

HubSpot



2024 Annual

State of Service Trends Report

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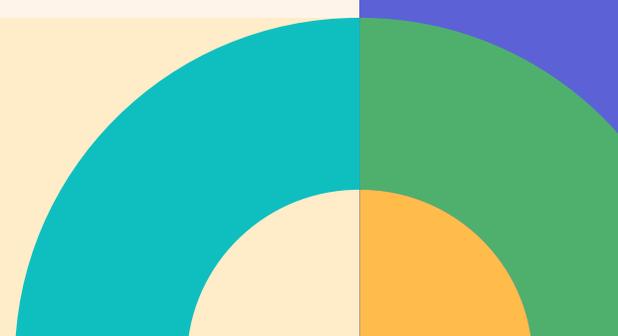
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FOREWORD

Recognizing + Celebrating Service Leaders



Jon Dick
Senior Vice President of Customer Success, HubSpot

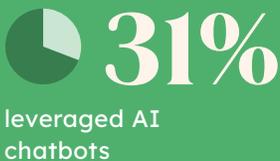
As service leaders, we're always focused on moving forward. Not to just pat ourselves on the back—but to get results for our business, learn new ways to support our teams, and constantly provide better experiences for our customers. As people-focused professionals, it's easy for us to get tunnel vision and focus only on what lies ahead. But there's a lot of completed progress that we should recognize, as well.

Coming out of 2023, there's a lot to celebrate about service leaders. You rose to the challenge, led your teams through one of the most tumultuous years the service industry has

experienced, and came out the other side with stronger strategies to use going forward.

Don't just take it from me—take it from the data. In 2023, we saw customer experience (CX) teams focus on uniting with other internal departments to analyze customer feedback, trial artificial intelligence (AI), and deploy customer relationship management (CRM) software to deliver consistently excellent experiences across the omni-channel. These solutions will be beneficial in the future of CRM, which is looking increasingly personalized, detailed, and interconnected.

Most common Customer Experience strategies in 2023



In our 2024 State of Service survey, we set out to pulse check the service industry and observe how leaders were navigating new challenges.

The three recurring themes we heard from leaders like you were:

- Rapidly changing consumer expectations
- The advent of the AI-powered chatbot
- Unification strategies for cross-department collaboration

Implementing new tools while maintaining—or surpassing—target customer satisfaction (CSAT) levels is a tall order. But at HubSpot, we were pleased to see that service leaders not only managed to do just that around the world—the vast majority of the leaders we surveyed said that their efforts effectively drove up CSAT.

As commendable as these efforts are, service leaders are still looking for ways to grow. While you look towards the future of CX and prepare to embrace productivity software and stay agile against market headwinds, we'll take a page from your book and continue conducting research that empowers you to reshape the service industry into a more efficient, exciting place.

Take a look at our 2024 State of Service survey findings and get ready for the work to come—but don't forget to celebrate the work that's done.



In This Report

- ✓ Exclusive insights from worldwide CRM leaders
- ✓ Helpful statistics on the state of the CX industry
- ✓ An analysis of modern customer behaviors
- ✓ A closer look at the AI opportunity in CRM
- ✓ Challenges in reaching internal alignment
- ✓ Strategies for staying agile in 2024 and beyond

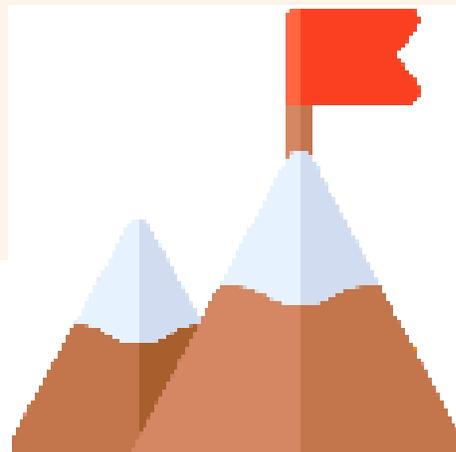
INTRODUCTION

A Personalized Future

Efficiency Is Key in Every Channel

As a business grows, its customer service team adapts to a changing ecosystem—one where every stage of the customer journey is more digital, personalized, and demanding. CRM leaders feel pressure to not only find solutions that drive CSAT, but also identify strategies that are scalable. Striking this careful balance can often feel like a juggling act—and CRM leaders are rising to the challenge by prioritizing efficiency in ticket resolution.

Omni-channel customer support, such as social media and online chat, is empowering teams to manage service tickets faster. That speed is necessary, with 75% of service leaders saying their teams are seeing a notable uptick in tickets compared to past years.



The average customer support professional uses **4 separate tools** to support their role



75%

of CRM leaders say they are receiving more customer service tickets than ever before

Top challenges CRM leaders are facing



21%

adapting to customer expectations



22%

understanding customer needs



21%

scaling operations with company growth

To keep pace with the increasing cadence and demands of customer expectations, many service leaders are experimenting with artificial intelligence (AI) tools. And the results are promising.

AI equips service reps with personalization tools that help alleviate tension without negatively impacting CX. When it comes to grammar-checking emails, adding a personal touch to a message, or even handing off a ticket to a chatbot, AI is keeping ticket resolution times low while making customers feel valued. **That personalization is crucial in the future of CRM,** where more than three-fourths of customers are expecting a higher level of personalized interactions.

It's not surprising that some service leaders are struggling to keep up with the rapid growth of AI, customer demands, and omni-channel support. That's why many CRM leaders are finding strategies to keep their teams moving while also pursuing growth.

When it's time to focus on what matters most—excellent customer experience (CX)—CRM leaders can turn to solutions from HubSpot for an efficient way to take charge and grow better, without cutting into budgets.



84%

of CRM leaders see AI as an instrumental tool for interacting with modern customers



78%

of customers expect more personalization in interactions than ever before



Growth strategies + outcomes from service leaders

- | | | |
|--|----|---------------------------------------|
| Implementing self-service models | »» | Meeting customer needs |
| Collaborating with sales and marketing departments | »» | Enhancing customer journey visibility |
| Using CRM software | »» | Streamlining workflows |

Key Findings



of CRM leaders say AI has improved their customer service response times



of customers expect immediate problem resolution from customer service agents



of customers expect more personalization in interactions than ever before



of CRM leaders believe AI will handle most ticket resolutions by 2025



of CRM leaders say AI has improved their customer service response times



of CRM leaders report that tool switching makes ticket resolution take longer



of CRM leaders plan to increase AI investment in 2024



of surveyed organizations use CRM tools in customer service operations



of CRM leaders say their customer data is fully integrated with their service tools

CHAPTER 1

Evolving Customer Expectations



How Customer Needs Are Changing

A ticket resolution is no longer just a phone call or email away. Customers are reaching out to support teams in a number of digital ways, from SMS to online chat to social media. The demand for service is the same, but the customer journey is increasingly unique. In fact, in 2023, there was a large amount of evidence to support the conclusion that some **customers preferred to handle resolutions themselves.**

Understanding what the customer needs from a service rep is an ongoing challenge for CRM leaders. But across interactions, three common denominators appear in most customer service interactions: **ticket resolution speed, self-service demand, and personalized responses.**

Ticket Resolution Speed

Meeting customer expectations is already a powerful incentive for resolving tickets quickly. But keeping volume down is just as important. With more access to service teams through omni-channel avenues, customers expect faster resolutions to their requests, as well. More than half of CRM leaders report that their customers expect problem resolution in three hours or less.

Resolving tickets is a time-critical step in the customer journey, and efficient responses from service reps are key to reducing churn. But agile service from reps with overflowing inboxes isn't always feasible. So, how are CRM leaders handling the demand?

Strategies for Reducing Time Per Ticket

Self-service options

CRM leaders used solutions like online information centers to anticipate routine issues, such as user error or website navigation. These information centers put problem resolution in the customer's hands and eliminated some tickets altogether

Omni-channel support

Staffing reps for a number of stations across social media, phone, email, SMS, and chat helped CRM leaders reduce channel congestion and keep resolution times manageable.

AI tools

By integrating AI solutions with existing CX strategies, reps were able to focus on more complex problems, while more routine problems were resolved by software.

71%

of CRM leaders believe the modern customer service experience takes too much time

CRM leaders who focused on reducing ticket time in 2023 were able to **mitigate unwanted outcomes like churn**—and at the same time, they also drove up CSAT, which **supported overall retention** for their organizations. Service reps can often serve as a lifeline for a customer who is thinking of ending services with a company. By resolving tickets quickly, service reps help protect their business’s reputation, drive up CSAT, and demonstrate their value in the company’s future.

Self-Service Demand

In 2023, CRM leaders saw the rise of a new type of customer: a DIY-er, unintimidated by self-service channels. Identifying this growing market uncovered a powerful new opportunity for service teams looking to streamline operations and mitigate growing ticket volumes. In fact, **78%** of service leaders believe their customers aren’t afraid to take on problem resolution themselves.

DIY customers don’t appear to be interested in waiting for responses, explaining their difficulties to agents, or nurturing a personal relationship with a service rep. Instead, these customers turn to online resources, such as information centers, to address their problem quickly and independently.

Appealing to the DIY customer means that CRM leaders can influence the future of the service industry—without sacrificing CSAT. Information centers can anticipate a number of customer problems and empower them with an independent path to resolution. Driving customers to information centers, encouraging them to search for existing resources, and rewarding them with interactive elements along the way can reduce strain on service teams and free up their time for more complex problems. CRM leaders see DIY customers as a promising path forward, and they’re willing to invest in these solutions to see their goals realized.

Customer ticket resolution time expectations



Within 3 hours



Longer than 3 hours



of CRM leaders will prioritize independent customer service solutions in 2024



of CRM leaders say that customers prefer to solve issues independently



47%

of CRM leaders say their customer service experiences are highly personalized

Personalized Responses

As one of the highest customer demands in 2023, personalization is a big priority for service leaders planning their future strategies. And these strategies are already underway: nearly half of CRM leaders say they currently offer very personal CX in their organizations. But for the other half of service leaders, forging ahead with personalization at the front of mind can offer some convincing benefits.

What Are the Benefits of Increasing Personalized Service Interactions?

Improve CSAT

Customers react positively to agent interactions when they feel recognized and valued.

Increase customer LTV

Satisfied customers are more likely to engage with their organization for a longer period of time.

Increase ROI

Customers with higher LTV translate to better bottom lines for service teams' organizations.



86%

of CRM leaders say AI makes customer correspondence more personalized

While offering more avenues for personalization can lead to promising KPIs for a service team, those avenues can also pose more challenges that CRM leaders should be aware of. Personalizing experiences at a highly tailored level can be time consuming—and set a precedent with customers. Striking the balance of personalization that enhances CSAT, while managing time spent per interaction, is an ongoing challenge for service leaders. But the profit potential may be worth the battle.

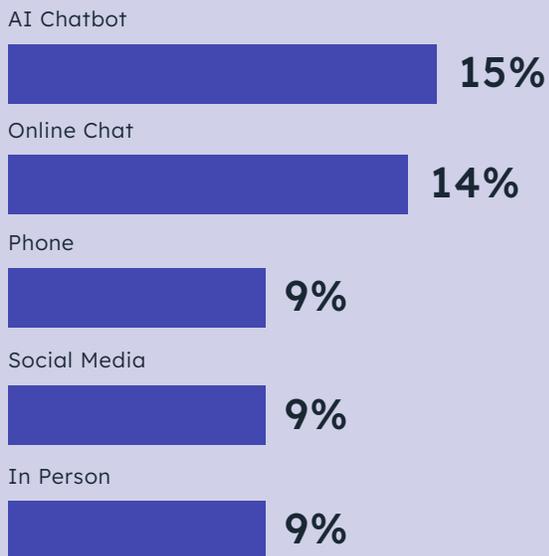
Empowered Agents Empower Customers

The growth of the independent customer who expects immediate problem resolution with a personal touch is nothing new to many service leaders. But offering that level of expertise means that service reps must be willing to adapt. Whether it's experimenting with a new AI-powered tool or developing a small library of online user guides, service leaders can meet the growing demands of customers by first supporting themselves.

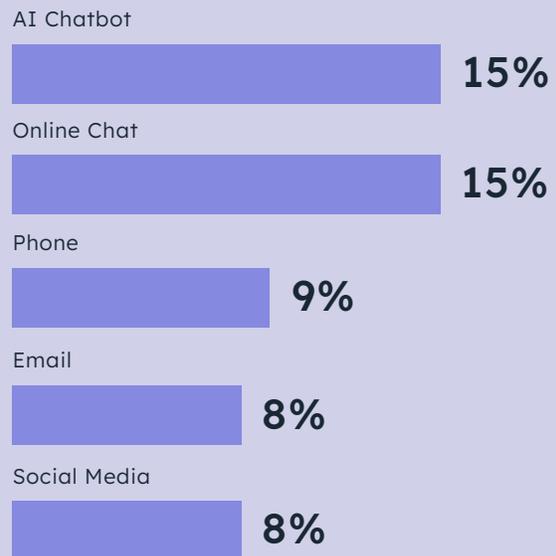
Consider the case of omni-channel customer service. Tech-savvy, DIY customers often prefer self-service tools like AI chatbots before they turn to a phone call or even an email. Listening to customer preferences helped CRM leaders see that these preferred channels are often the most effective. By emphasizing these initiatives, service leaders give their teams the tools they need to be successful while driving CSAT—and retention—all at once.



Most effective customer service channels

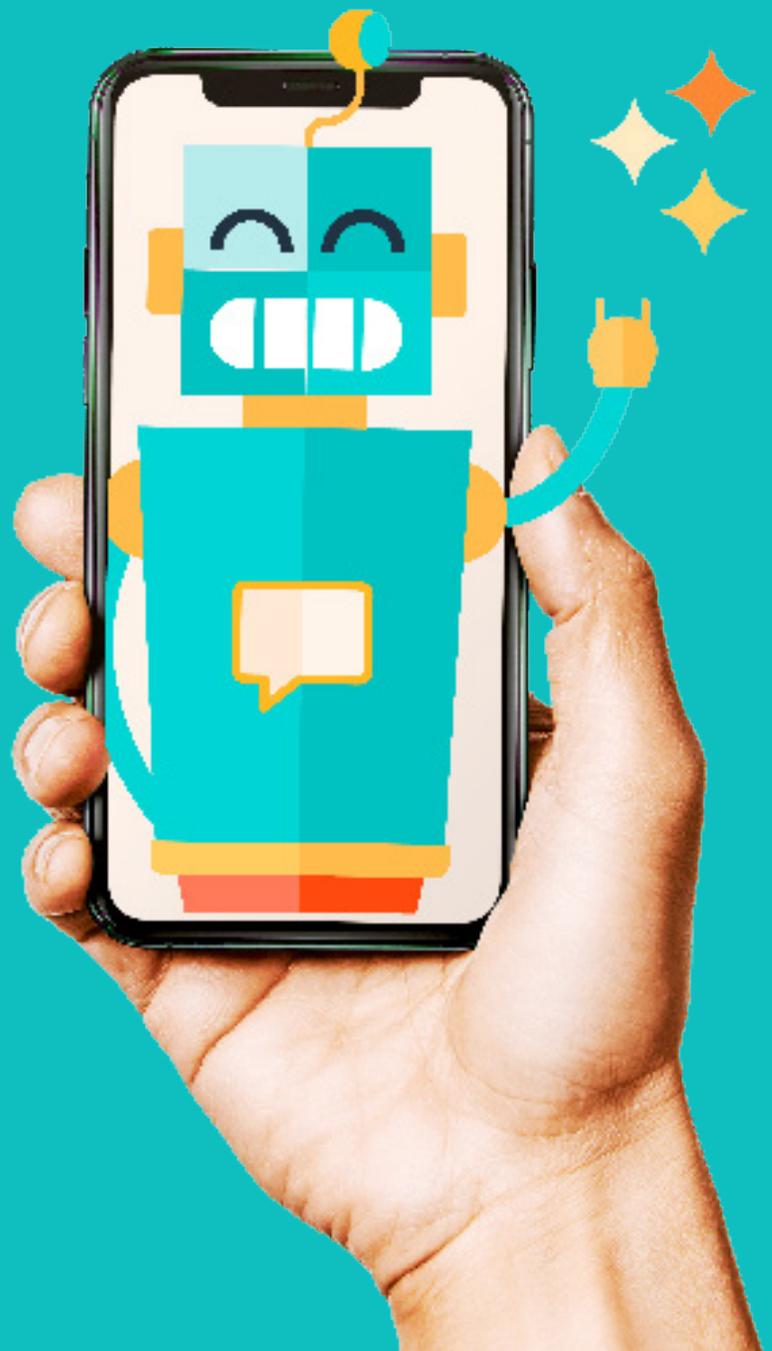


Most preferred customer service channels



CHAPTER 2

AI Has Entered the Chat



AI: More Than a Buzzword

Artificial Intelligence (AI) is everywhere—but what does that actually mean? Is AI just another entry in a list of jargon? Is AI worth investing in, or will the trend fizzle away by 2025?

On all accounts, AI is more than just jargon. It's a powerful, versatile tool that enables better CX—and better efficiency—without a hefty impact on a service leader's budget. Service leaders believe AI is paving the future of CRM, and is well worth the investment. Today, **more than 75% of service leaders are already using some form of AI technology** in their daily tasks.

What Can AI Do for My Team?

- Personalize customer interactions
- Surpass KPIs like retention and customer LTV
- Support long-term scalability

Customer demand is aligned with the AI movement, as well, with the majority of service leaders indicating their **CSAT levels rise with the presence of AI-powered customer support**.

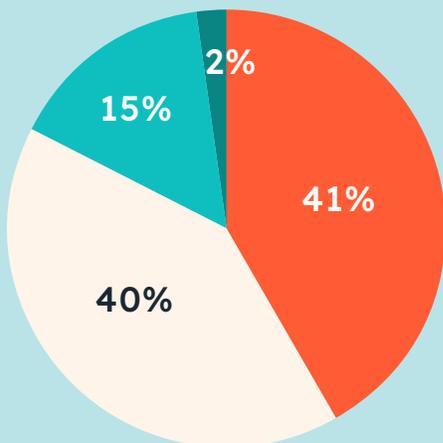
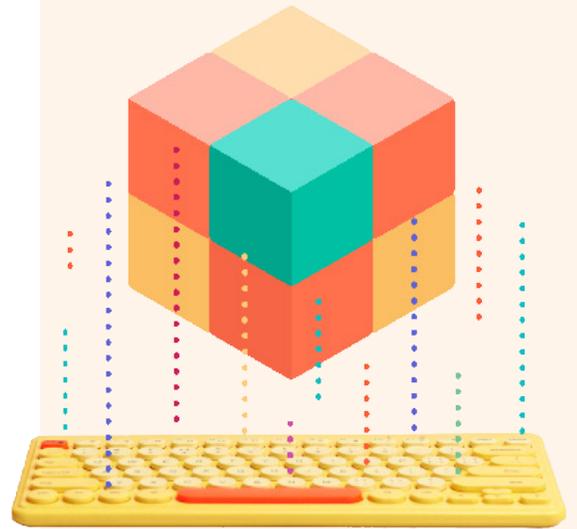
CRM leader AI usage



Use AI



Do not use AI



CRM leaders who believe most customer service professionals will use AI by 2025

- Strongly agree
- Agree
- Neither agree nor disagree
- Somewhat disagree

Ways That Service Leaders Can Drive Results with AI

 **92%**

of CRM leaders say AI has improved their customer service response times

 **86%**

of CRM leaders who use AI say it has positively impacted CSAT

 **83%**

of CRM leaders say AI makes it easier for them to respond to service requests



Personalize Interactions

As one of the most recurring trends of 2023, personalization still rises above other CRM goals in 2024. Service leaders can leverage AI to offer deeper levels of personalized responses per customer interaction. For example, AI can parse a customer's data and offer tailored suggestions for crafting messages that will resonate with their preferred communication style. In some cases, AI can even help service reps recall important details from past interactions.

Offering this level of white-glove service at an efficient speed normally isn't possible for agents with large ticket volumes, but for many CRM leaders, AI is making that personal touch a reality.

Integrate AI Chatbots

As 2024 progresses, the AI chatbot is becoming more popular with customers and CRM leaders. They are one of the most demanded—and effective—solutions in CX. So how do they work?

AI chatbots serve the same function as human service reps who staff an online chat channel. They respond to customer inquiries, offer problem resolution, and escalate more difficult queries when necessary. Because AI learns from interactions in real time, the technology can often offer faster issue resolution than a service rep can, which is a big priority for customers.

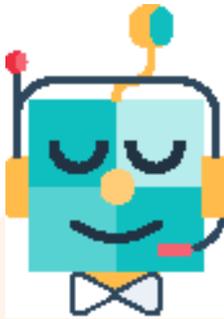
As service leaders look for ways to integrate AI with their daily operations, they are turning to AI chatbots to handle queries and alleviate pressure on service reps. And with some chatbot creators offering free options to service leaders, there's a future-proofed opportunity to start increasing ROI immediately.

Support Cost-Effective Scalability

About 86% of service leaders say that they were able to scale their team activities in 2023 by integrating AI technology with their operations. And more than half of service leaders say AI supports scalability better than onboarding new staff.

While AI can raise eyebrows, especially when it comes to filling staff roles, the technology is suited to support existing staff members by taking on simpler inquiries. In most cases, **AI doesn't replace human staff**—instead, it empowers them to handle more complex tasks and grow in their professional careers.

At the same time, AI can speed up routine tasks and make personalization a possibility for every customer interaction, driving up retention as a result.



Build Your Own Chatbot for Free

Creating your own AI chatbot is easy with HubSpot! In just minutes, you can offer 24/7 customer support on your website with tailored AI responses that feel natural and conversational. Use HubSpot's AI Chatbot Builder to:

- Qualify leads
- Book meetings
- Trigger email campaigns
- Measure performance analytics

 **86%**

of CRM leaders who use AI say it has helped their operations scale

 **65%**

of CRM leaders say AI is more effective for scaling service operations than hiring more reps

Improve ROI

AI-powered software—especially options with free plans or trials—can offer high potential for ROI, making it an attractive solution for service teams. In fact, CRM leaders are planning to increase investments in AI technology throughout 2024. There's risk and reward—like most investments—because unoptimized AI spending can also drive an increase in spending. If scalability is the goal, then careful, strategic investments in the right solutions can empower service leaders to support long-term growth.

AI's impact on customer service spending



How Can I Choose the Right AI Technology for My Investment?

- Analyze customer demands over the past 6–12 months of operations.
- Identify recurring trends in customer requests.
- Discuss workflow gaps with service reps.
- Shop around for several AI solutions and quotes.
- Consider opting for free trials or monthly subscriptions.
- Reevaluate your needs once or twice a year.



An AI-Powered Future for CRM

CRM leaders say that AI is changing the way that customer service will operate in the future. Many are optimistic that AI will become powerful enough to resolve most routine tickets by 2025. That means service reps will begin to take on new responsibilities that are complex, but also more rewarding. How those roles will change is up to every organization, but CRM leaders predict that rep roles will become more tech focused. For example, managing backend analytics—or troubleshooting problems with AI technology—might become the new norm for reps who are currently overburdened by ticket volume. This can help increase job satisfaction and reduce internal turnover, while also freeing up reps to offer better CX.

An AI learning curve might be in store for internal teams, but CRM leaders don't expect that to translate into confusion for customers. In fact, CRM leaders see current CSAT levels as a promising indicator that AI is here to stay. By leveraging AI to personalize and scale customer interactions, CRM leaders are driving up ROI and investing in the future of their service reps.



of CRM leaders believe AI will handle most ticket resolutions by 2025



of CRM leaders plan to increase AI investment in 2022



Choosing the Right AI Investment

CRM leaders can get the most from their investment by choosing solutions from established CX partners who understand how and why AI matters to service reps. HubSpot, for example, provides AI technology within Service Hub, a CRM software that empowers end-to-end customer journey visibility without driving up external costs.

CHAPTER 3

Eliminating the Silo: Pursuing Internal Alignment



The Reality of Disconnected Teams

Service leaders often balance conflicting expectations—not only from customers, but from internal teams, as well. If a sales department offers an error-prone perk to close a sale, or marketing advertises a product with disclaimers only listed in fine print, customers can have unrealistic expectations that lead to tickets—and potentially to churn.

Does that mean sales or marketing teams are at fault? Not necessarily. But when service leaders encounter these problems frequently enough, there's usually a common diagnosis: lack of communication.

Ineffective communication leads to silos where customer service, sales, and marketing operate separately. But, as service leaders indicated in 2023, **the customer journey often doesn't follow the same designated sequence** every single time. When service questions are asked during top-of-funnel conversations, or sales questions appear in a service ticket, ineffective communication can cause visibility gaps—and quickly decrease CSAT as a result.

So what can service leaders do to eliminate silos and increase full-journey visibility?



of surveyed organizations use CRM tools in customer service operations

Meticulous record keeping with CRM software can help service reps visualize every stage of a customer's experience—and identify opportunities for sales and marketing teams, as well. **CRM software is a powerful solution that unifies teams across the board.** It might be surprising, then, to learn that only 68% of service leaders say their organization uses CRM in their day-to-day operations.

Fortunately, service leaders found that it wasn't too late to turn things around. They adopted a few strategies that drove results for their teams in 2023, including:

- Integrating CRM software
- Consolidating tools
- Sharing results with other departments

Internal alignment can be as simple as instituting a weekly stand-up, or as involved as onboarding new CRM software. Whichever way CRM leaders chose to unify their departments in 2023, they saw alignment as a powerful driver for profitability—not only for their service operations, but for their organizations, as well.



Pursuing internal alignment is a cost-effective way to drive ROI.

CRM leaders have identified the following KPIs and strategies for pursuing alignment, but in 2024, they're still working to make unification a reality. While many service leaders said alignment was their leading goal for the year, they also said it was the area where they had the most work to do.

Top KPIs for Internally Aligned Teams

Personalization

Full-funnel visibility can help service agents offer a personalized response to a customer instead of defaulting to generic problem resolution tactics.

Retention

Customers who feel valued at every stage of their journey will be less likely to churn.

Operation costs

Unification strategies can involve new streamlined software, which eliminates tool sprawl.

Operational efficiency

Onboarding new software can help service reps spend less time switching between disparate tools.



Challenges While Pursuing Alignment

A fully integrated service team with single-pane-of-glass visibility doesn't happen overnight, but service leaders are taking active steps to make it happen for their teams. Common challenges arose for many service leaders throughout 2023, and facing them required out-of-the-box thinking.

CRM Software

Because many teams didn't use CRM software in 2023, service leaders considered what a new software solution should accomplish in their daily operations. Prioritizing CX was the leading pain point for nearly half of surveyed service leaders.

Internal alignment and higher data quality followed closely behind. Profit and efficiency were also leading concerns, with many service leaders reluctant to onboard a new solution that could negatively impact ROI.

Simplification was also a concern for service leaders. Would new CRM software actually make tasks more efficient for service reps, or would the software be yet another tool in a crowded toolkit? Examining solutions with a critical eye helped service leaders not only determine the reasons why they could benefit from CRM software, but also identify which solutions weren't compatible with their goals for scalability.

Top pain points that CRM leaders want software to address



Tool Sprawl

As customer service becomes increasingly digital, service leaders find their teams facing many of the same problems that IT professionals handle. Evolving complexity, the speed of innovation, and tool sprawl all make it more challenging to provide high-quality, personalized service for customers.

Out of these challenges, **tool sprawl is by far the most widespread**. An overwhelming 74% of service leaders shared that tool switching negatively impacted their teams' efficiency and slowed down ticket resolutions.

How Does Tool Sprawl Happen?

Ineffective strategy

Some teams might use more tools to increase visibility—but tool switching and internal confusion can actually have the opposite effect.

Infrequent evaluation

Neglecting to evaluate a team's current needs can lead to nonoptimized tools stacking up—and cutting into ROI.

Insufficient tool capabilities

If you're continuously adding tools to your daily operations, you may be creating conflicting outputs that don't integrate with each other. It's often better to opt for fewer tools that promote seamless integration.

Many service leaders believe that combating tool sprawl is a worthwhile effort in 2024. Because inefficient tool switching can take up a service rep's valuable time—and lead to longer ticket resolutions—teams have a powerful motive to consolidate wherever possible.

74%

of CRM leaders report that tool switching makes ticket resolution take longer

35%

of CRM leaders say their customer data is fully integrated with their service tools

Low Visibility

Understanding every stage of a customer’s journey is crucial for service reps looking to drive CSAT. But in 2023, achieving that level of visibility was not only challenging—it was elusive for the majority of service teams. Only 24% of service leaders had full-funnel visibility of their customer’s experience, with more than **75% of leaders facing gaps in their data.**

Those gaps are the direct result of internal misalignment, but they’re also symptoms of ineffective CRM software. Software that only examines certain stages of the customer journey—or only analyzes hand-fed data—can’t offer the context that service reps need to interact with customers on a personalized level. With large enough gaps in visibility, some service reps might make educated guesses about what a customer’s experience has been like with their organization. And assumptions can lead to unwanted consequences like churn.

As ticket volume increases and resolution demands become faster, the modern CRM leader often finds AI-powered solutions a must-have for keeping pace with every customer on an individual level. That’s the benefit of AI software: it can integrate with an organization’s end-to-end data, analyze it in real time, and offer full visibility in a single pane of glass. These benefits make it clear why **71% of CRM leaders plan to increase AI investments in 2024.**

Only
24%

of CRM leaders say they have full visibility of their customer’s journey



Inefficient Communication

To combat internal misalignment, service leaders can prioritize meaningful conversations with colleagues who assist customers at key points along their journey. Reserving times on calendars or investing in collaboration tools can help mitigate the effects of silos, which are recurring problems that service leaders face.

While it’s difficult to make time for all-hands meetings when tickets are quickly hitting inboxes, service leaders may find the effort worthwhile. By collaborating with marketing and sales departments, customer service reps can share valuable insights for the latter parts of the customer journey, influencing how sales can refine pitches or marketing can develop new creative. In return, sales and marketing teams can share tactics with service teams and explain what’s resonating with customers earlier in the funnel. This alignment is crucial to driving up CSAT—and it can also have a positive impact on customer LTV, with opportunities to cycle customers back into a sales funnel after consulting with a service agent.

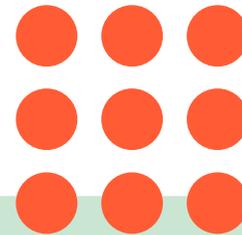
Service leaders can also find ways to consolidate customer data for simplified sharing. CRM software can often accomplish this, and AI can help streamline the process so teams can focus on delivering excellent CX.

CRM Software as a Single Source of Truth

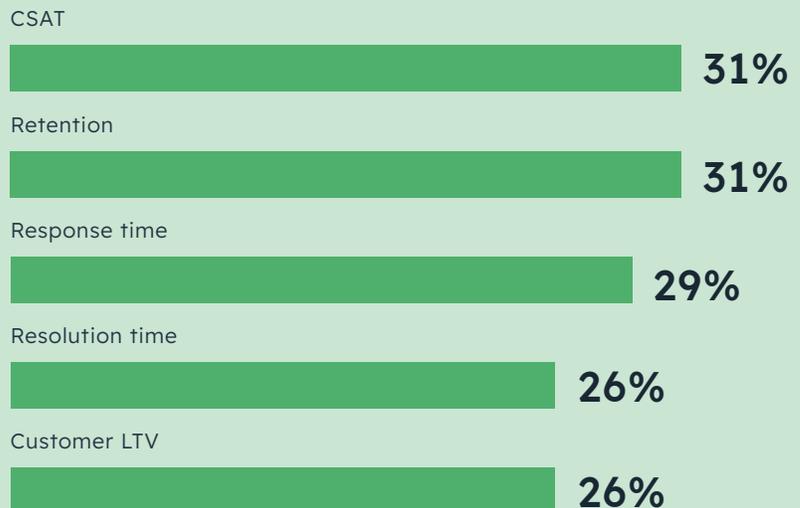
With misalignment, tool sprawl, and ineffective software posing challenges for service leaders, investing in a single source of truth is a top priority for many organizations in 2024. But simply adding another product to a service rep’s toolkit isn’t advisable for service leaders looking to streamline operations. Instead, many leaders are investing in solutions that can track KPIs, demonstrate profitability, and simplify a service rep’s day-to-day, all at once.

A third of all service reps want CRM software that will track CSAT and retention, with time spent per interaction and LTV closely following in their list of priorities.

These KPIs are easily shareable with other teams—which can support internal alignment—but they’re also quantifiable metrics for conversations with executives. Service leaders who want to demonstrate ROI are turning to CRM software as a valuable tool, not only for streamlining operations, but for sharing those results with budgetary stakeholders. **When it comes to a single source of truth, the resounding solution for service leaders appears to be CRM software.**

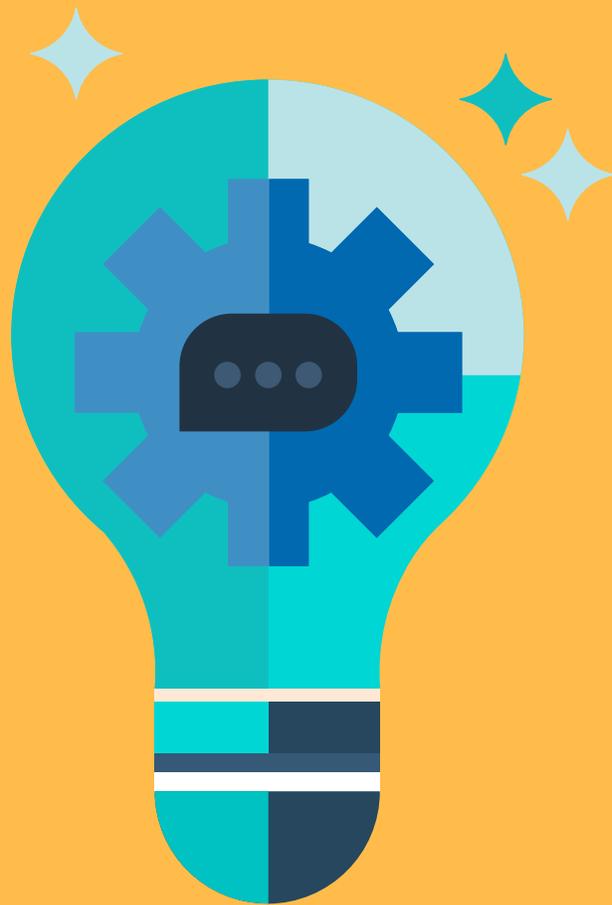


Top metrics that CRM leaders want to track throughout CX



CHAPTER 4

Strategies to Streamline CRM



Preparing for a Connected Service Future

Looking back, it's easy to see that service leaders juggled a number of difficult challenges in 2023. At the same time, those leaders also found future-proofed solutions for addressing challenges and coming out with more efficient strategies that matter to customers—and to stakeholders.

Understanding evolving customer demands, integrating AI software, and pursuing internal alignment are ongoing efforts for service teams, and leveraging the right solutions is key to demonstrating ROI and achieving KPIs.

This is where CRM software comes in. With the right features, software can blow customer expectations out of the water, propel teams into an interconnected future, and equip service reps with the tools they need to demonstrate value at every stage of the customer journey.

If you're ready to execute on these insights from 2023, let's take a closer look at ways that service leaders are planning to act.

Top CX goals for CRM leaders



Increasing investment plans in 2024



Leverage AI throughout the customer journey



Leverage omni-channel customer support



Leverage CRM as a single source of truth



Leverage self-service opportunities for customers



Leverage personalization opportunities



First, it's important to know the primary goals that service leaders are aiming to accomplish in 2024. Within CX, service leaders want to improve retention, drive CSAT, and improve internal collaboration. These are actionable goals supported by trending responses from a number of service leaders. **So where do service leaders plan to invest their efforts in 2024?**

Most service leaders plan to increase investments in AI solutions, omni-channel support, CRM software, and self-service options that all ladder up to more personalized experiences for customers. However, it's not typically advisable to invest in separate products for each of these categories. To support scalability, service leaders might instead search for consolidated solutions that offer a single source of truth. With this approach, teams can resolve ticket times more quickly, offer more personalized experiences, and easily share data with other internal stakeholders.

It's important to consider how CRM software can support your organization now and in the future. Consider how software features can streamline your daily operations—and consider what service leaders are saying about their experiences with the provider.

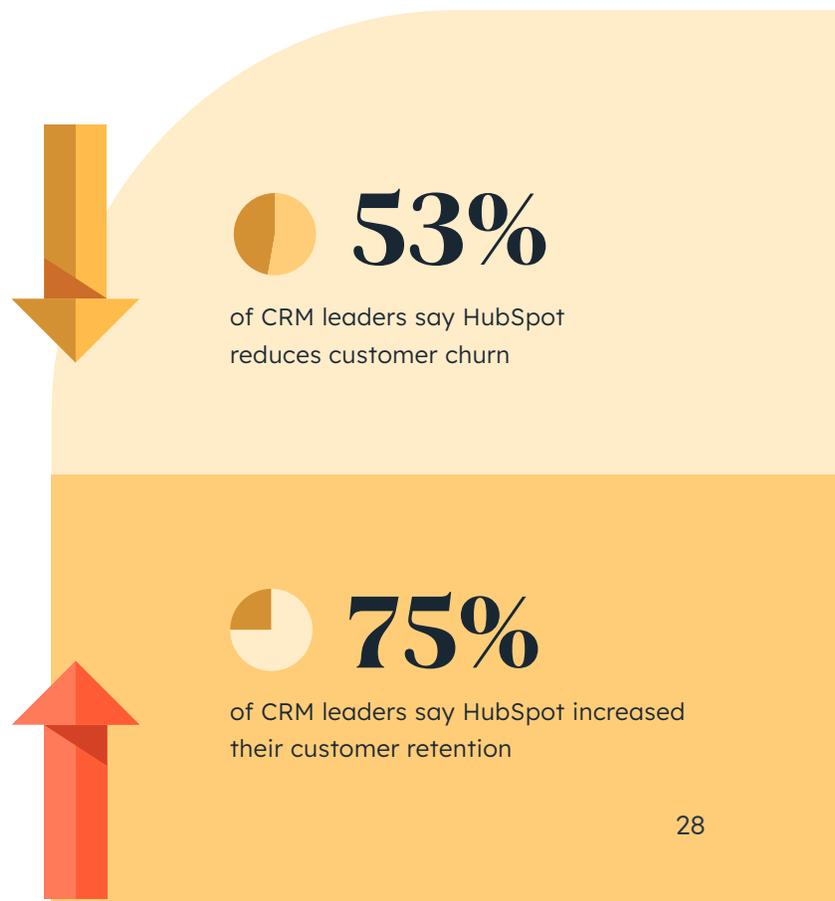
For example, 75% of service leaders using HubSpot say that they increased retention in 2023—a leading KPI for many organizations going into 2024 and beyond.



Mitigating churn is a top feature of AI-powered CRM software.

While retention is an important KPI, churn rates are equally as important. Understanding how frequently customers churn—and why—is crucial to supporting an organization's scalability, and it's an opportunity to effectively demonstrate how service teams create value.

CRM software uses dashboards, analytics, and measurement tools to show when customers churn in their journeys. But AI-powered CRM software can go beyond standard measurement and **address causes for churn at their root, sometimes preventing it altogether.** More than half of service leaders who used HubSpot for CRM software said that they were able to reduce churn in 2023. Service leaders point to better personalization, visibility, and collaboration opportunities as levers for preventing churn.



Maximizing visibility with CRM software helps service leaders support internal alignment.

By illuminating the entire customer journey, CRM software can empower service leaders to show where their teams are driving business results. And 78% of service leaders say that they **leveraged HubSpot's CRM software to increase end-to-end visibility**. With that data, service leaders are positioned to make strong cases for increasing annual budgets, trialing innovative new features, or offering better experiences that drive up CSAT.

AI-powered CRM software can streamline operations and increase efficiency.

Leveraging AI chatbots or personalization tactics can greatly increase team efficiency across the board. With HubSpot's CRM software as a single source of truth, service leaders were able to save more than two hours every day, freeing up time for other tasks or initiatives.

What Should I Look for in AI-Powered Software?

- Customer support influenced by full data visibility
- Help desk integrations with response suggestions
- Integration with existing software and cross-department collaboration
- User-friendly chatbot creation

AI is a powerful tool for any service leader, and effectively integrating it with existing practices can help you minimize your team's learning curve while improving CX.



saved per day
using HubSpot's
AI chatbot

CRM software can reduce costs and have high ROI potential.

When looking for the best CRM software, be wary of solutions that offer flashy features at a high price tag. After all, **CRM can't deliver ROI when its upfront cost is too high.**

In 2023, service leaders opted for partners that offered **tiered pricing structures**. With this approach, service leaders can customize their payment to match their team's needs, adjusting their investment as frequently as once a month when needs fluctuate. Keep an eye out for plans that offer free trials, as well—these can give you a preview of the service without demanding an upfront investment. Be aware that free trials of some AI-supported software may retain data after the trial concludes.

In addition to sensible pricing models, service leaders can also look for solutions with value that translates directly to ROI. This can happen in one or two ways: by lowering overall spend, and by increasing customer LTV.

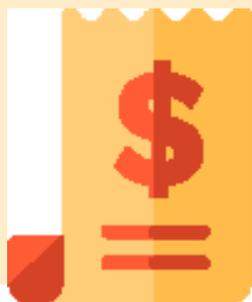
 **77%**

of CRM leaders increased customer LTV with HubSpot



1. Lowering Overall Spend

CRM software that frees up time, streamlines processes, and improves ticket resolution speeds help service leaders reduce costs. And service leaders are seeing this happen already, with 55% saying that HubSpot helped them reduce team spend in 2023.



2. Increasing customer LTV

Service leaders can also promote cost efficiency by choosing CRM software that increases customer LTV. AI-powered software, for example, can leverage existing customer data to identify recommendations and behaviors that sales teams can leverage to pitch a new product. By returning customers to the sales funnel, their LTV increases, making the software a valuable component to a service leader's strategy. In fact, 77% of service leaders say that HubSpot helped them drive customer LTV in 2023.

CONCLUSION

Elevate End-to-End Experiences with Service Hub

Set your team up for success with AI-powered software that can help you meet changing customer expectations and unify your team in 2024 and beyond.

Service Hub supports your team with industry leading features, including:

- ✓ Scalable support solutions such as call tracking and SLA management
- ✓ Self-service options that empower your customers
- ✓ Seamless CRM dashboard for on-the-go management and analytics
- ✓ 24/7 customer support for you and your team

Grow Better with HubSpot

Want to drive up customer LTV? Improve every aspect of the customer journey? You can get started with Service Hub for free today.

About the Survey

The data in this report was collected during a global survey conducted by HubSpot. The survey collected results from 1,537 customer experience leaders in March 2024.

