Breaking Down the Silos Between Sales and Service:

Integrated Customer Relationship Management
Drives Business Success

PREPARED BY ESG FOR

zendesk

CONTENTS

Research Objective and Methodology

OBJECTIVES:

This eBook discusses whether businesses are breaking down the silos between their sales teams and their service operations to deliver a more consistent, intelligent, and holistic customer experience (CX). With that understood, the eBook will discuss the differences in business performance observed between organizations breaking down these barriers and those that are not. Finally, we will discuss the technology in use at organizations bringing together sales and service conversations and how that ties into an organization's ability to more comprehensively manage customer relationships and ultimately drive business revenue and growth.

METHODOLOGY:

ESG conducted a double-blind survey[1] of 3,450 line-of-business decision makers who were responsible for ensuring and enhancing CX at their organization, including 912 senior sales leaders. Organizations represented spanned all market segments, from small businesses to large enterprises, and multiple industry verticals like retail, consumer and corporate services, financial services, healthcare, education, and technology companies, among others.

The primary focus of the research was to understand the state of CX maturity today, understand how the market's maturity has evolved in the past 12 months, and validate whether and to what degree CX Champions (the most mature organizations in terms of CX practices) outperform their peers.[2] The research also uncovered a strong relationship between integration of service insight and sales operations success. This relationship is critical for business leaders focused on maximizing customer value to understand.

[1] Respondents were anonymous and not informed ESG was conducting the survey.
[2] See the research here.

Highlighted Findings

Why your organization should break down the silos between its sales and service organizations:

Your competition is doing it:

89%

of surveyed organizations are using service data to uncover and advance sales opportunities.

The best of the best have done this extensively:

84%

of CX Champions have made great strides in tying sales and service together.

It moves the needle:

89%

of organizations extensively integrating sales and service have seen a significant impact on sales success (and 47% describe the impact as game-changing). These organizations are also 6.7x more likely than their peers to have seen significantly increasing per-customer spending, and they are 3.4x more likely to have grown their customer base.

How can you get there?

Focus on reaching a "single source of truth" when it comes to customer profiles:

90%

of organizations extensively integrating sales and service data use it to build 360-degree profiles for their customers.

Give teams the tools they need to get it done:

Organizations extensively integrating sales and service data are

5x more likely

to rate their service team's tools highly.

Automate to give teams the scale needed to make a difference:

97%

of organizations extensively integrating sales and service data use intelligent automation to free up their teams' time.

The Case for Breaking Down the Silos between Sales and Service

Status Quo CX is Insufficient

CX is the sum of all the ways a customer engages and interacts with your organization. By definition, CX spans both sales engagements and service touchpoints, among many other connections.

Traditional workflows, technologies, and processes in the sales and service organizations have been architected to maximize transactional efficiency—to close as many deals and tickets as efficiently as possible.

While this clearly matters, innovation in CX is necessary: 89% of respondents agree that CX innovation is needed to prevent the organization from losing business to more customer-focused competitors.

Regionally, organizations in the APAC region were the most likely to strongly agree that innovation is needed (51% versus 46% of organizations in North America and 41% in Europe).

One way organizations can innovate is by bringing the silos sales and service teams operate within together to deliver a better experience.

AGREE OR DISAGREE: CONTINUOUS CX INNOVATION IS NEEDED TO PREVENT LOSING CUSTOMERS TO COMPETITORS.
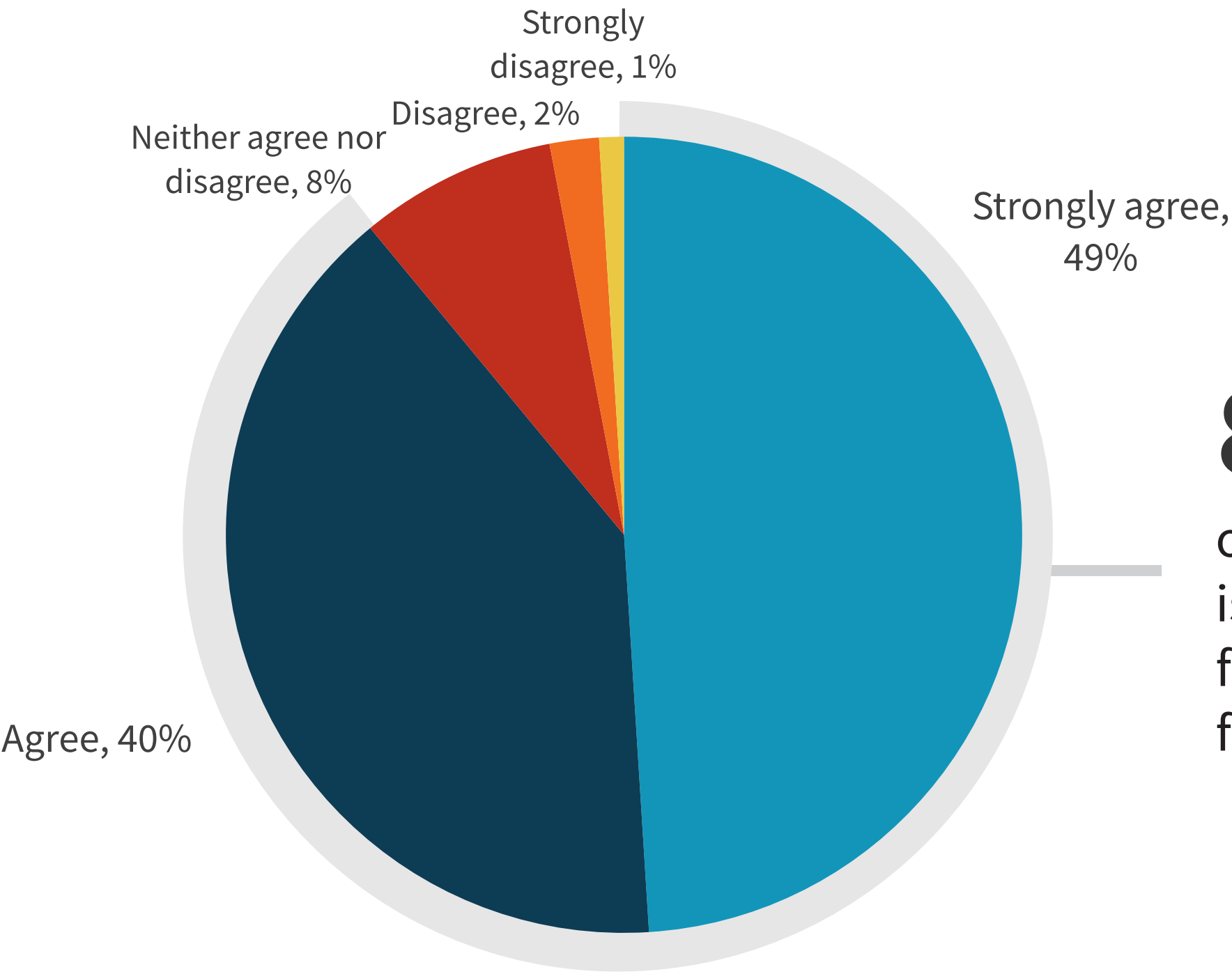
Strongly disagree, 1%
Disagree, 2%
Neither agree nor disagree, 8%
Strongly agree, 49%
Agree, 40%

89%
of respondents agree that CX innovation is needed to prevent the organization from losing business to more customer-focused competitors.

Percent of respondents that "strongly agree" that continuous CX innovation is needed

COMPANY SIZE INSIGHT:

SMB **49%**

Commercial Businesses **48%**

Enterprises **51%**

The Case for Breaking Down the Silos between Sales and Service

In order to deliver great CX, all customer-facing teams must be in sync. If these teams are isolated, CX suffers, which hurts the business in two key ways:

1. A disconnected customer journey drives dissatisfaction.

Numerous research studies have shown that customers increasingly expect their CX to be consistent, spanning channels of engagement, devices, and across the departments within the companies with which they interact. At the same time, delivering a consistent journey is complicated given the number of channels and touchpoints in the modern customer journey. If an organization falls into this gap, it risks customer frustration, may lead customers to competitors, undoubtedly depress its satisfaction scores, increase churn, or all of the above.

2. Silos can cause an organization to miss revenue opportunities.

Service teams know a lot about an organization's customers: how they are using its products, what's working and what's not, features that matter most, and what they want to do next. This insight is invaluable to an organization's cross-sell and up-sell business. And since selling to existing customers is more profitable than acquiring new customers, these cross-sell and up-sell channels are critical to optimize. Feeding customer insight to sales teams is a critical component to these optimization efforts.
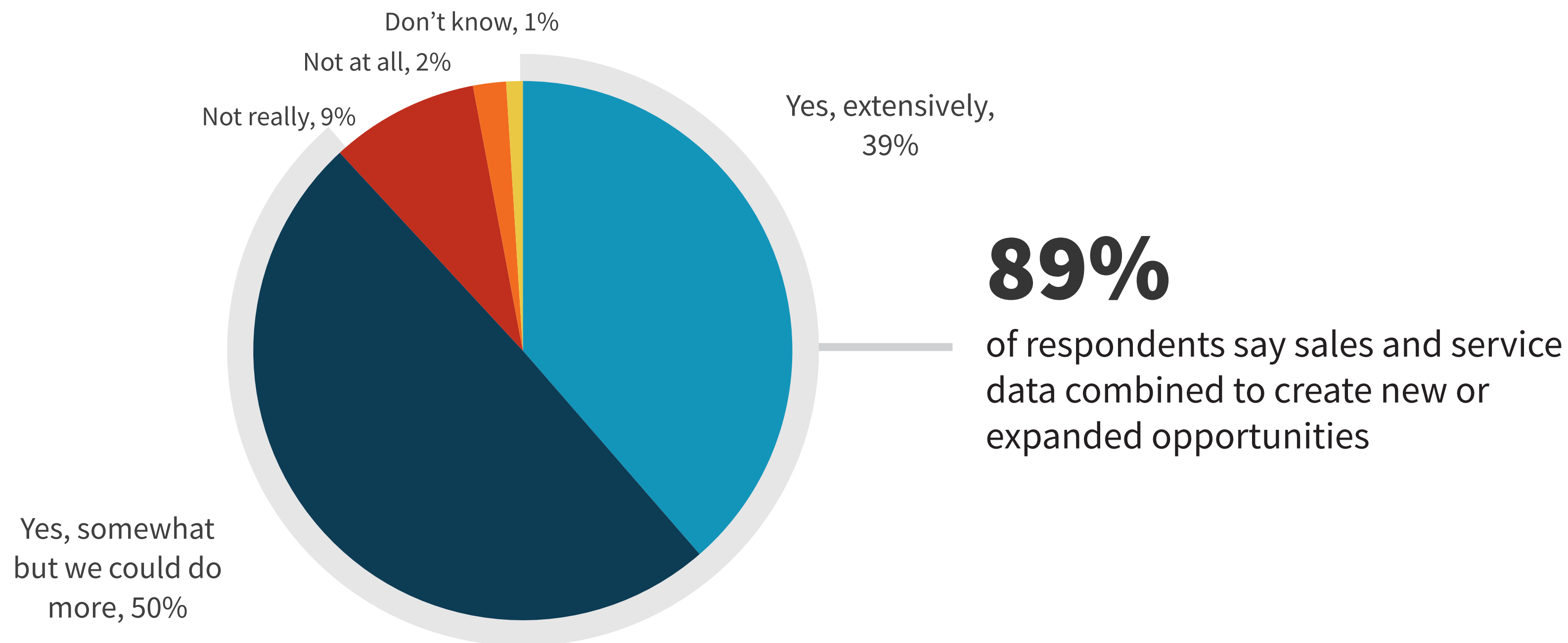
Sales and Service Integration is Gaining Steam

Our state of CX maturity research asked respondents whether their organizations had begun integrating sales and service. Specifically, we asked if the organization "integrates customer service data with its sales operations data with the intent of creating new or expanded sales opportunities."

The answer was encouraging, with 89% of respondents stating that they do. However, there is significant room for growth here with half of respondents (50%) acknowledging their organization could do more.

Industries that most often report extensive integration include financial services (58%), media and entertainment (46%), and manufacturing (45%).

ARE SALES AND SERVICE DATA COMBINED TO CREATE NEW OR EXPANDED OPPORTUNITIES?

Don't know, 1%

Not at all, 2%

Not really, 9%

Yes, extensively, 39%

Yes, somewhat but we could do more, 50%

89%

of respondents say sales and service data combined to create new or expanded opportunities

Percent of organizations that have extensively integrated sales and service data to create sales lift.

COMPANY SIZE INSIGHT:

SMB
36%

Commercial Businesses **37%**

Enterprises
44%

The Verdict:
Breaking Down Silos Drives More Revenue and Customer Satisfaction Overall, Boosting Business Results

The Verdict:
Breaking Down Silos Drives More Revenue and Customer Satisfaction Overall, Boosting Business Results

Benefits of Informing Sales Operations with Service Insight

More integration is better:

Organizations with extensive integration were

5.9x more likely

to report that integrating sales and service data had a game-changing impact on sales success.

More integration leads to more customer spending:

Organizations with extensive integration were

6.7x more likely

than those without integration to report a significant increase in per-customer spending over the past 6 months.

Increasing market share:

Organizations with extensive integration were

3.4x more likely

to have seen a net-increase in customers.

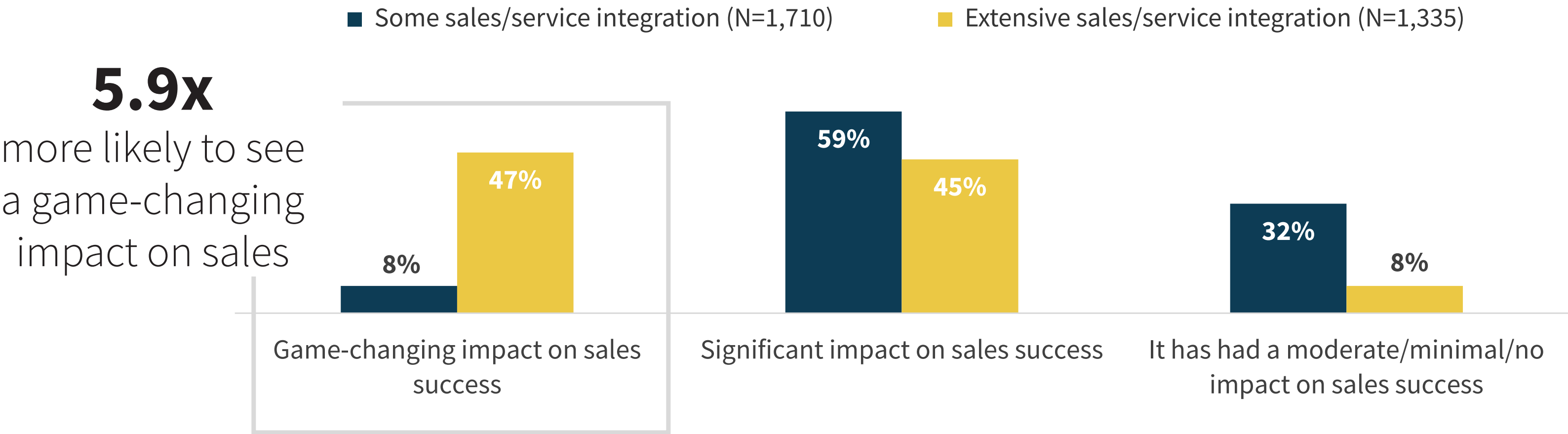## When It Comes to Sales and Service Integration, More is Better

Respondents integrating sales and service data were asked to describe the impact they've seen.

78% of respondents reported the impact on sales success as "game-changing" or "significant."

Digging further into the data, those that reported extensive integration were 5.9x more likely to report a "game-changing" impact relative to respondents at organizations only somewhat integrating their sales and service data.

Greater integration yields greater rewards like establishing better collaboration, data sharing, and best practices in business. To get there, an organization needs to unify the tools its teams use when interfacing with customers to eliminate data and insight silos—that way, sales and service teams are aligned on major company initiatives and primed for mutual success. The interaction between sales and service also needs to be measured to optimize the feedback loop between them.

WHAT HAS BEEN THE IMPACT OF INTEGRATING SALES AND SERVICE DATA ON SALES SUCCESS?

■ Some sales/service integration (N=1,710)   ■ Extensive sales/service integration (N=1,335)

5.9x
more likely to see a game-changing impact on sales

	Game-changing impact on sales success	Significant impact on sales success	It has had a moderate/minimal/no impact on sales success
Some sales/service integration	8%	59%	32%
Extensive sales/service integration	47%	45%	8%

Percent of organizations that have experienced a "game-changing" impact on sales performance by integrating sales and service data.

REGIONAL INSIGHT

North America	Europe	APAC	LATAM
26%	17%	29%	30%

COMPANY SIZE INSIGHT:

SMB	Commercial Businesses	Enterprises
26%	24%	25%

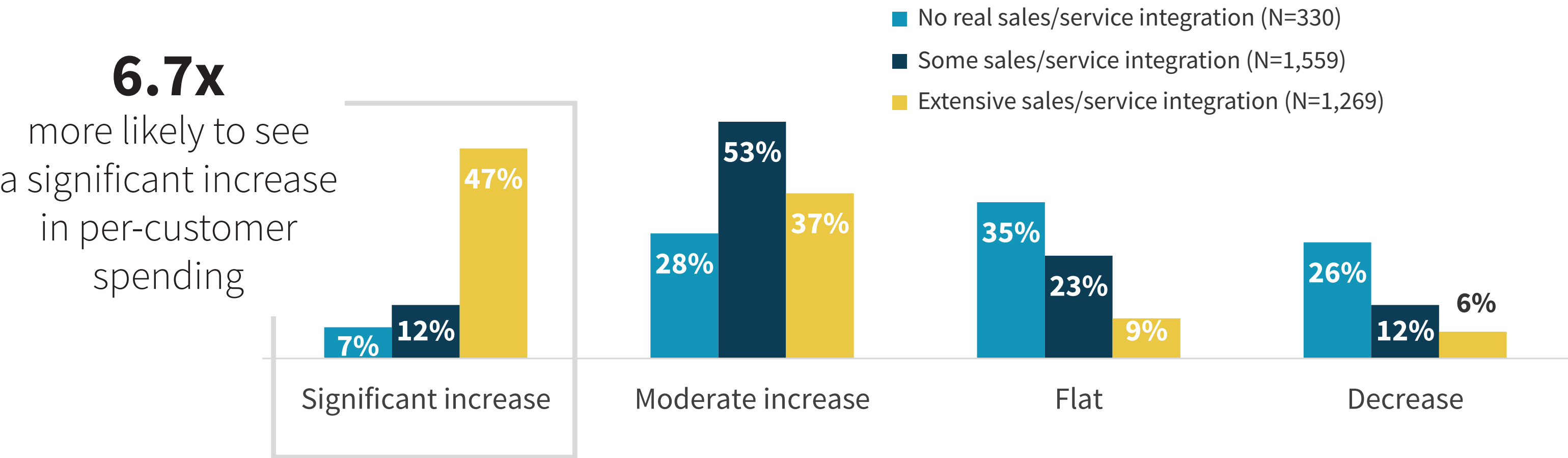## Sales + Service = More Up-sell and Cross-sell Success

Of course, just because respondents say there has been an impact does not necessarily mean there has been one.

To better understand the impact of sales and service integration, we looked at a number of correlations.

The research discussed customer spending trends and asked whether, over the past 6 months, per-customer spending was trending up or down. Respondents at organizations with extensive sales and service integration were 6.7x more likely than their peers at organizations not integrating sales and service to report a significant increase in per-customer spending. The divide is widest among SMBs: with extensive integrators being 12.3x more likely to see a significant increase (the gap is 6.9x and 3.1x for commercial businesses and enterprises, respectively).

The implication is clear, with more integrated organizations better able to identify up-sell and cross-sell opportunities and maximize total customer value.

WHAT HAS BEEN THE TREND IN AVERAGE PER-CUSTOMER SPENDING OVER THE PAST 6 MONTHS?

6.7x
more likely to see a significant increase in per-customer spending

- No real sales/service integration (N=330)
- Some sales/service integration (N=1,559)
- Extensive sales/service integration (N=1,269)

	Significant increase	Moderate increase	Flat	Decrease
No real sales/service integration	7%	28%	35%	26%
Some sales/service integration	12%	53%	23%	12%
Extensive sales/service integration	47%	37%	9%	6%

Percent of organizations that report significantly increasing per-customer spending in the last 6 months.

REGIONAL INSIGHT

North America	Europe	APAC	LATAM
26%	**15%**	**33%**	**26%**

COMPANY SIZE INSIGHT:

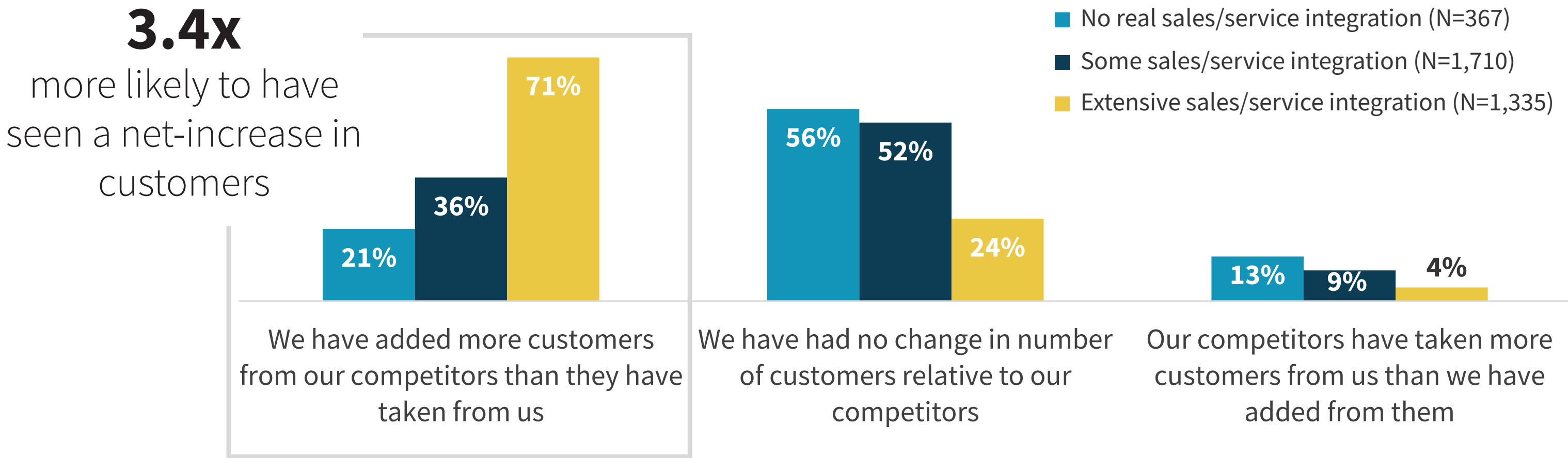| SMB	Commercial Businesses	Enterprises
25%	**26%**	**26%**

Sales + Service = Growing Market Share

Another correlation explored in the research is that between sales and service integration and market share performance.

Respondents were asked in the survey if, over the past 6 months, their customer base had grown, remained flat, or declined. Respondents at organizations with extensive sales and service integration were 3.4x more likely than their peers at organizations not integrating sales and service to report an increase.

We hypothesize that by offering customers a more consistent customer journey, those organizations integrating sales and service operations reduce customer frustration and churn, helping them broaden their customer bases relative to competitors.

WHAT HAS BEEN YOUR ORGANIZATION'S CUSTOMER GROWTH TREND OVER THE LAST 6 MONTHS?

3.4x more likely to have seen a net-increase in customers

- No real sales/service integration (N=367)
- Some sales/service integration (N=1,710)
- Extensive sales/service integration (N=1,335)

We have added more customers from our competitors than they have taken from us: 21%, 36%, 71%

We have had no change in number of customers relative to our competitors: 56%, 52%, 24%

Our competitors have taken more customers from us than we have added from them: 13%, 9%, 4%

Percent of organizations that report significantly increasing per-customer spending in the last 6 months.

REGIONAL INSIGHT

North America	Europe	APAC	LATAM
48%	38%	45%	63%

COMPANY SIZE INSIGHT:

SMB 45%   Commercial Businesses 45%   Enterprises 53%
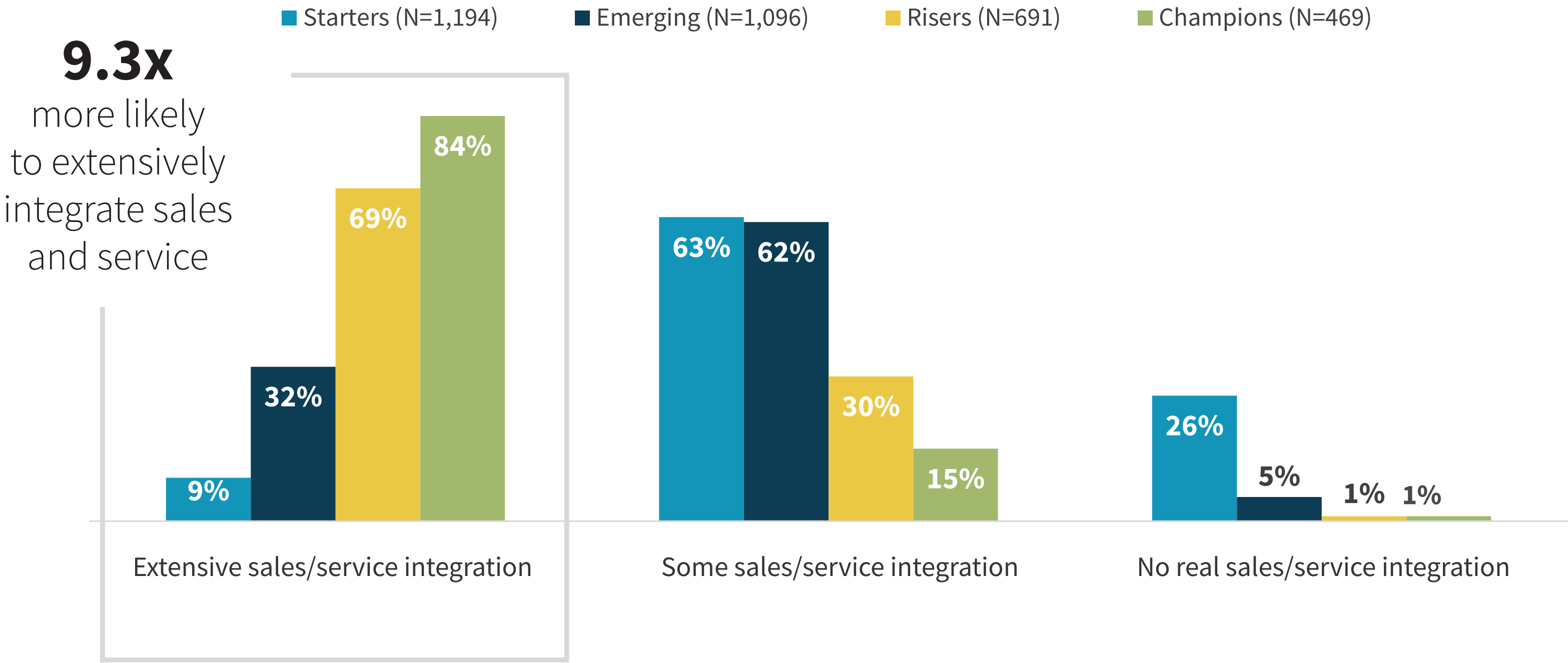
CX Champions Integrate Sales and Service

Our state of CX maturity research looked at service practices, like agent training and staffing, service metric visibility and real-time reporting, and the quality-of-service delivery tools agents use to segment the market into four stages of CX maturity.

We observed that CX Champions, the most mature of the four market segments, outperform their peers in service agility and effectiveness, but the data also makes it clear they are the most likely segment of the market to have identified the need to integrate sales and service:

CX Champions are 9.3x more likely to have extensively integrated sales and service data with the goal of increasing sales effectiveness.

INTEGRATION OF SALES AND SERVICE DATA BY CX MATURITY.

9.3x more likely to extensively integrate sales and service

■ Starters (N=1,194) ■ Emerging (N=1,096) ■ Risers (N=691) ■ Champions (N=469)

	Extensive sales/service integration	Some sales/service integration	No real sales/service integration
Starters	9%	63%	26%
Emerging	32%	62%	5%
Risers	69%	30%	1%
Champions	84%	15%	1%

How to Get There:
Steps Your Organization
Can Take

Integration Journey

How You Can Start Bringing Sales and Service Closer Together
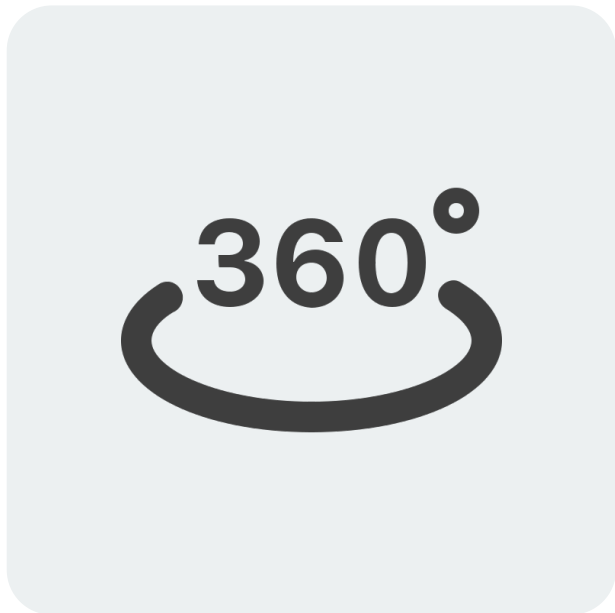
Create 360-degree customer profiles:

Organizations that extensively leverage service data for sales are

2.8x more likely

to say they are able to create 360-degree customer profiles than those without sales/service integration.

Provide best-in-class tools:

Organizations with extensive sales and service integration are

5x more likely

to have invested in leading tools.

Increase automation:

Organizations with extensive sales and service integration are also

more aggressively

pursuing automation in customer engagements to give teams more time to collaborate and to focus on deeper customer interactions.

Businesses Integrating Sales and Service Focus on Comprehensive Customer Profiles

The foundation of integrating sales and service is the ability for the organization to build a true 360-degree view of the customer that consolidates all interactions and transactions a customer makes into a single profile.

This high-fidelity customer profile is at the heart of integrated operations. Without it, gaps in customer insight will remain, but with it, the organization is positioned to deliver consistent customer engagements and capitalize on revenue opportunities.

Not surprisingly, this comes through in the data: 90% of organizations extensively leveraging service data for sales say they are able to create 360-degree customer profiles.

This cross-departmental practice is something all organizations should embrace.

DOES YOUR ORGANIZATION HAVE THE ABILITY TO BUILD 360-DEGREE CUSTOMER PROFILES?

■ No real sales/service integration (N=362)   ■ Some sales/service integration (N=1,700)   ■ Extensive sales/service integration (N=1,328)

	Yes	No	Don't know
No real sales/service integration	32%	58%	2%
Some sales/service integration	65%	29%	6%
Extensive sales/service integration	90%	8%	10%
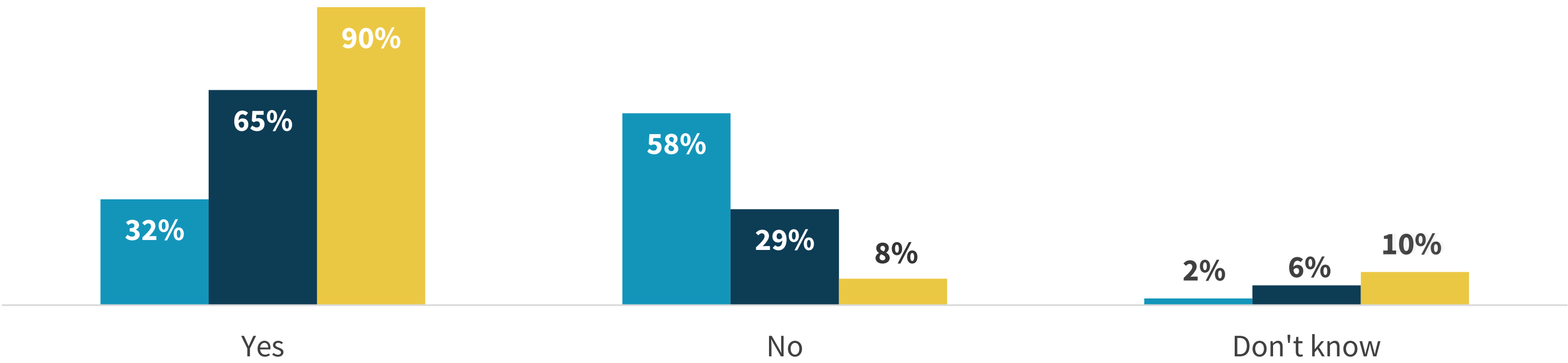
Percent of organizations that have the ability to build 360-degree customer profiles.

REGIONAL INSIGHT

North America	Europe	APAC	LATAM
73%	**66%**	**69%**	**78%**

COMPANY SIZE INSIGHT:

SMB	Commercial Businesses	Enterprises
66%	**72%**	**77%**

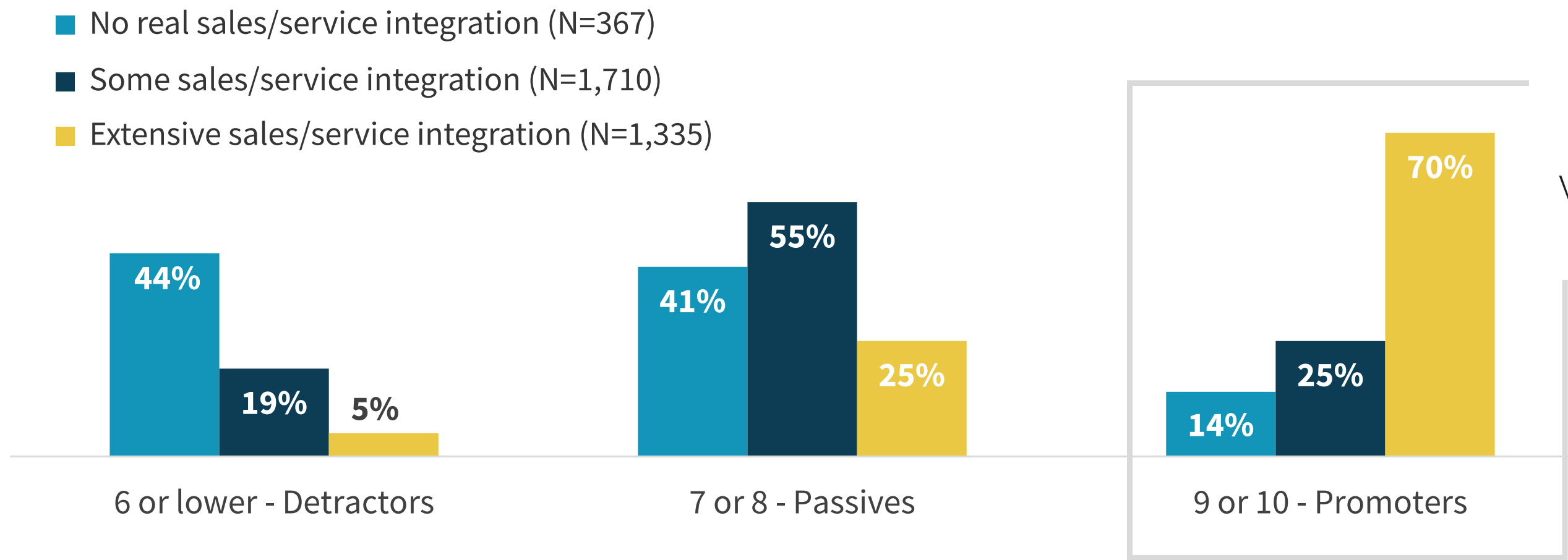# Businesses that Integrate Sales and Service Teams Use Quality Tools

In order for service teams to capture and feed insight to sales teams, they need effective tools. If it is hard to capture information, recommend sales actions, or communicate that information to the right team member on the sales team, opportunities will be missed. A unified CRM, which delivers full context of the customer journey, real-time insights, and integrated communication channels allows everyone on both teams to be on the same page with respect to customer engagement.

One thing is clear in the data: Organizations extensively integrating sales and service give their teams better tools. When asked how satisfied teams are with their solutions in place to deal with customers, those with extensive integration were 5x more likely than those with no integration to say teams are very satisfied (i.e., a 9 or 10 rating).

We believe in order to effectively expand the mandate of the service team to include the identification of up-sell and cross-sell opportunities, organizations have to give those teams best-in-class tools.

HOW WOULD YOUR TEAM RATE THE TOOLS THEY USE TO DEAL WITH CUSTOMERS?

- ■ No real sales/service integration (N=367)
- ■ Some sales/service integration (N=1,710)
- ■ Extensive sales/service integration (N=1,335)

	6 or lower - Detractors	7 or 8 - Passives	9 or 10 - Promoters
No real sales/service integration	44%	41%	14%
Some sales/service integration	19%	55%	25%
Extensive sales/service integration	5%	25%	70%

5x more likely to use tools viewed favorably by their teams

Percent of organizations that report their teams are highly satisfied (rated 9 or 10) with the tools they use to interact with customers.

REGIONAL INSIGHT

North America	Europe	APAC	LATAM
46%	**32%**	**38%**	**54%**

COMPANY SIZE INSIGHT:

SMB	Commercial Businesses	Enterprises
42%	**40%**	**43%**

Sales and Service Integrators Turn to Automation to Preserve Scale

By leveraging intelligent automation to engage with, route, and even resolve customer issues, service team members save time, which can be focused on higher-value customer conversations.

Organizations integrating sales and service are leading the charge on automation. Among organizations using technology to automate customer interactions, 97% are using the technology to route customers to the right channel for their specific issue based on pre-configured logic and parameters, a task that for many organizations requires the time, effort, and thought of an employee to determine.

If the organization wants to leverage the service team to identify and nurture sales opportunities (and why wouldn't they?), freeing the team up to have deeper customer conversations is a critical step.

DOES YOUR ORGANIZATION LEVERAGE AUTOMATION IN CUSTOMER ENGAGEMENTS TO HELP CUSTOMERS REACH THE MOST EFFICIENT CHANNEL FOR THEIR NEEDS?

- No real sales/service integration (N=367)
- Some sales/service integration (N=1,710)
- Extensive sales/service integration (N=1,335)

	Yes	No	Don't know
No real sales/service integration	63%	26%	10%
Some sales/service integration	85%	12%	3%
Extensive sales/service integration	97%	3%	
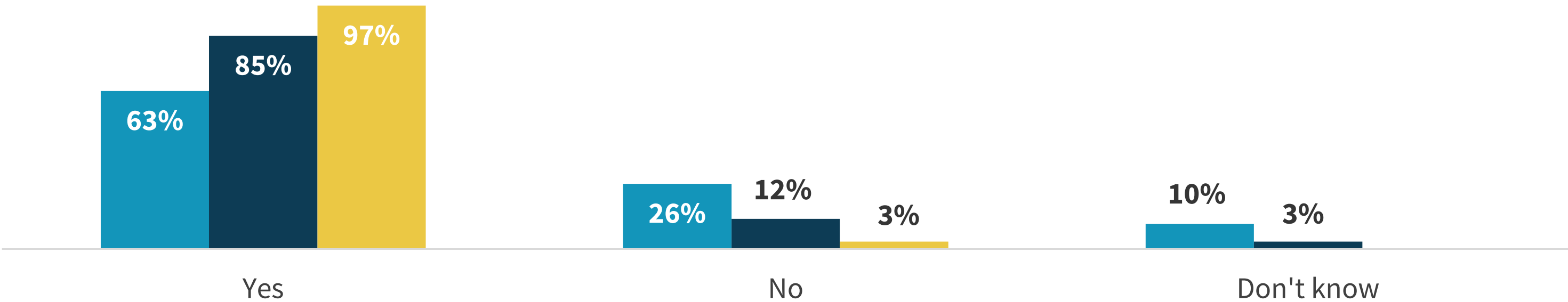
Percent of organizations that leverage automated chat bots that intelligently route service inquiries to the proper channel for efficient response.

REGIONAL INSIGHT

North America	Europe	APAC	LATAM
91%	87%	87%	94%

COMPANY SIZE INSIGHT:

SMB	Commercial Businesses	Enterprises
87%	89%	92%

How Zendesk Can Help

Zendesk believes the easiest way to get your disparate sales and service teams on the same page is to, well, put them on the same page. With Zendesk Sell and Zendesk Service, your sales and customer service teams can work on one, simple, streamlined platform that interacts with the rest of your company's software.

We believe unification delivers:

- The full context of the customer journey, allowing for the effortless exchange of customer data with sales and service interactions tracked in one place.

- More functional collaboration that spans operations from creating a service ticket, handing off a new lead, or any other customer touchpoint.

- Streamlined business operations and increased efficiency to save your team the hassle of learning and managing multiple tools. That's why Zendesk was created: to help you do more in less time.

Start your free trial to start aligning your teams today.
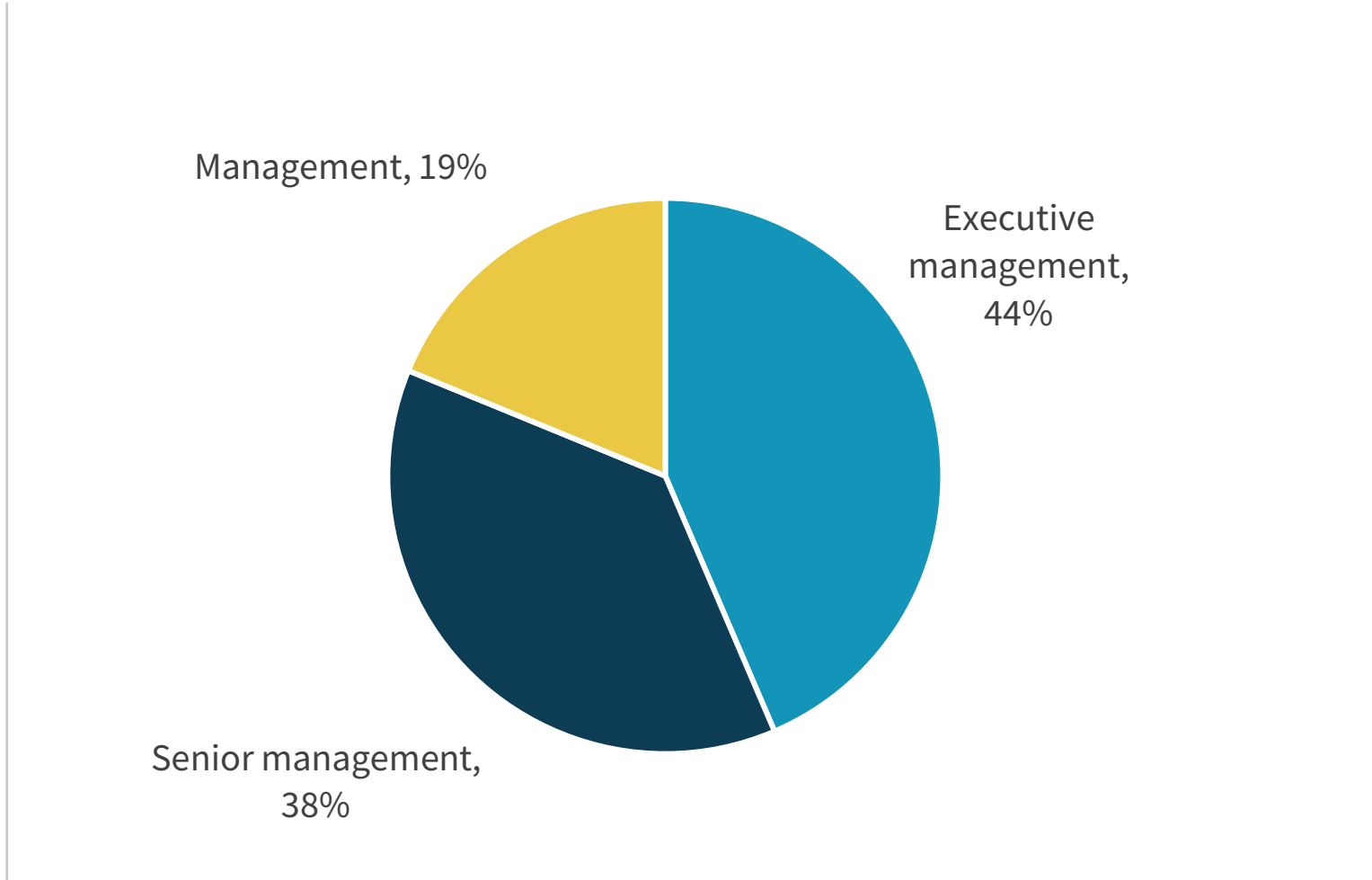
Start Your Free Trial

zendesk

Demographics

The data in this report was derived from a survey fielded in the second quarter of 2021. The figures that follow detail the demographics of respondents across the entire respondent base in terms of both region (North America [N=762], Europe [N=985], APAC [N=921], and Latin America [N=782]) and market segment (SMBs [<100 employees; N=1,339], commercial organizations [100-999 employees; N=1,053], enterprises [1,000+ employees; N=1,058]).
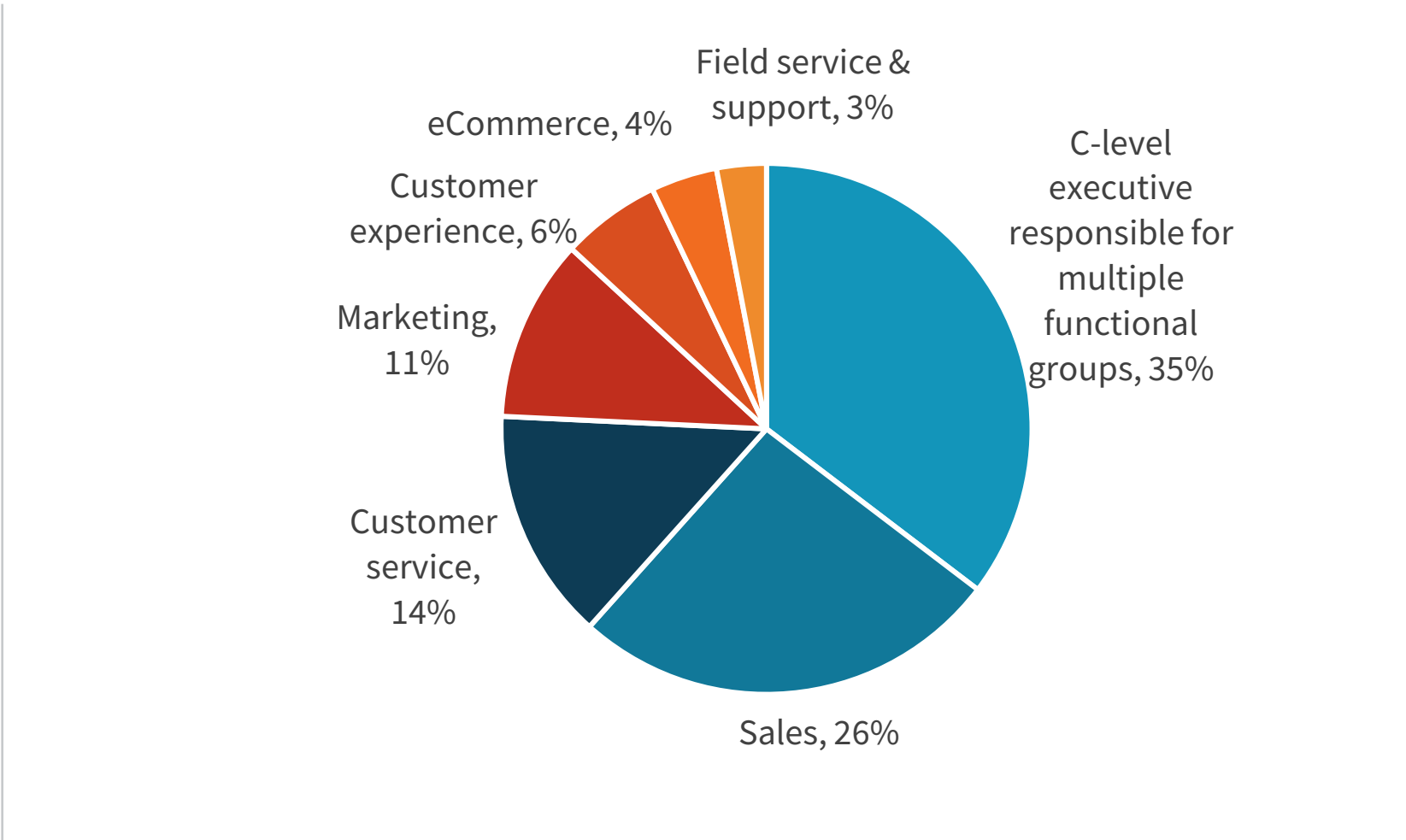
Totals in figures and tables throughout this report may not add up to 100% due to rounding.

The margin of error for a sample size of 3,450 at the 95% confidence level is + or - 2 percentage points.
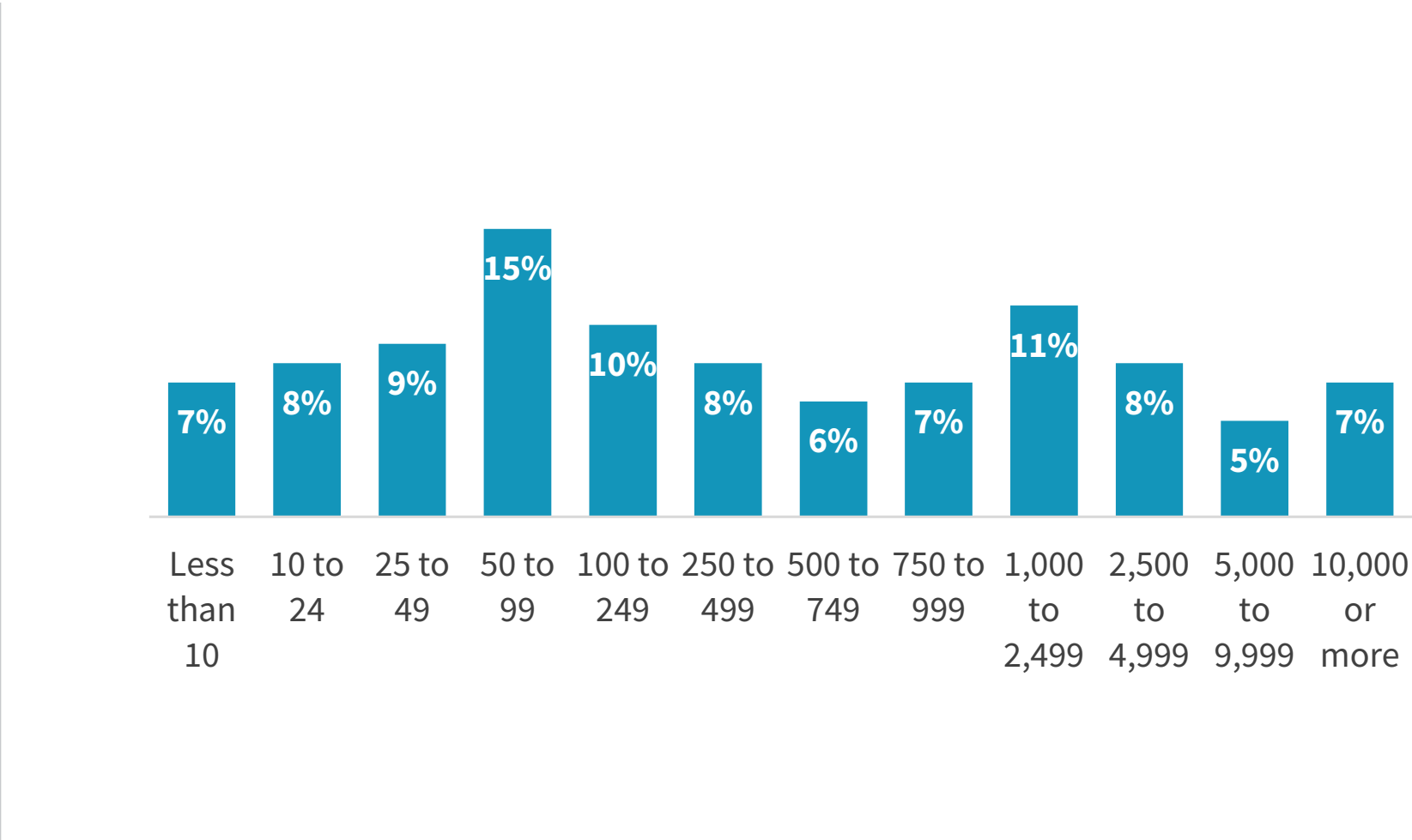
RESPONDENTS BY JOB FUNCTION.
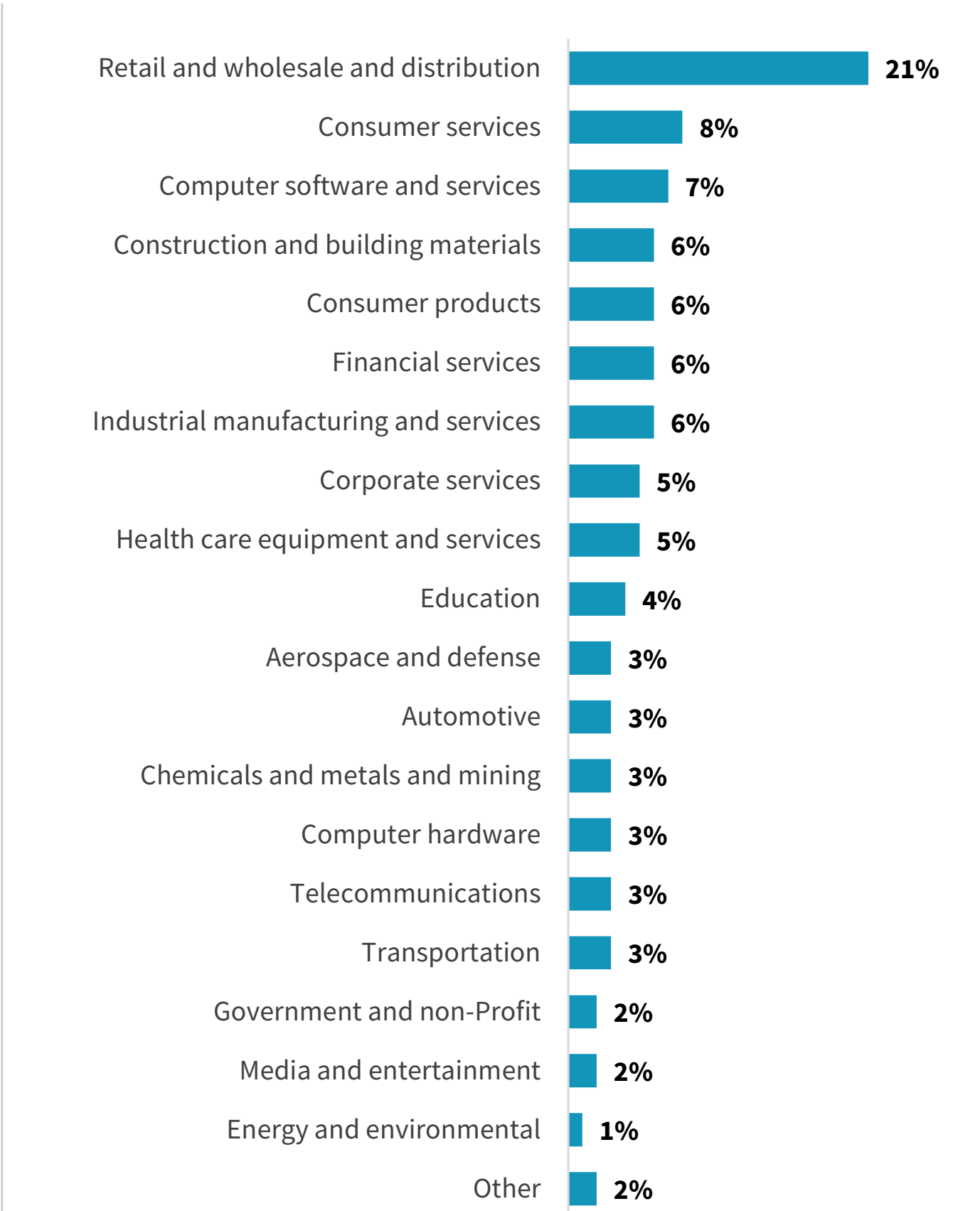
- Field service & support, 3%
- eCommerce, 4%
- Customer experience, 6%
- Marketing, 11%
- Customer service, 14%
- Sales, 26%
- C-level executive responsible for multiple functional groups, 35%

RESPONDENTS BY INDUSTRY.

Industry	%
Retail and wholesale and distribution	21%
Consumer services	8%
Computer software and services	7%
Construction and building materials	6%
Consumer products	6%
Financial services	6%
Industrial manufacturing and services	6%
Corporate services	5%
Health care equipment and services	5%
Education	4%
Aerospace and defense	3%
Automotive	3%
Chemicals and metals and mining	3%
Computer hardware	3%
Telecommunications	3%
Transportation	3%
Government and non-Profit	2%
Media and entertainment	2%
Energy and environmental	1%
Other	2%

RESPONDENTS BY SENIORITY.

- Management, 19%
- Executive management, 44%
- Senior management, 38%

RESPONDENTS BY COMPANY SIZE.

Company Size	%
Less than 10	7%
10 to 24	8%
25 to 49	9%
50 to 99	15%
100 to 249	10%
250 to 499	8%
500 to 749	6%
750 to 999	7%
1,000 to 2,499	11%
2,500 to 4,999	8%
5,000 to 9,999	5%
10,000 or more	7%

ABOUT ZENDESK

Zendesk started the customer experience revolution in 2007 by enabling any business around the world to take their customer service online. Today, Zendesk is the champion of great service everywhere for everyone, and powers billions of conversations, connecting more than 100,000 brands with hundreds of millions of customers over telephony, chat, email, messaging, social channels, communities, review sites and help centers. Zendesk products are built with love to be loved.

The company was conceived in Copenhagen, Denmark, built and grown in California, taken public in New York City, and today employs more than 5,000 people across the world. Learn more at www.zendesk.com.

ABOUT ESG

Enterprise Strategy Group is an integrated technology analysis, research, and strategy firm providing market intelligence, actionable insight, and go-to-market content services to the global technology community.

© 2022 TechTarget, Inc. All Rights Reserved.