

2024 Customer Service Trends in the Supply Chain



Introduction

Customer experience (CX) will remain a top priority for companies across the supply chain in 2024 as customer expectations continue to rise. Providing quick, convenient, and correct service is the baseline—customers expect an exceptional experience throughout their journey.

As digital transformation continues accelerating across industries, customers increasingly expect seamless, personalized, and on-demand interactions. Companies that fail to adapt and provide these experiences will struggle to attract and retain customers. On the other hand, those who transform their customer service approach to align with rising expectations will gain a competitive advantage.

CX has become a key differentiator and driver of business growth for many. By improving customers' lives through exceptional service, companies can increase loyalty, advocacy, and lifetime value. In today's highly competitive landscape, CX is mission-critical.

While some supply chain leaders are on the cutting edge, others continue to take a more traditional approach. For some, this may be rooted in a desire to focus on other aspects of their business in response to the market last year.

For all involved in the supply chain world in 2023, there is agreement that the entire market was sluggish and uncertain. In North America, some unprecedented events caused significant disruption in various networks. With the dissolution of Yellow Freight and the union labor strikes experienced by many carriers, the freight market comfort level was incredibly volatile. When linking this volatility to evolving customer expectations, the operational challenges placed on organizations were numerous.

For leaders in this industry, balancing record-high fuel costs and increased insurance premiums against investing in CX initiatives was difficult. Additional areas also required focus — such as cybersecurity programs, the continued driver shortage, and equipment availability. It's not surprising that many organizations retained their current programs and did not invest in transformative CX programs. While the value of having a top-notch CX program provides a significant ROI in retention and overall LTV, the results from our recent survey illustrate the ongoing struggles within the industry. Yet, reinforce the value of ensuring your customer's expectations are met and exceeded.

In this report, by surveying industry leaders, DDC FPO delves into ongoing research and insights on the expectations, challenges, and gaps in supply chain customer service offerings. Discover how companies can enhance growth and boost ROI by aligning with escalating customer experience expectations through innovative CX strategies.

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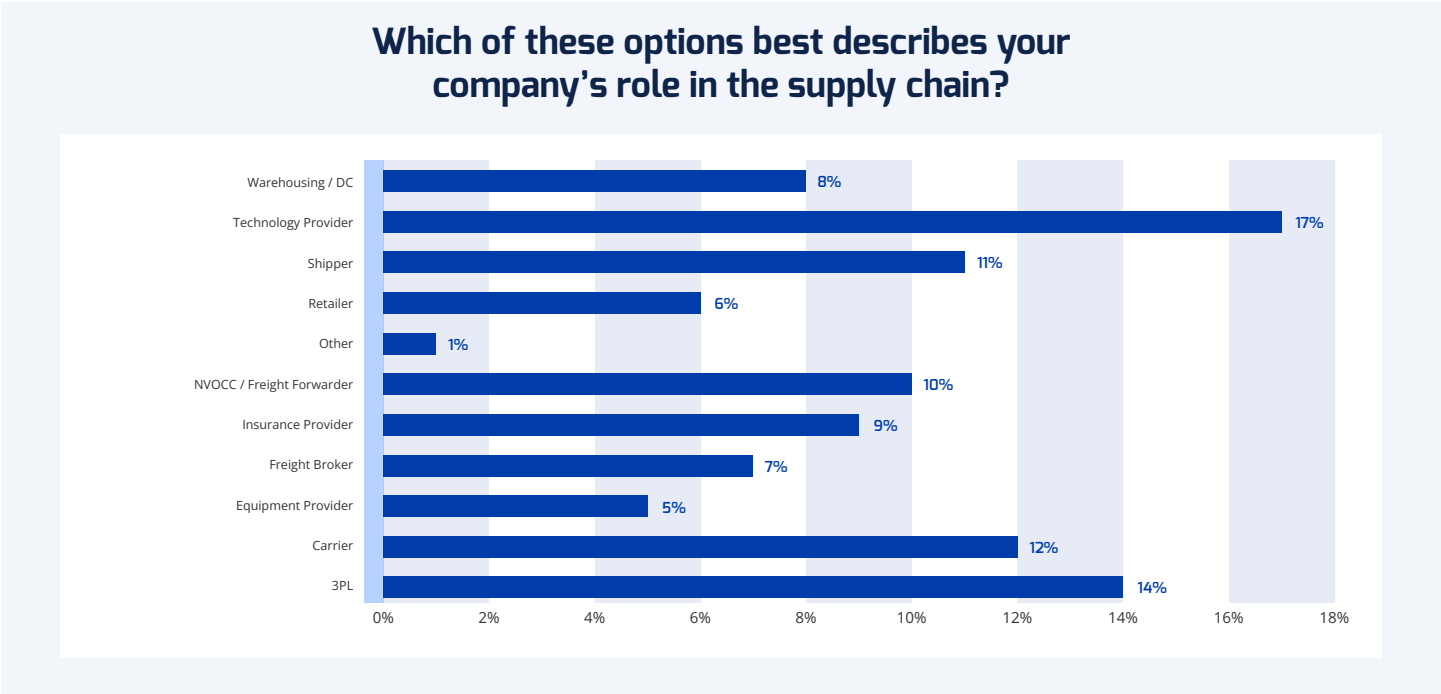
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About This Study

This report delves into the current landscape of customer service and support strategies within the supply chain industry. With the rapid emergence of new technologies, companies must adapt to meet evolving customer demand to catch up. Artificial intelligence (AI) is notably revolutionizing CX by enhancing self-service options, minimizing repetitive inquiries for agents, and saving time.

Recently, DDC conducted an industry-wide survey involving over 200 professionals spanning various roles within the supply chain sector. This survey aimed to identify significant trends and shifts in customer experience. The respondents encompassed diverse positions, including shippers, carriers, third-party logistics providers (3PLs), technology providers, freight forwarders, and warehousing personnel. The roles surveyed ranged from executive positions to front-line CX staff, representing various supply chain facets.

A breakdown of all the respondents' company types shows a healthy distribution across the entire supply chain:



About This Study

The survey aimed to benchmark the transportation and logistics industry's customer experience strategies. It assessed how companies are adapting to meet evolving customer expectations amidst rapid technological advancements that are transforming interactions. Supply chain firms must ascertain whether they are staying competitive or lagging behind in this digital era. With that in mind, we designed this survey to uncover pivotal trends concerning customer experience.

By comparing this year's results to a similar survey conducted last year, we have discovered some key trends and shifts over the past 12 months. The research provides unique insights into how customer expectations and CX strategies are changing in the supply chain sector. In this report, we will cover the year-over-year trends and other critical takeaways that can help companies improve their approach to customer experience.



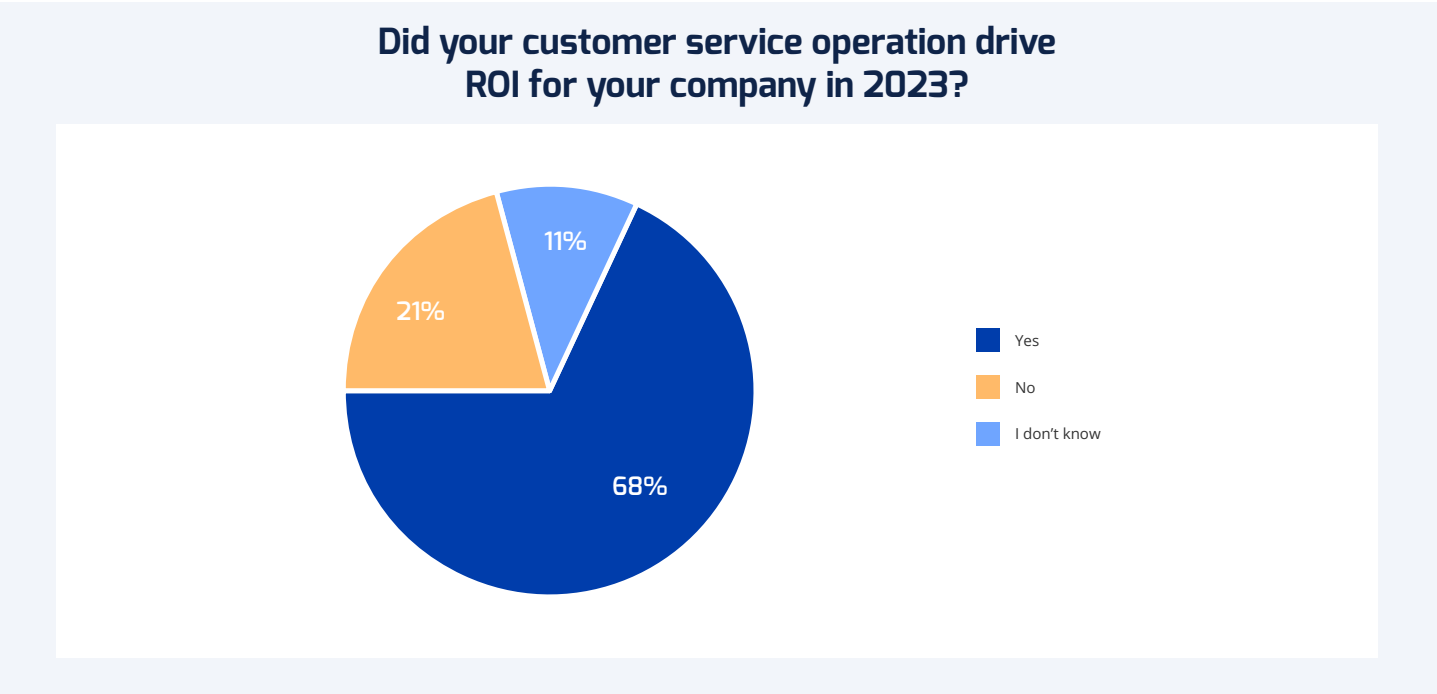
Key Findings

The key findings from the report indicate several vital trends in customer service:

- Improving customer satisfaction (CSAT) scores is imperative for companies, as higher satisfaction is directly tied to improved customer lifetime value (LTV). The connection between CX performance and revenue continues to become more apparent, and 68% of respondents said that their investments in CX drove a strong ROI in the past year, compared to 45% in the 2023 report.
- Email remains the dominant channel for customer support, while phone support has fallen compared to last year. Email's convenience and asynchronous nature likely explain its continued popularity, while low-quality IVR and other automated phone systems implemented by unskilled partners may explain the phone's declining popularity. However, it's worth noting that phone support was the second most popular support channel among all respondents, indicating that it can be highly effective when done well.
- Response time took precedence over resolution time regarding the importance of CX KPIs by almost 10%. This underscores the significance of having appropriate scales and systems to manage support volume, ensuring all customers receive timely acknowledgment. While proficient CX team members are crucial for issue resolution, prompt responses rely more on the correct number of empowered agents equipped with suitable technology.
- The top 3 key performance indicators (KPIs) for customer service were customer satisfaction, customer retention, and top-performing agents. These metrics reflect the importance of keeping customers happy and loyal. However, many other KPIs like "total volume of support tickets," "cost per resolution," and "total volume of escalations" all shared the middle ground — this could indicate that beyond the top three indicators, the industry is struggling to agree on what to prioritize.
- Most companies changed their CX operations this year, with 33% of respondents scaling up investments. However, 46% reported no change in investment year over year, which is a telling indicator of how new technologies like AI and the prevalence of expert third-party customer experience vendors have helped leading organizations improve outcomes while keeping costs flat.
- More companies reported facing customer service challenges this year than the previous year. This was true almost across the board—the only challenge area that saw a slight decrease was customer expectations. The largest increase occurred around technology challenges, with a 175% year-over-year increase.
- Nearly half of companies reported issues with a lack of technology, though technology was not a top priority for improvement next year. Companies instead plan to focus on expanding CX teams and training staff. This is likely tied to the goal of reducing costs, as more than half of the respondents indicated that lack of budget impacts their ability to deliver the outcomes they hope for.

Survey Insights

More Companies Understand the ROI of Their Customer Service

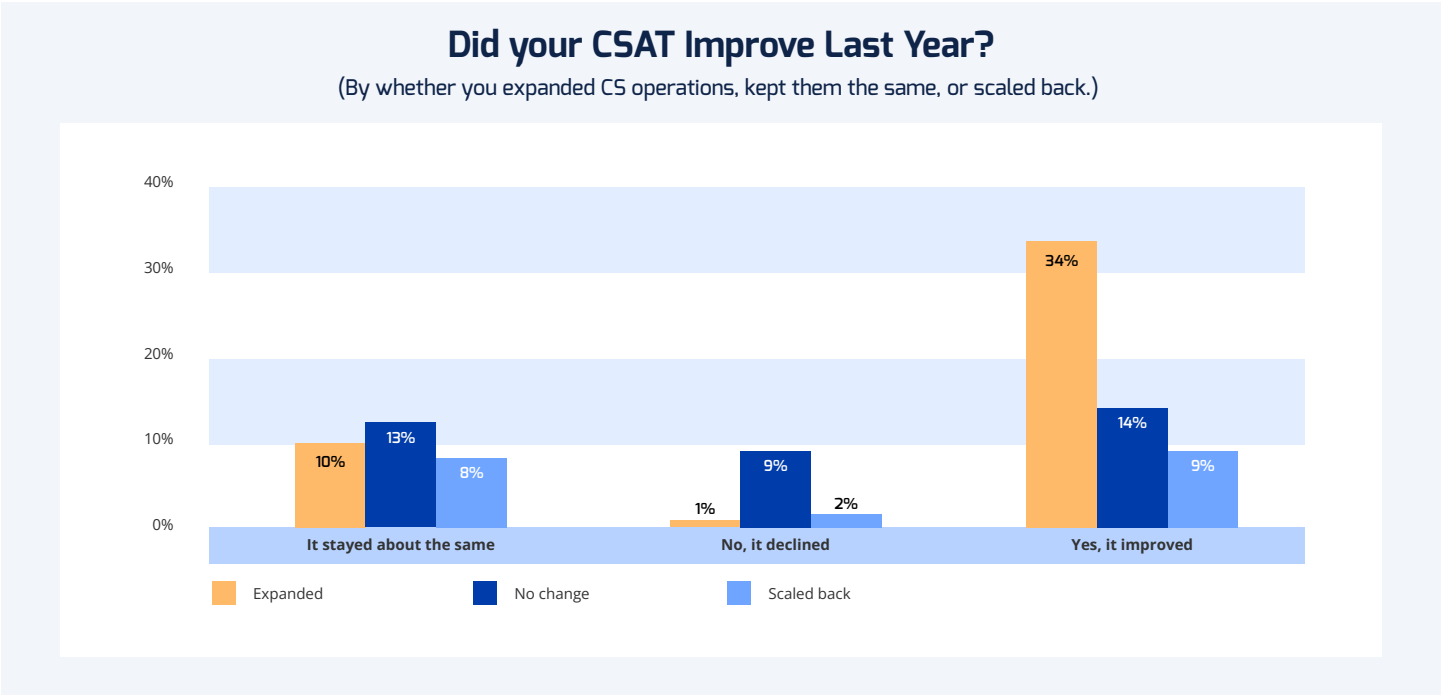


In last year’s report, 45% of respondents said their customer service operations drove ROI, compared to 68% in this survey — a 23% increase. The percentage of respondents who said their customer service operations did not drive ROI increased slightly from last year.

Conversely, the percentage of respondents needing clarification on whether their customer service operations drove ROI decreased significantly. This change implies a greater understanding of the impact of customer service on business finances compared to last year, which could result from improvements in reporting.

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The Link Between CSAT and LTV is Undeniable



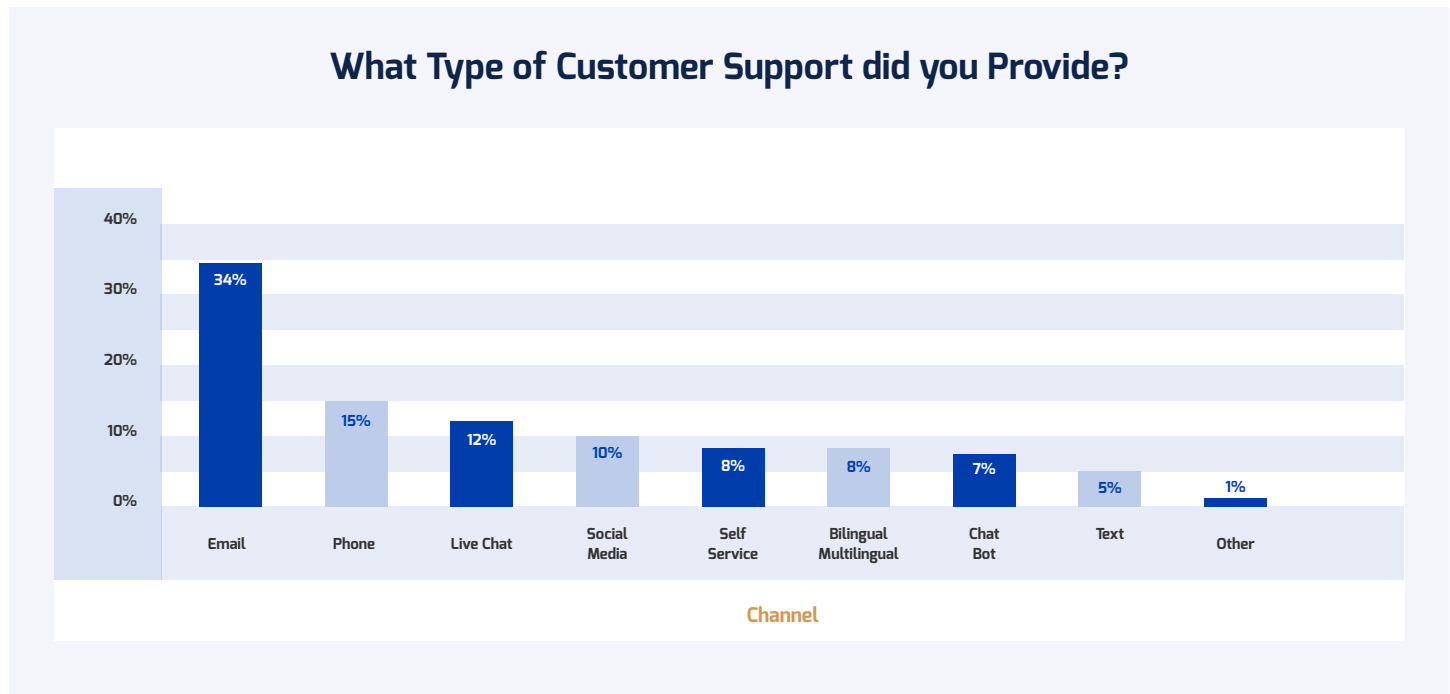
It makes sense on paper, but the data bears out this fundamental concept — high CSAT scores indicate happy customers and happy customers remain customers longer. Industry leaders acting on this knowledge are already reaping the rewards; 68% of those surveyed have seen a strong ROI on investments made in their CX programs.

What isn't as clear is what to invest in to drive improved CSAT. Reviewing the rest of the findings, we'll see that many different priorities are competing for attention. This is also not surprising because there's no one right path to improving your customer experience, and each business needs to take time to understand its unique challenges before it can start looking for best-practice solutions.

One thing is sure — customers care more than ever about the experience of working with their partners. As the industry continues to grow and mature, every niche becomes increasingly competitive, so growth-oriented companies can't afford to overlook the need to deliver excellent experiences.

Survey Insights

Email Is the Preferred Channel, with Phone In Second Place



According to the survey results, email remains the most widely used channel for customer service. The percentage of customer inquiries handled via email has held steady over the past year, and the use of phone support has dropped dramatically from last year's report. However, it still holds strong as the second most popular choice.

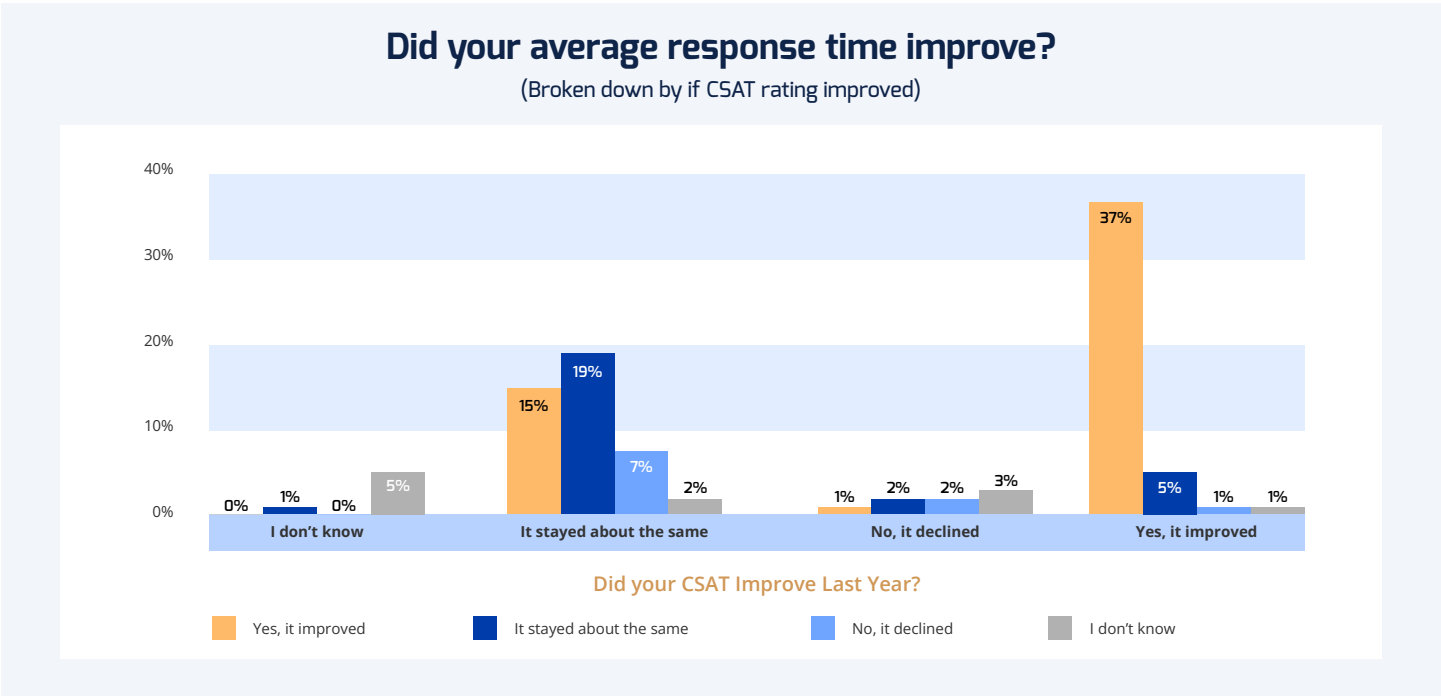
There are several reasons why email continues to be the channel of choice:

- Email allows customers to clearly explain their issues and provide supporting details, which can help agents resolve problems more quickly. Writing an email also gives customers more time to compose their thoughts and gather information, enabling support teams to resolve their issues more efficiently.
- Customers can send emails at their convenience without waiting on hold or coordinating schedules with an agent.
- Email chains create a conversation record that both parties can reference later.
- Customers often feel more comfortable expressing concerns over email than by phone if the phone support option leverages low-quality IVR or uninformed general support agents with no background in the supply chain industry.
- For complex issues that require investigation or input from multiple departments, email allows agents to collaborate behind the scenes before responding.

Survey Insights

While other channels like live chat and social media grow in popularity, email's asynchronous nature provides advantages that keep it as the dominant contact method for customer service interactions. Brands looking to improve CX should optimize the email channel while finding ways to integrate other platforms into a seamless omnichannel experience.

Average Response Time Impacts Satisfaction



The data shows a clear correlation between faster response times and higher customer satisfaction. Of the companies surveyed, 44.7% of respondents said their response times improved in the past year, indicating that this trend is well-known in the industry.

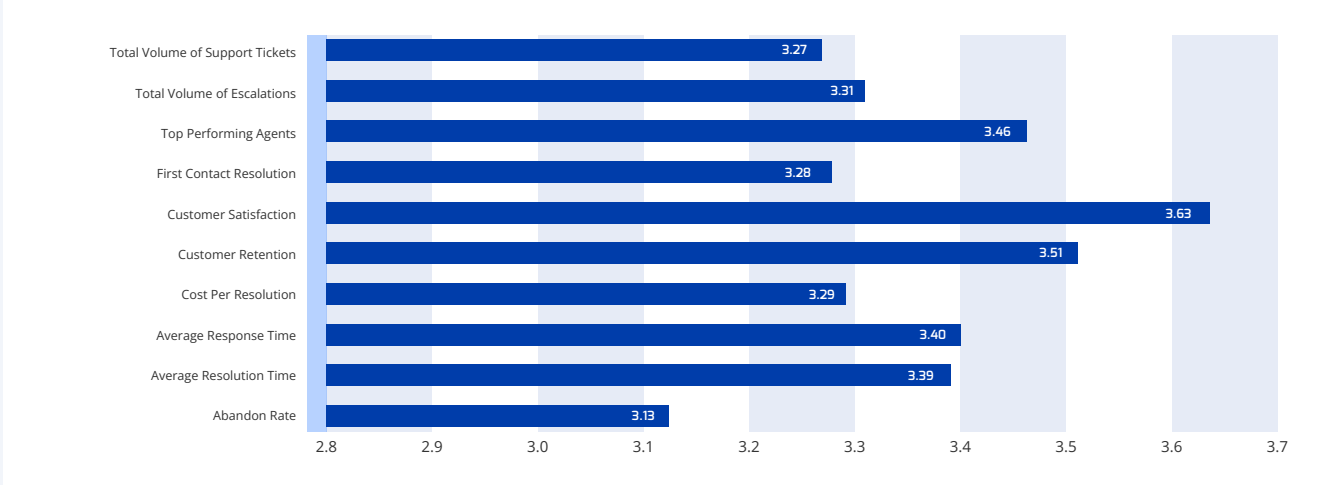
However, delivering great response times continues to challenge many organizations. Budget issues are widely perceived as the major blocker to realizing better outcomes. Over 50% of those surveyed said they struggled with issue resolution, largely due to insufficient staffing and limited hours of operation.

These organizations may be looking at the problem from an outmoded perspective, and there are likely solutions they haven't considered. For example, technology investments can significantly reduce the need for high headcount in support environments by triaging many simple support tasks and giving customers access to more and better self-serve options.

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Top Customer Service KPIs

How would you rank these customer support KPIs from least important (1) to most important (5)?
(Average across all responses)



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According to our survey respondents, customer satisfaction, customer retention, and identifying top-performing agents were cited as the three most important key performance indicators for customer service teams. Let's explore how these relate to the overall goal of great customer experience.

Customer Satisfaction



Measuring customer satisfaction (CSAT) provides insights into customers' happiness with the service experience. High CSAT scores indicate that customers had their issues resolved effectively. Tracking this metric helps identify areas for improvement and places where an organization's support team outperforms expectations. With this data, savvy supply chain businesses can continually optimize their approach to see the average CSAT tick up over time.

Customer Retention



The customer retention rate shows the percentage of customers who continue using the product or service over time. High retention means the business succeeds at keeping customers in the long run, in part through strong support experiences. Growth can feel impossible if a company struggles to retain customers over time. Every new deal the marketing and sales team generates and closes simply replaces lost revenue due to churn instead of fueling long-term growth. According to the Harvard Business Review, the cost of acquiring a new customer can be anywhere from five to twenty-five times higher than retaining an existing one, highlighting the importance of retention to healthy businesses.

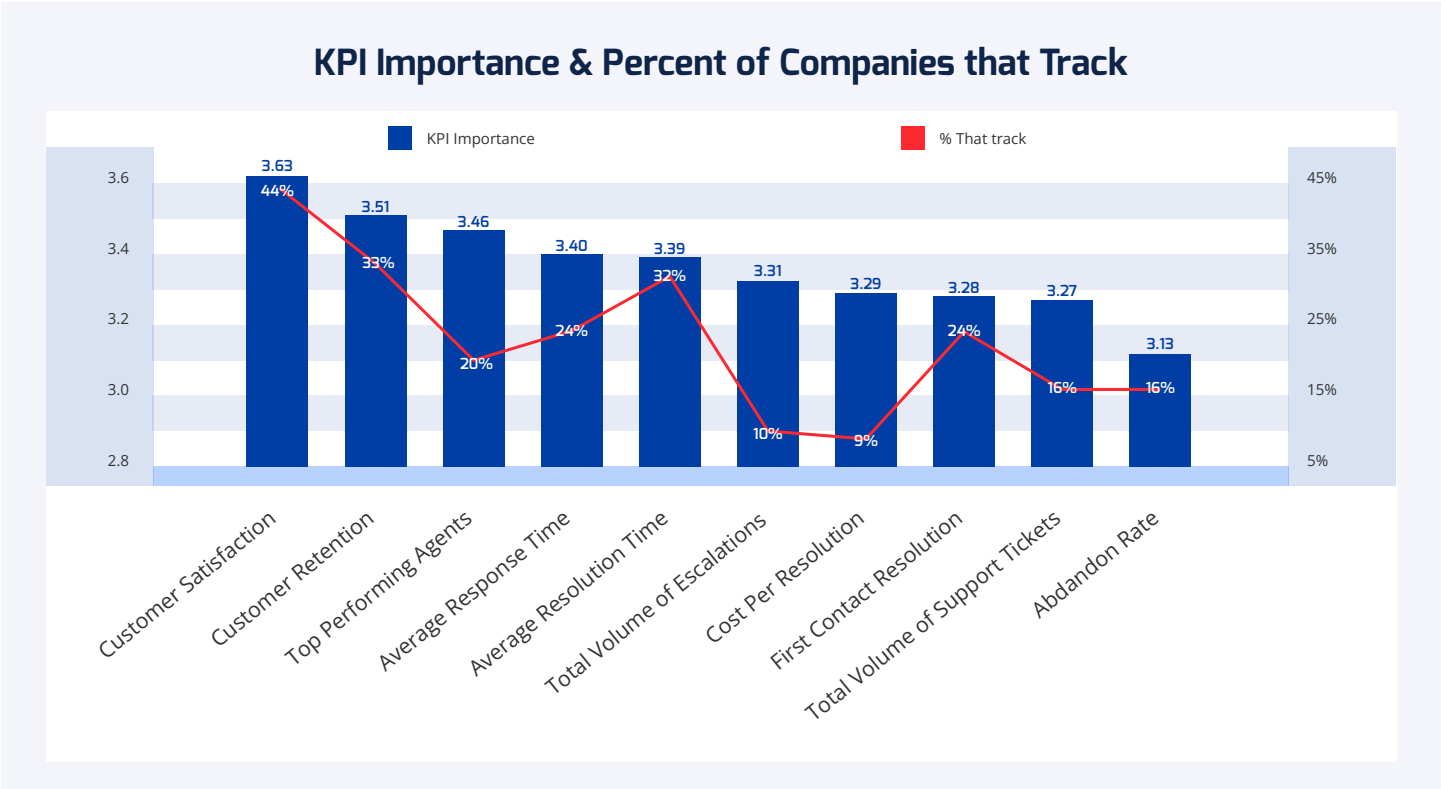
Identifying Top Performing Agents



Identifying top agents based on metrics like customer satisfaction, issue resolution speed, and productivity helps optimize the support team. Similar to analyzing CSAT data, evaluating all your agents to find the ones creating the best outcomes can provide a roadmap for improving the performance of your entire support team. Companies can provide incentives and training for star agents to transfer knowledge across the team so everyone can benefit from their experience.

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While the top three KPIs were clear, survey respondents also emphasized the importance of average response time and resolution time for support tickets. Faster response and resolution times correlate strongly with higher customer satisfaction. Monitoring these operational metrics ensures that support quality stays high.

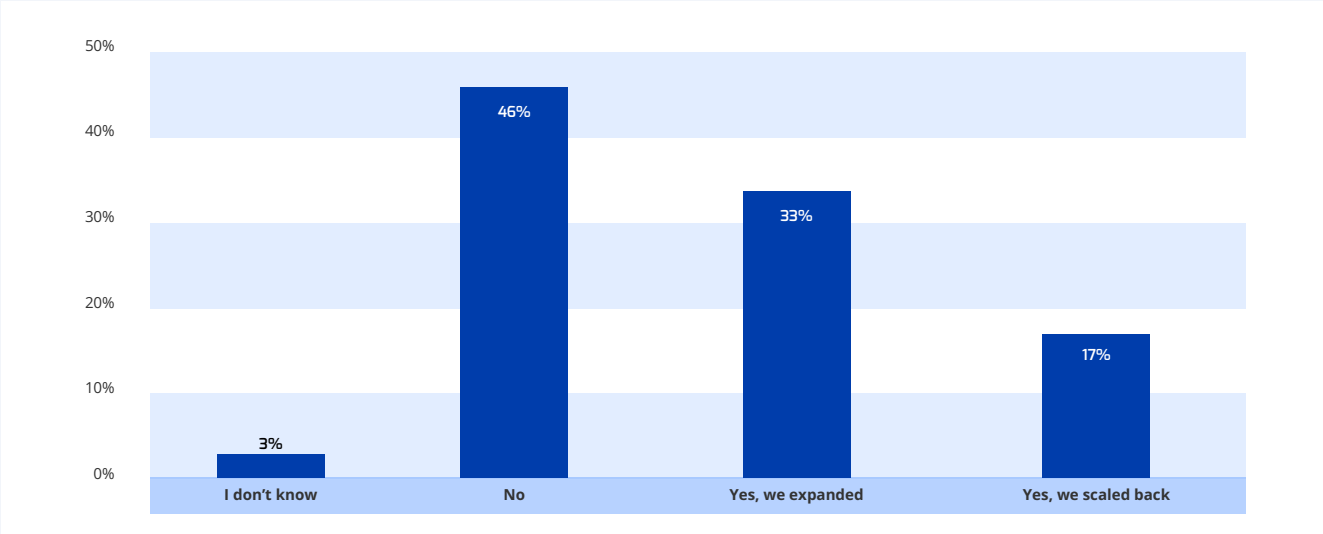


Holistically, the make-or-break issue is whether or not businesses are actively tracking their CX KPIs. Without data, it's impossible to know whether or not improvements have been made. 64.9% of respondents track CX performance, and 100% of organizations with more than 50 team members do so. Meanwhile, 35.1% of respondents said they do not track CX performance, and the largest cohort within that group was organizations with less than 25 team members. It's clear that these KPIs increase in importance as businesses scale up, but savvy smaller teams can gain a competitive advantage by learning from their CX data.

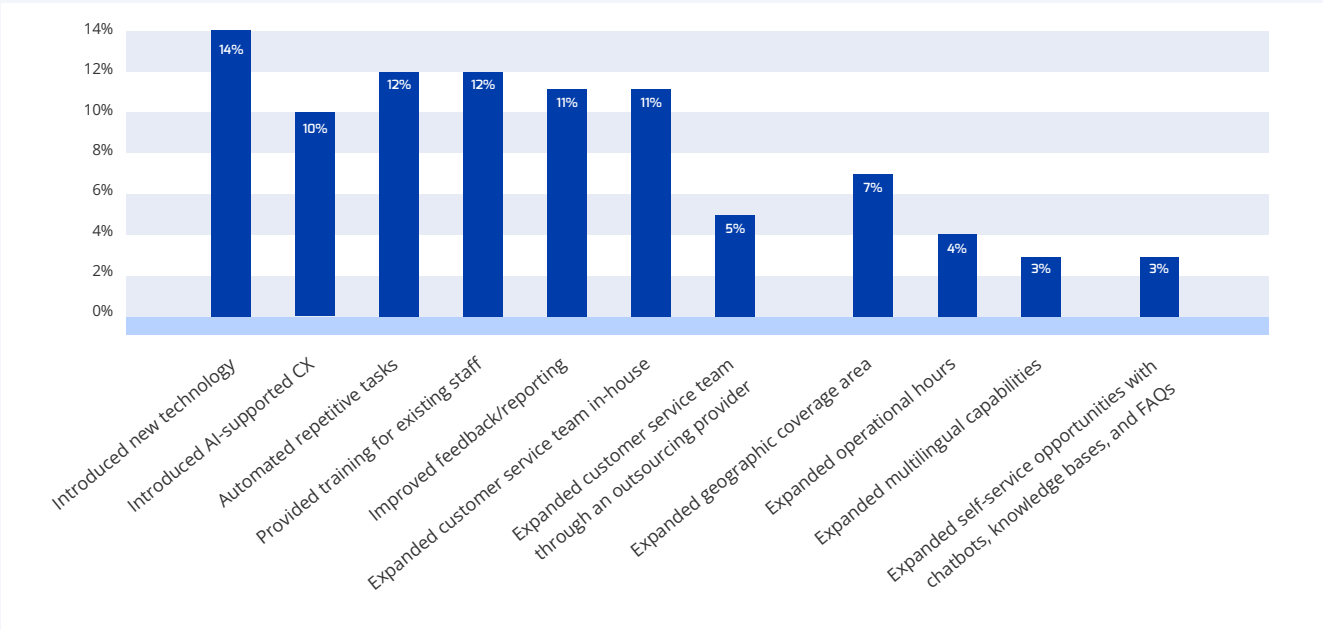
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Some Companies Made CX Changes in 2023, and Others Held Steady

Did your organization change anything about your customer service operations in 2023?



Did your organization change anything about your customer service operations in 2023?



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The largest group of respondents to our questions about changes made to customer success teams indicated that they weren't making any significant changes — a data point that surprised us initially. Of course, the second largest group of respondents was expanding their CX team, which was the expected trend. However, many organizations are investing in technology to reduce their dependence on large teams. We have started to see the erosion of headcount as more self-service options and better visibility are made possible.

Respondents also provided valuable insights into the factors influencing their decisions to enact changes in their operations.

“We wanted dedicated customer service employees to interact with customers rather than employees who do customer service as only part of their job.”

— Human Resources, NVOCC / Freight Forwarder

“Customer turnover rate and churn rate.”

— C-Suite, Warehousing / DC

“Increased sales volume.”

— Finance, Carrier

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After a thorough examination of survey data, we identified the key reasons shaping our discoveries:

They were satisfied with the current performance and metrics. If CX scores and customer satisfaction ratings held steady, companies might have been content with the status quo. Additionally, pandemic-driven changes were still settling. Some customer service transformations made during COVID-19 stabilized last year, reducing the need for further overhauls.

“Current size and volume of business did not warrant change.”

— Operations Management, Shipper

Resource constraints prohibited significant investments. Expanding CX requires hiring, training, and acquiring new technology, for which smaller companies often lack budgets.

“Funds haven’t been allocated yet.”

— Sales, Technology Provider

“[We’re running a] shoestring operation.”

— Sales, Retail

Management was focused on other areas, leading to less attention paid to customer experience (CX). While CX is crucial, it often competes with marketing, product development, and operations for priority within companies..

“Other department changes took priority during that year.”

— Office Administration, Carrier

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Macroeconomic uncertainty led to caution on all fronts. With high inflation and recession risks, businesses took a wait-and-see approach rather than make major CX spending commitments.

“We are not going to risk trying new methods because the current way of operating has stabilized.”

— Operations Management, NVOCC / Freight Forwarder

“Now the company is on the rise, and it is not appropriate to make risky adjustments.”

— C-Suite, Freight Broker

For respondents who indicated they were growing their investment in CX, the main focus was the implementation of new technologies and increased automation, alongside offering more training for their customer service teams. Conversely, many respondents faced common challenges related to staffing costs.

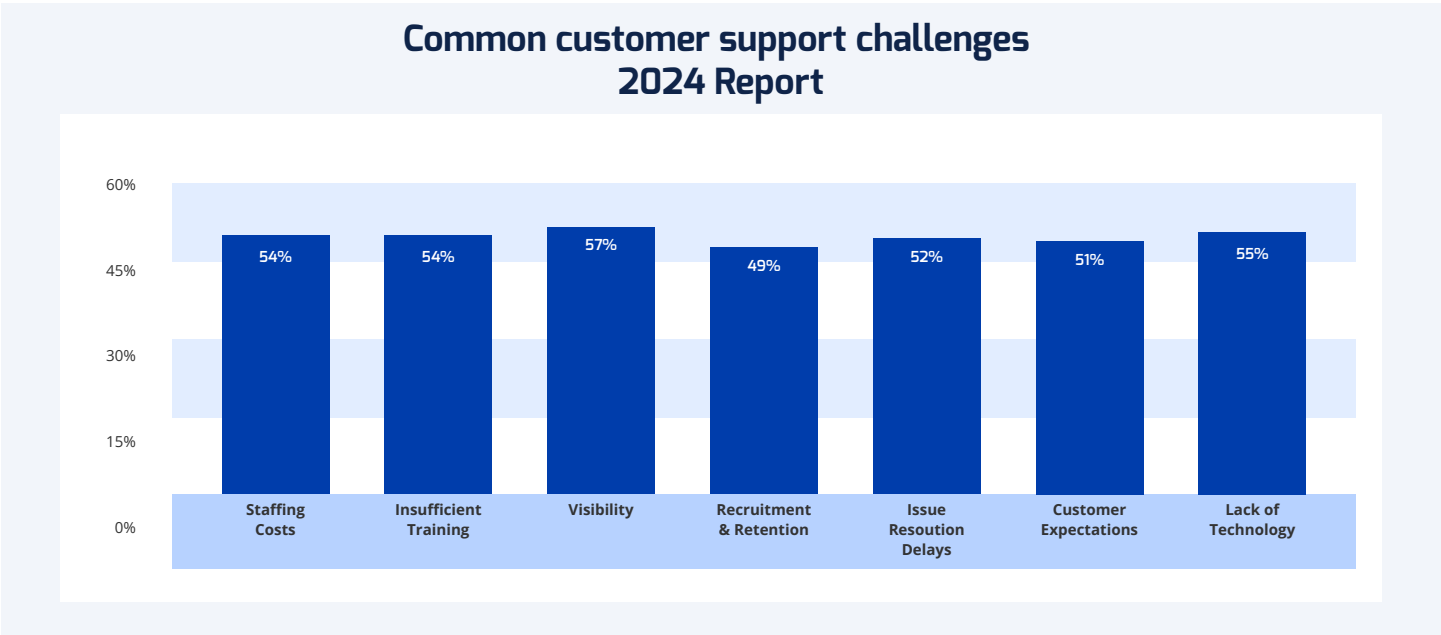
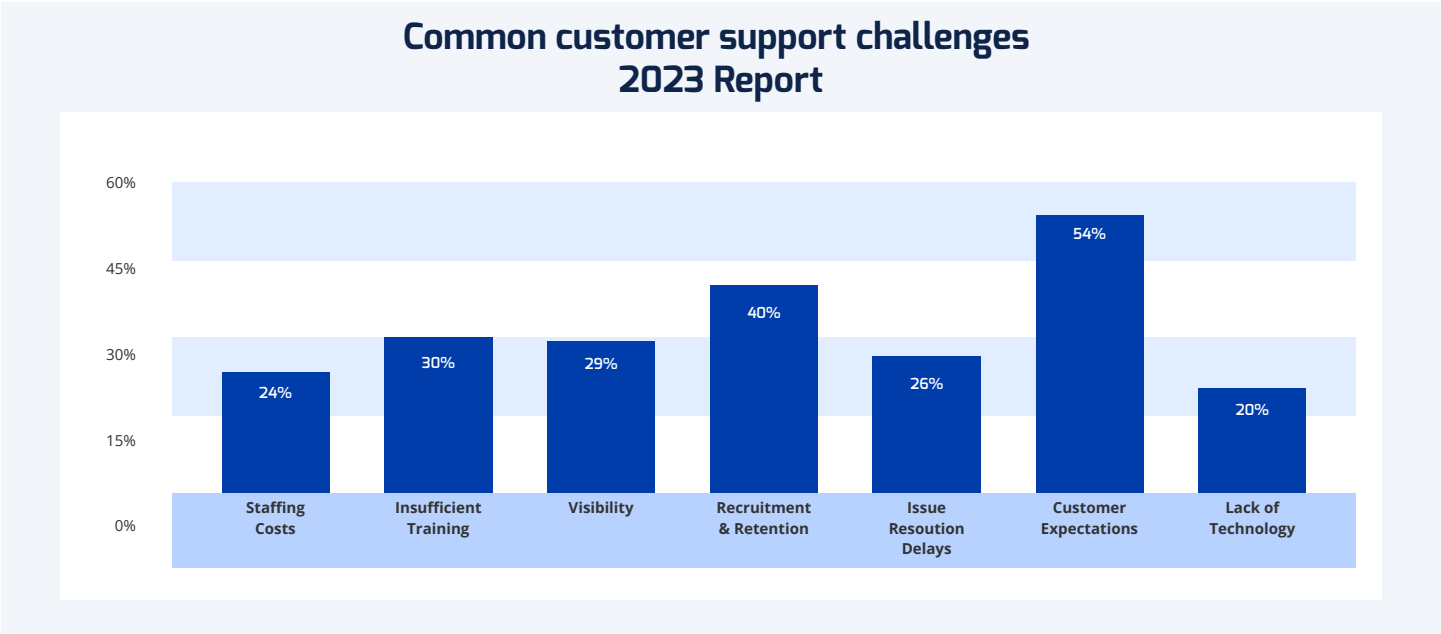
Companies not actively looking to enhance CX technology investments — or at least experimenting with new tools — risk falling behind competitors who are. As one respondent put it, “We’ll use whatever the latest technology is. Nothing planned just yet, but we always test out the latest and greatest.”

Still, with economic volatility, maintaining existing operations may be the prudent short-term choice for some businesses, especially those waiting to see the promise of new AI tools realized in the market.

Survey Insights

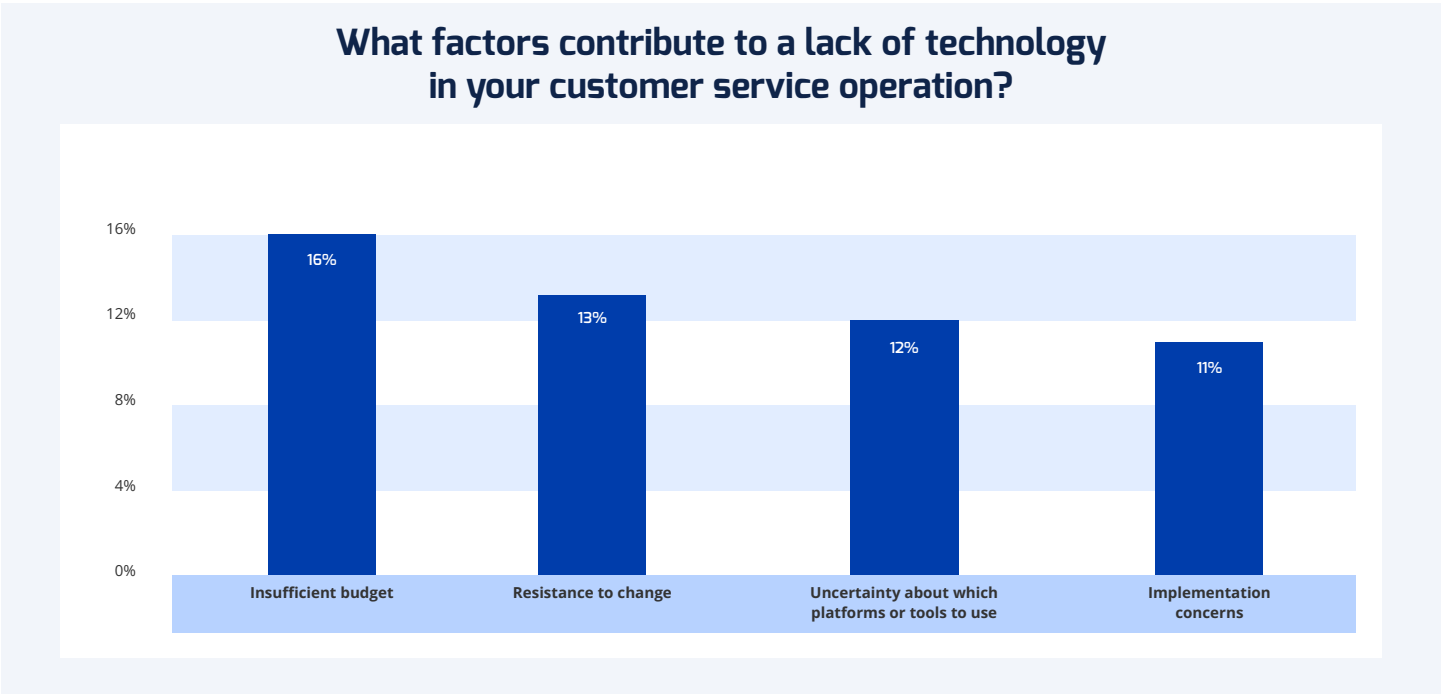
Lack of Technology an Issue for Many Customer Service Teams

In a comprehensive breakdown of the customer service challenges faced by our respondent organizations, the leading consideration was a lack of technology, a significant change from last year’s results. In this year's data, 55% of respondents faced challenges related to a lack of technology, compared to just 20% last year—a 175% year-over-year increase.



Survey Insights

The industry is currently navigating a complex landscape marked by rapid technological advancements and shifting market demands. Despite recognizing technology's pivotal role in enhancing supply chain efficiency and resilience, many companies cannot prioritize technological upgrades in their immediate improvement plans. Insufficient budgets and other common blockers mean that many companies are finding more cost-effective solutions to tackling new technologies, like hiring trusted partners.



There is a strategic shift towards investing in CX teams and enhancing staff training programs. This approach suggests a nuanced understanding among supply chain leaders that technology alone cannot drive success. This emphasis on the human element indicates a broader strategy to create value through improved service quality and customer satisfaction, which, in turn, can lead to competitive advantage and market differentiation.

In the context of limited resources, companies make calculated choices about where to allocate their investments for maximum impact. While technology can be a powerful enabler for organizations, the human element can't be overlooked. Having great teams with experience in the industry can make a major difference in your customers' experience.

CX Strategies & the Future of Customer Service

The world of supply chain CX is rapidly evolving to meet rising customer expectations. As one respondent noted, “It’s important to address customer service needs and trends simply because of the world we live in. People and companies evolve, which causes expectations to adjust too.”

With new technologies and shifting priorities, the most successful teams concentrate on enhancing resolution times and key KPIs. They’re also seeking better insights from data to drive informed decision-making while ensuring sustainable team growth.

The first of these strategies makes sense—improving the quality of customer outcomes will improve your business overall. With a clear set of KPIs to track, such as time to resolution, customer retention, and the performance of top agents, CX leaders have a strong starting point for benchmarking and improving their overall performance. Luckily, this business area has been extensively studied, and a wealth of best practices are available to companies trying to move the needle for any given CX KPI.

Enhancing data visibility marks the first stride towards informed decision-making — a pivotal first step to embrace. Without visibility, meaningful change will always be challenging to enact. Additionally, it’s essential to define terms like “customer satisfaction” in measurable ways so that there’s a mutual understanding of what’s being tracked and why. However, merely gathering and presenting data visually is the initial phase. The most successful organizations will distinguish themselves in the future by transitioning from raw data to valuable insights and eventually to meaningful actions.

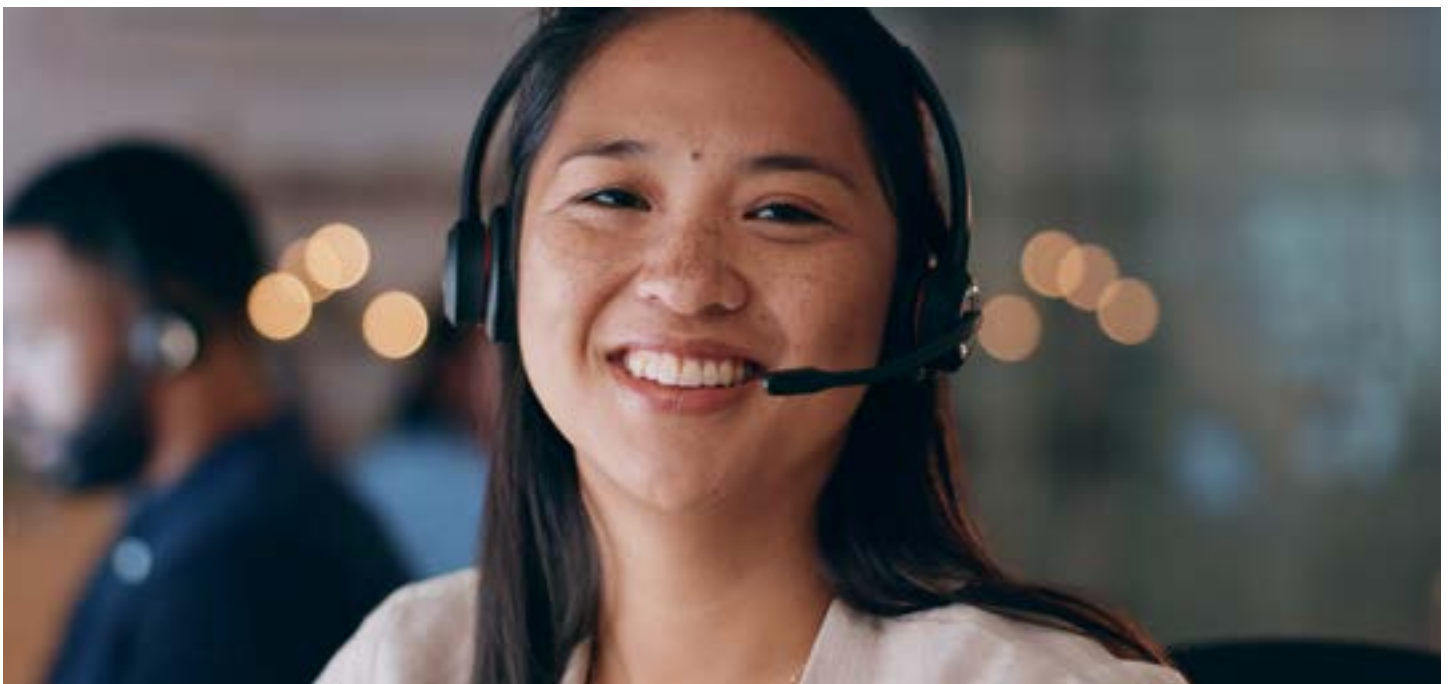
The third key area to focus on in 2024 is sustainably scaling up support teams to meet client expectations. Historically, in-house support teams have been difficult to grow and manage effectively and are often viewed as a cost center within businesses to be minimized rather than a driver of LTV to be invested in. Our data supports the latter view — investment in CX drives LTV, but the question of where to invest remains. Many leading organizations are finding success by combining technology and business process outsourcing (BPO) to find the best balance between costs and outcomes.

In Conclusion

One survey respondent's sentiment seemed to encapsulate the trends we have seen emerging perfectly:

“Maintaining high standards of product quality and customer service is crucial for the success of any business in the supply chain. It's not just about moving products from point A to B but ensuring that the customer's needs and expectations are met or exceeded at every step of the process.”

We couldn't agree more. All the data points in this direction — customer experience is a differentiator no one can afford to ignore. Customers have higher expectations than ever and will go where they feel valued.



About DDC FPO

As a member company of The DDC Group, DDC FPO is committed to delivering solutions that enable clients to focus on core competencies and achieve their goals. Solutions include [Freight Billing](#), [Customer Service](#), [Sales Support](#), [Customs Brokerage Processing](#), [DDC Sync](#) (an intuitive mobile app for in-cab, data capture of freight documents, and a robust web portal), [Auto-Extraction & Structuring](#) (a real-time, automated data processing solution), and more. The company is currently responsible for processing over 300,000 daily shipments, moving between 33 countries.

Established in 1989, The DDC Group is a worldwide network of business process outsourcing (BPO) experts powered by a global team of over 5,000 professionals to service clients in over 30 languages. Our hybrid approach leverages innovative technology, proprietary workflows, and subject matter expertise in a customizable framework to equip you with long-term cost containment and uncapped revenue potential.

If you're ready to start improving your customer support services, DDC FPO can help. Our Customer Care suite is designed to turn the average customer lifecycle into a long-term, relationship-building funnel and revenue driver while removing the burdens of recruiting and onboarding staff in-house.



Get in touch with us
to learn more.



www.ddcfpo.com



+1 303 674 0681
+44 800 011 2750



info@ddcfpo.com

