Why (and how) small businesses should prioritize customer service

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"Running a small business is hard."

"You wear all the hats."

"Limited resources means you must do more with less."

You've heard all the unhelpful disparities a hundred times. While some of them are true—owning and operating a small business indeed has its challenges—it's time for some good news:

Small businesses are at a unique advantage to know and serve customers. Experts at Forbes say customer service is the "real reason" small businesses can compete with anyone. The trick then, is growing and scaling without losing that ability to tangibly care for customers.

This guide describes why small businesses should prioritize customer service, lists observable indications that now is the best time for an expansion or upgrade, and most importantly, it provides a roadmap to customize and implement a change. You'll see exactly how small business owners can (and should) execute a customer support strategy.

First, though, a look at what's at stake.

Why customer service, and why now

Recent research shows that over half of small businesses still manage tickets using a shared email inbox. Compare that reality with the evolving expectations of customers: 85% of customers try a different contact method if their first request doesn't get a response, with 44% waiting less than an hour before doing so.

While this may be sufficient for some teams, your customers likely expect to be able to reach out on additional channels beyond just sending an email to your support team. For example, they may turn to chat or social media. If all you're using is a shared inbox, your team may be missing out on valuable opportunities to connect with customers.

When there is a gap between your customer's expectations and your service methods, it is your customers that are left repeating themselves or waiting for an answer. As a result, support teams are left unable to collaborate and decision-makers don't see the data they need to make changes.

The small businesses that emerge from the pack and scale quickly do so because they see these issues as fixes within their influence — and they act. Here's what those proactive business owners that focus on delivering a great customer service experience stand to gain.

Increased customer satisfaction.

When you expand your customer service offerings by investing in better support, you end up with happier lifelong customers. About nine in ten customers say that a quick response to an initial inquiry is either very important or critically important when deciding which business to make a purchase from. Further, 85% say a smooth experience is important, meaning customers don't want to repeat themselves or send a business reminder inquiries. So whether they contact you to report a problem, learn about your company, ask a question, check on an order, explore how to get the most out of your product, or any other reason, every interaction with your customers is a chance to create brand loyalty.

Bypassed growing pains.

Proactive small business owners sidestep the growing pains that come with delayed or reactive moves (like upgrading software after losing customers to competitors with streamlined contact channels). It's a common myth that scaling will hurt, and collateral headaches are a byproduct of growth.

Bottom line impact.

These benefits may seem nice, but none of them beat increased profits and cost savings. Analysts at Bain and Company say that just a 5% increase in customer retention translates to over 25% increase in profit. Furthermore, acquiring a new customer costs a company five times what it costs to retain a current customer. If prioritizing customer service leads to customer retention and ultimately helps achieve both profit increase and diminished costs, then it's worth considering now.

Why timing matters

As a small business owner, we know how much your customers mean to you and how important each sale is. You're closer to the front lines in every way, which is a unique competitive advantage. But there's another reason you have an edge as a small business: customers are rooting for you.

"Customers want to support small businesses," says Cheryl Neoh, product marketer at Zendesk. But that privilege comes at a cost. "Customers simultaneously hold small businesses to a higher bar. If you're smaller, customers expect that the experience can be more personalized, even expecting faster responses because you're smaller." Operationally, that high standard is a complex goal to achieve.

In 2019, we surveyed over 1,000 individuals who recently received customer support from a small business, 91% said they would rather support a small business when convenient. And when it's not convenient, 74% still said they'd actively seek out ways to support small businesses. Why? Because of the expectation of great, empathetic, personalized customer service. In fact, 77% of respondents reported they would happily pay more for a product if it came with great customer service.

As a small business grows, fulfilling those expectations will become more and more difficult, unless leaders make a few strategic changes ahead of time. Because while it's true customers will go out of their way and even pay more to frequent your business, what happens when their number one reason for doing so – great customer service – begins to erode?

While it might seem safer and simpler to stick with a single communication channel and focus on providing really great support, your business might already be exhibiting signs that you don't have the right channels in place.

Common indications that it is time for a new customer service solution are:

Agent collision. One of the most common experiences is when customers receive multiple updates from team members or worse, is provided a conflicting update from what the other agent has just given them.

Dropped or missed tickets. Without the proper tools in place, mistakes like these can happen far too frequently.

Agent feedback. When representatives say they're repeating themselves all day or that customers must retell their own stories multiple times to get resolution, pay attention.

Tools underperform. When basic ticketing software leads to an unideal agent experience (loss of productivity, too many tools to use, etc.), your customers' experience will suffer as well.. Look for tangible friction points like sluggish load time, inability to run or customize reports, and the inefficient workflows of agents as they toggle between support platforms to collaborate with customers, teammates, and outside vendors.

Again, you and your support team do not need to endure many of the common "growing pains" of scaling up. These issues are entirely preventable.

Before scaling up, elevate your customer service team and tools. Primarily because your customers want you to succeed, and they're willing to help. But also because the above glitches can and should be avoided. And finally, because you can prevent a large organizational change later on by improving your systems and processes now.

Yes, investing the time and energy now may appear daunting. But it doesn't compare to the costs and risks of a larger change initiative later, when more people, entities, and moving parts are involved.

How SMBs can plan and execute headline-making customer service

We've seen the many reasons the prioritization of customer service is easier and more profitable before the next organizational growth spurt — and how, done well, this improvement *enables* that scalability. Now for a look at exactly how to achieve that kind of customer experience.

1. Deflect repeat inquiries with self-service options, like having a help center or community forum.

The top ten percent of fastest-growing small businesses differentiate themselves by empowering customers and alleviating agent workload of repetitive, mundane tasks. How? Tools like Zendesk Guide lets your team create and maintain an institutional knowledge bank for customers to find their own answers. The most basic requests and frequently asked questions can be compiled and easily expanded upon over time and as the business grows.

2. Strategize before opening up live voice and chat channels.

Plan an implementation roll out prior to turning on phone or online chat support. How? By listening intently to the inquiries you're receiving. "Go back to the nature of the questions," advises Neoh. "Are they more about the products and services or are they more about how to use the products or services? Do

customers just want to engage with other people who also use those products and services?" Factor in your core customer demographic and consider how their channel preferences should influence and direct your channel strategy. Once you've done the groundwork, then map out agent workflows to ensure customer hold time and resolution time remains consistently low, even as ticket volume increases with growth.

3. Improve agent experience by automating tedious or redundant work.

Too often, business owners look to hiring to reduce current customer service representatives' workload, while simple business rules and auto-routing would do the trick. Event-based and conditional triggers, macros, and automatic notifications can free up agents to handle more worthwhile tasks, increasing productivity, and ultimately, boosting customer satisfaction.

4. Start measuring what matters.

Nearly two-thirds of small businesses don't have a finger on the pulse of customer satisfaction rates (CSAT), the most important metric of all. What's more, the top ten fastest-growing small businesses are around 70% more likely to be collecting this information. Begin with a standard dashboard that shows CSAT, ticket volumes, response and resolution durations shown by inquiry types, agents, and product types.

Choose a reporting and analytics tool that can grow with you, so that as you scale, you can drill down to see things like team performance, agent efficiency, and even social listening, churn, and ticket backlog data. The benefits of this type of clarity extend far beyond customer support. "You need the insight to understand the issues and gaps," explains Neoh. "The right visibility helps you understand so much more about your business as a whole, not just about how satisfied your customers are. It's invaluable to pinpoint where the customer journey is breaking down." For example, are you receiving a lot of inquiries at one particular phase?

That could be a signal that you should provide a self service article that addresses that gap, or include more details during the check process or order confirmation. Maybe it's as simple as scheduling an email post-purchase to follow-up and recommend next steps for better onboarding or to plug customers into your online user community. "Again," emphasizes Neoh, "Understanding your baselines for future planning is about setting yourself up for future success, not just trying to reactively deal with the issues you're having now."

Commentators are right when they say running a small business is a challenge, you wear many hats, and must use resources discerningly. But that doesn't mean you can't deliver the very same level of service that customers are used to receiving from big, well-known brands.

In fact, if you do, then you'll keep the unique advantages that come with being a small business – even as your organization grows and grows.

For more information on how to execute the above steps, check out the [Zendesk Suite](#), a package that enables seamless cross-channel conversations between customers and agents.

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