



# Customer Support & Success

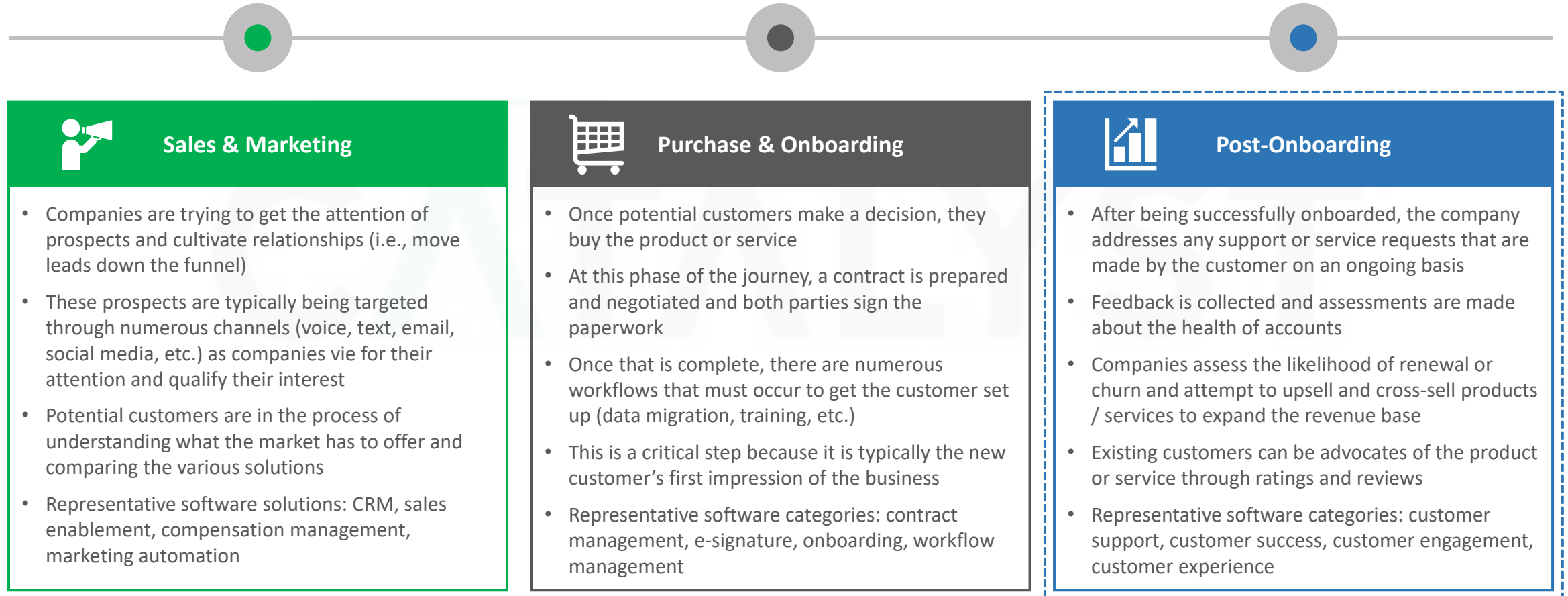
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# The Customer Journey



The experience any customer has when interacting with a company or brand can be broken down into three phases (each led by a different representative or team from the company): sales & marketing, purchase & onboarding, and post-onboarding

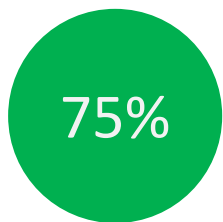
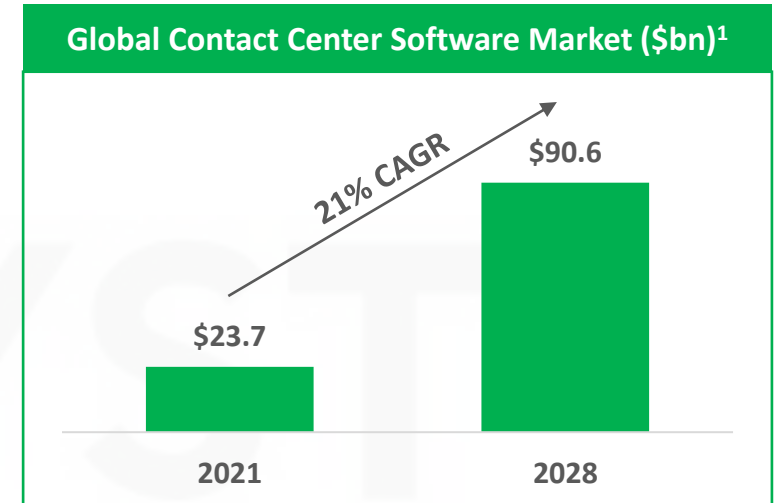


# Customer Support Overview

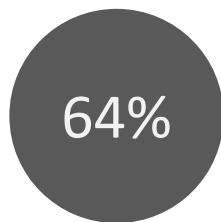


Customer support describes the efforts companies make, after a sale occurs, to solve the problems or address the needs customers encounter while using the product or service

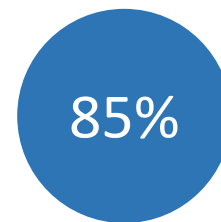
- Historically, call centers have been the primary, if not exclusive, home of customer support
  - These are either owned by the company or outsourced to a third-party provider
- Today, call centers that handle voice-only interactions are being replaced with cloud-based contact center solutions that handle interactions from many channels (voice, text, email, social media, etc.)
- It is expected that the global contact center software market will grow from \$23.7bn in 2021 to \$90.6bn in 2028 (21.1% CAGR)<sup>1</sup>
  - These solutions can match agents with customers, provide instant access to historical interactions, and produce analytics / insights to help with reporting
  - Cloud adoption has been slower in this category and estimates indicate only 15%<sup>2</sup> penetration in North America, largely due to the complexity of on-premise offerings that are currently used
- The market expands far beyond contact center software, including help desk solutions, service platforms, and conversational AI tools as well as related categories such as customer success
- According to Zendesk's Customer Experience Trends 2021<sup>3</sup> report, customer expectations around support are changing and companies are responding:



75% of customers will spend more to buy from a company that offers good customer experience (CX)



64% of customers started using a new customer service channel in 2020



85% of teams reported having to make changes to their support in 2020

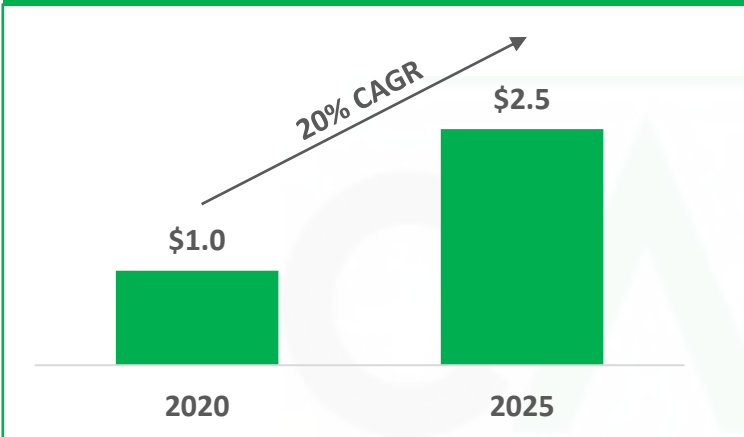
Sources: (1) Grand View Research (2) Five9 (3) Zendesk

# Customer Success Overview



Customer success is the business methodology of ensuring customers reach their desired outcomes while using a company's product or service<sup>1</sup> and its main goal is to reduce churn

Global Customer Success Platform Market (\$bn)<sup>2</sup>



88%

year-over-year increase in Gartner inquiries related to customer success platforms<sup>3</sup>

~60%

of the Forbes Cloud 100 utilize Gainsight, an enterprise-focused customer success provider<sup>1</sup>

- Implementing a customer success strategy typically requires a company to:
  - Make this a part of the organization's approach to interacting with customers rather than simply changing the name of existing account management efforts
  - Adopt a platform that aggregates data (CRM fields, product usage metrics, etc.) to form a holistic view of each customer and assesses the health of each one on an ongoing basis
  - Have a team in place that interprets these predictions and insights and takes action (customer success managers typically interface directly with customers)
- Estimates indicate that the global market for these platforms is expected to grow from \$1.0bn in 2020 to \$2.5bn in 2025 (20.4% CAGR)<sup>2</sup>
- Customer success focuses on moving from traditionally reactive, case-based customer support interactions to more proactive exchanges when managing these relationships
  - This is particularly important for B2B SaaS or subscription-based businesses because it is less costly to increase the value of existing accounts (versus acquiring new customers through additional sales & marketing efforts)
  - This type of approach has started to move beyond technology businesses and into areas such as financial services, healthcare, and transportation
- With an effective customer success operation, companies can reduce churn and increase opportunities for cross-sell and upsell, which ultimately leads to greater customer lifetime value

Sources: (1) Gainsight (2) MarketsandMarkets (3) Gartner

# Key Trends Shaping the Market



## Customer Experience

- Customer support and customer success both aim to improve the overall customer experience (CX) and this is becoming a bigger area of focus and investment for businesses across many industries
- Companies must be more customer-centric given higher expectations, greater choice, and better information
- Support is a critical way for B2B and B2C companies and brands to differentiate their offerings and drive loyalty



## Revenue Center

- Customer support has traditionally been viewed as a cost center within organizations
- Given that it is typically less expensive for companies to grow their revenue through upsell and cross-sell opportunities with existing customers (versus new customer acquisition), customer retention tools and strategies are receiving more focus
- Customer support and customer success are starting to be appreciated as centers for revenue generation



## Proactive vs. Reactive

- In the past, customer support efforts (typically taking the form of a call center) were almost entirely reactive, meaning no effort would be made until customers reached out with issues
- Today, there is an emphasis on being proactive and using tools that help companies identify problems ahead of time
- Some of these tools are even predictive and prescriptive, helping team members anticipate and solve issues

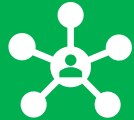


## Automation + Humans

- While there is a trend towards automation (e.g., conversational AI), there are still many support tickets that will require human intervention given their complexity and significance
- This is an area that will continue to require human touch even as additional technology solutions are adopted and companies should strive to find a balance that provides the best customer experience



# Key Trends Shaping the Market (cont.)



## Digital + Multichannel

- Given the increasingly digital nature of the world today, customers are interacting with companies through a growing number of channels (voice, call, text, email, social media, etc.), which leads to a higher volume of requests
- Companies must tailor their efforts to receive and address issues across all these forms of communication
- Messaging (text, WhatsApp, social media, etc.) has become more popular and the shift from voice will likely continue



## Post-Sale Tools

- Many companies have already made strong investment in customer acquisition (i.e., sales & marketing) tools that help generate / qualify leads, track interactions, and convert opportunities
- While many of these areas have become overly commoditized, there is room for more solutions that help with customer retention / churn reduction



## Cloud Migration

- Existing on-premise call center software continues to be replaced by cloud-based alternatives
- Companies have started to make the switch, but this adoption has been slower than other areas (e.g., CRM) given challenges presented by the on-premise solutions currently being used
- Cloud solutions are more scalable and will help support teams better handle a remote workforce



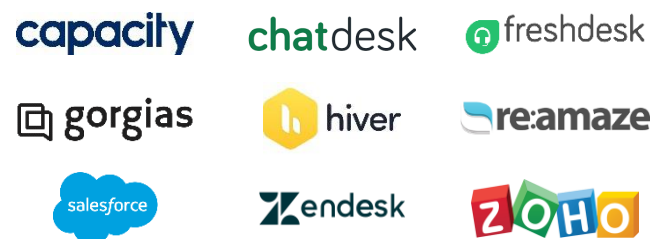
## COVID Impact

- COVID has accelerated the timeline for many of the trends highlighted here
- For example, many companies have already started taking a more digital / technology-focused approach and have found ways for customer support agents to work just as effectively in remote settings
- Customer retention is now more important than ever and companies will continue to invest in these areas

# Customer Support & Success Ecosystem



## Help Desk



## Service Platforms



## Cloud Contact Center



## Conversational AI / Self-Service



## Agent Optimization



## Success Platforms



## On-Demand / Outsourced



## Voice of the Customer / Other Solutions



## Experience / Engagement





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