



SOFTENGINE WHITEPAPER SERIES

Customer Service: The Most Powerful Differentiator

2021's consumers have more choices than ever. With the growth of e-commerce, omnichannel purchasing options, and marketplace globalization, manufacturers face more competition than ever before. Companies need to identify ways to stand out from the crowd to retain existing customers and attract new ones. Quality customer service may be the magic bullet.

The repercussions of negative customer service are also significant. 48% of consumers have stopped doing business with a company, and 89% of consumers switch to another brand after a single negative experience ⁽¹⁾. This damages profits greatly since increasing customer retention rates by just 5% can increase profits between 25-95% ⁽²⁾. Additionally, 81% of customers will share a bad experience with others, and nearly half will air their complaints on social media for all to see ⁽¹⁾. This means that poor customer care not only leads to fewer return customers but fewer new customers as well!

"Perhaps the biggest contribution of the new system is its powerful inventory control capabilities," added Justin Ku. "Now, everything has the correct item/serial number and the fact that meaningful batch numbers are assigned to every receipt in our system is priceless. The availability of the Batch Number Transaction Report, the Summary section on the Production Order and multi-layered BOMs/PDOs has already made a huge improvement in our ability to reassess our workflow and overall production procedures. We can now access valuable, real-time information such as how many components were issued and how many goods were produced."

– Justin Ku, Administration & Operations Coordinator, Swabplus

[softengine.com](https://www.softengine.com)

phone: 818.704.7000

Softengine, Inc.

Warner Center Towers
21800 Oxnard Street
Suite 1060
Woodland Hills, CA
91367

Customer Service Challenges in 2021

Offering optimal customer service has only gotten more difficult in light of the pandemic. The number of customer service cases spiked due to financial difficulties, canceled orders and billing delays on the consumer side. More significantly, unexpected logistical issues on the manufacturer side, causing delayed shipments, out-of-stock situations, and other supply-chain related challenges, also led to increased service case. Companies saw hold times grow by 34% and escalations increase by more than 68%, with the average company seeing an increase of over 100% of calls scored as 'difficult' (1).

Given the new difficulties in addressing customer care efficiently and the drastic implications customer service has on company success, manufacturers must implement new best practices to foster relationships with happy, loyal clients.

Seamless, Error-Free Service

With modern-day technology and the "right now" mindset, consumers expect immediate, seamless, and error-free service. More than 70% of consumers believe that companies should collaborate on their behalf, so they do not have to repeat the same information to multiple representatives (2). A system that provides real-time information across your entire organization eliminates data isolation. All departments have access to the latest data, meaning there is less miscommunication or discrepancies regarding customer orders and product information. 77% of consumers feel it takes too long to reach a live agent, and 26% have been transferred from agent to agent with no resolution (1). With one system that houses all the information your customers would want to know, you can reduce wait times, prevent customers from

being transferred from person to person to get the answers they need, and provide accurate information faster.

A Personalized Experience

Today's consumer expects a service experience that is unique to them. Customers do not want to feel like a company is indifferent to them and they are just another drop in the bucket. They want to feel like businesses value them not only for their money, but as individuals. Online conversion rates improve roughly 8% when personalized customer experiences are included (2). 76% of consumers expect a customer service representative to know their contact information and service history (1). Access to updated, accurate customer data including past orders and search history, allows you to have a complete picture of each of your customers. This enables you to offer them personalized, knowledgeable service and show your customers that you care. Personalized experiences increase customer satisfaction, retention, and lead to positive reviews and recommendations. In fact, 51% of consumers have recommended a company to family and friends following a good client care experience (1).

On Time Delivery and Product Availability

93% of customers are likely to make repeat purchases with companies who offer excellent service, which is a great benefit. Investing in new customers is 5-25 times more expensive than retaining existing ones (2). Great service means delivering products to customers when they are promised, having desired products in stock, and providing consumers with accurate, up-to-date information on their orders. Demand planning helps you to make sure that you can produce enough products to meet demand and avoid out-of-stock



while keeping costs low. Furthermore, accurate inventory information lets you know exactly what you have in stock, when you can expect certain items, and how many materials you need to purchase. 31% of consumers consider a knowledgeable agent to be the most important factor for a positive customer experience (1). Real-time updates to your inventory and operations data allows you to give customers precise information on delivery dates and uphold these commitments.

Faster Response Times

In today's digital age, consumers want fast, effective service. Quick responses to customer complaints and inquiries are paramount. This is even more important on public platforms like social media. An online customer service review has influenced 88% of customers. 59% of consumers have a favorable view of brands that respond to service questions on social media and 77% of clients praise brands that are responsive on these platforms (1). Having all your product and order information in one place allows you to answer any inquiries quickly and effectively. It also enables more streamlined operations so you can correct any issues quickly (such as sending out a replacement product ASAP) and avoid them in the first place.

Intuitive Self-Service

Self-service is increasingly important for consumers today. 66% of consumers use self-service before talking to an agent, and 88% expect a dedicated online self-service portal (1). While many companies are stepping up to the plate and offering self-service options, they often fall short of consumer expectations. 18% are unsatisfied with disorganized information on self-service portals, particularly when they lacked a search function (1). A dedicated portal where customers can view product information, place orders, view order status, and review past orders provide customers with an easy way to get the information they need without having to wait to speak to a representative.

The Key to Winning Today's Market

Obviously, providing the best customer service is essential to keeping existing customers happy and luring in new clients. Stand out from your competitors by incorporating optimum client care strategies into your business model.

Sources:

<https://review42.com/resources/customer-service-statistics/>
<https://blog.hubspot.com/service/customer-service-stats>

