't enough to keep it from still being in the bottom three. The United Arab Emirates placed last, despite also seeing a large gain of 5 percentage points.

## Customer Self-Service Improves

Customer self-service, while not new, is growing in popularity. As many as 67 percent of consumers prefer helping themselves to speaking with a customer service agent, other studies have found. An overwhelming 91 percent in those studies also said they would use a company's knowledge base if it was available and tailored to meet their needs.<sup>1</sup>

As such, two major trends have been emerging:

- 1) Consumers today expect to help themselves before contacting companies directly. Additionally, consumers increasingly seek out peer support from online communities instead of interacting directly with brands.
- 2) Companies are realizing that enabling self-service support is good for business and good for customer satisfaction. Obviously, more self-service behavior lowers support costs; but it also frees up resources to dedicate to high-value customers.

Historically, customer service has always been measured from a support agent's point of view, both in terms of efficiency—through metrics like handle times and number tickets solved—as well as outcomes like customer satisfaction. This is a very “inside-out” view of customer support, measuring support primarily as a cost center in a business.

Given the shift in consumer preferences towards self-service and the growing focus on measuring customer experience, companies need new metrics to measure and benchmark their self-service efforts.

Zendesk has developed a new metric—the Self-Service Score—which begins to capture the level at which a company's customer base is engaged in self-service behavior. The higher the score, the more customers take care of themselves. Winners of the benchmark in the self-service score are providing their customers with the experience they prefer.

<sup>1</sup> Source:  
<http://www.zendesk.com/resources/searching-for-self-service>

4.1

## Q2 2013

	INDUSTRY	SCORE
1	Social Media	9.9
2	Software	7.1
3	Manufacturing & Computer Hardware	6.1
4	IT Services & Consultancy	4.6
5	Web Hosting	4.6
6	Web Applications	4.4
7	Media & Telecommunications	4.1
8	Entertainment & Gaming	4.1
9	Government & Non-profit	2.8
10	Education	2.4
11	Professional & Business Support Services	2.3
12	Health Care	2.2
13	Real Estate	1.9
14	Retail	1.9
15	Marketing & Advertising	1.5
16	Financial & Insurance Services	1.2
17	Travel, Hospitality & Tourism	1.1

## Self-Service Score

The Self-Service Score is defined as the number of users that attempt to use content made available by the company to solve an issue divided by the number of users that submit a request for an answer. The average score for companies using Zendesk is 4.1, which means that for every four customers that attempted to solve their own issues via self-service, one customer chose to submit a support request.

Technical industries and manufacturers are leaders in this space, as they have had the most success with self-service, while industries with highly-individualized issues like travel and financial services are having the least.

This difference might be a result of the challenges that disparate industries must address: a high volume of similar questions about specific products and features (for software and manufacturing) that are easy to answer versus industries where customers typically have

questions about a travel arrangement or specific account issues.

Many of the industries that have had the most success in the self-service score were in a sense “born in the cloud.” Social media, software, and even manufacturing are modern and web based, potentially giving them an edge in understanding and meeting the needs of the self-service landscape.

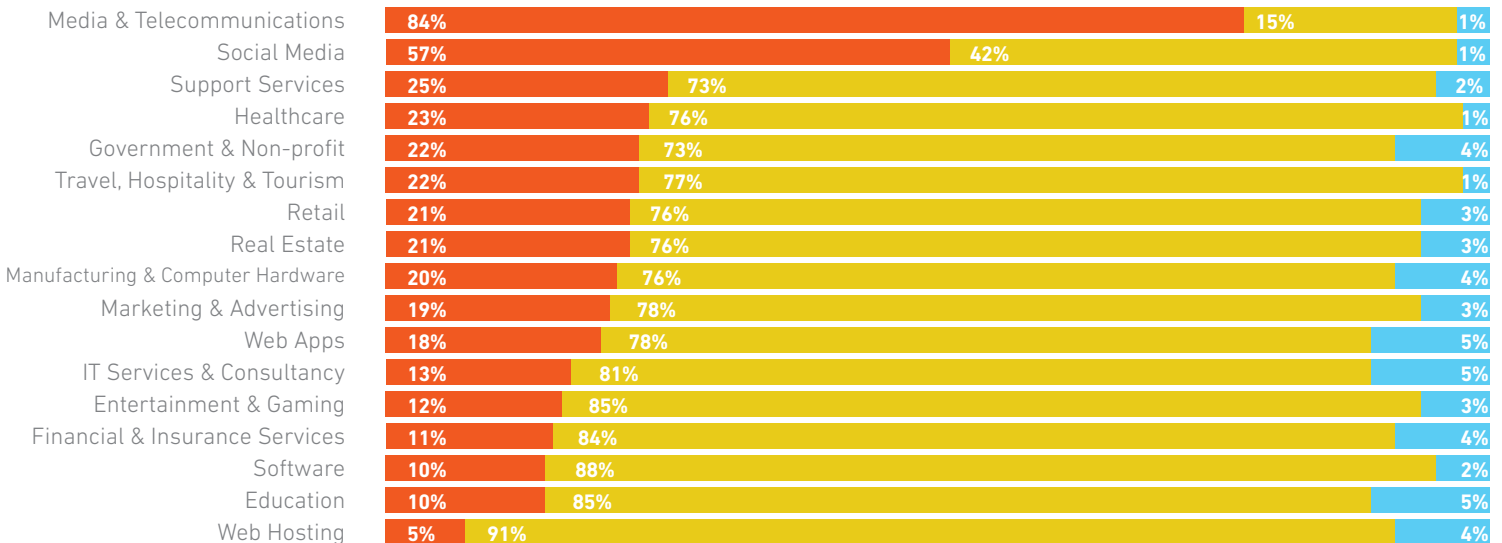
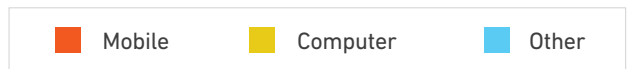
### Going Mobile

Another clear trend noted by the Zendesk Benchmark is the rise of the mobile consumer. Everyone has heard about the consumer shift to mobile with the rise of smartphones and tablets; these trends are apparent in consumer preferences for engaging with brands through forums and help centers.

The Zendesk Benchmark tracks the devices consumers are using to access self-service content—from mobile devices, traditional computers, and even from game consoles. The percentage of users accessing self-service content from their mobile devices has grown by 50 percent over the last year. In Q2 2013, 26% of self-service users were on mobile compared to 17 percent during the same period a year earlier.

An ongoing challenge has been driving users to help themselves as consumer device preferences change. The rise of mobile as a means of accessing self-service options will need to be addressed by companies as consumers are increasingly turning to their mobile devices for answers.

DEVICES USED BY SELF-SERVICE USERS BY TARGET INDUSTRY



## TANGO

Tango, a popular app for voice and video calls, supports lots of customers around the world—135 million to be exact. To help scale their support, Tango focuses on self-service to help customers find answers to their own support questions. And with 93% of their Help Center traffic coming from mobile devices, mobile self-service is also a must-have.

To support their mobile customers, Tango automatically detects a customer’s mobile device and serves device-specific support content. To get customers to adopt self-service, they surface their Help Center articles everywhere—listing related articles at the end of every article and even creating automated ticket replies that point customers to relevant content.

### SELF-SERVICE SCORE

Tango: 71.3

Media and Telecommunication Industry: 4.1