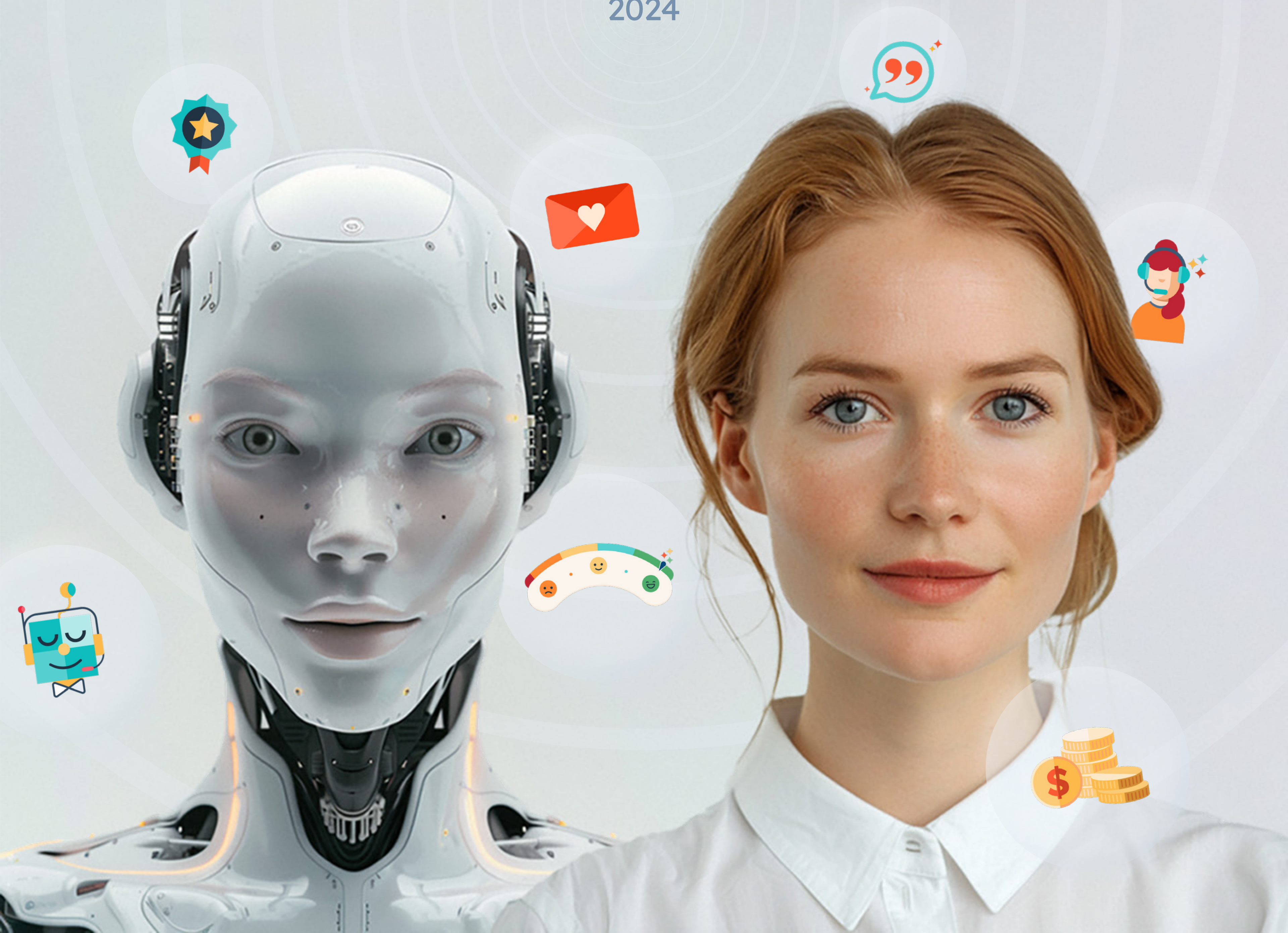# HubSpot

REINVENTING CUSTOMER SERVICE:

The Untapped Revenue Source for Your Business

Most B2B companies are sitting on a treasure trove of unleashed revenue potential. Here's how to set it in motion.

2024

Reinventing Customer Service:
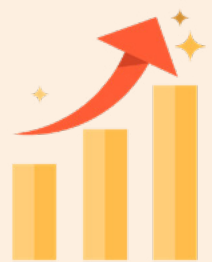The Untapped Revenue Source for Your Business

What We'll Cover

AI cover image by:
Eduardo Garcia-Lopez

HubSpot

The New Way to Win with CX

How much faster would your business scale if customer churn rates go down, renewals go up and expansion revenue swells? According to the latest research, the answer is "a lot."

Existing customers don't just bring in the majority of revenue for most B2B companies. They're also less expensive and more likely to bring in high-quality referrals:

72% of revenue comes from existing customers. That's more than 2x the amount generated by new pipeline.

New customers are **7x** more expensive. Acquiring a new customer costs 6-7x more than retaining an existing one.

Current customers can generate up to **95%** more revenue. A 5% increase in customer retention can boost revenue by 25-95%.

Sources: 2024 Sales Trends Report, Here's Why Customer Retention is So Important

Given these findings, you can't afford *not* to invest in delighting and retaining customers — and not just because it's more cost-effective to do so. Focusing on retention opens the doors to higher customer lifetime value and long-term business growth. In other words:

The longer you hold on to high-value customers, the more profitable your business will be.

However, there is a catch.

It's no longer enough to simply meet customer expectations. You have to go beyond reactive problem-solving to proactively delivering more value. So, what does this look like in practice? We surveyed more than 1,400 customer support and customer success teams to answer this question for you.

In this guide, we cover:

5 Disruptions Impacting the B2B Experience →

The New Framework for Revenue-Driven CX →

Preparing for a Future of Proactive CX →

5 Disruptions Impacting the B2B Experience

Navigating the new customer experience (CX) landscape requires providing real customer value — the kind that not only fosters lasting relationships but also drives more sales for long-term growth. But to be successful, you need to know what you're up against. Here are the five biggest disruptions that can drain your revenue if left unchecked.

Disruption 1: Accelerated Commoditization
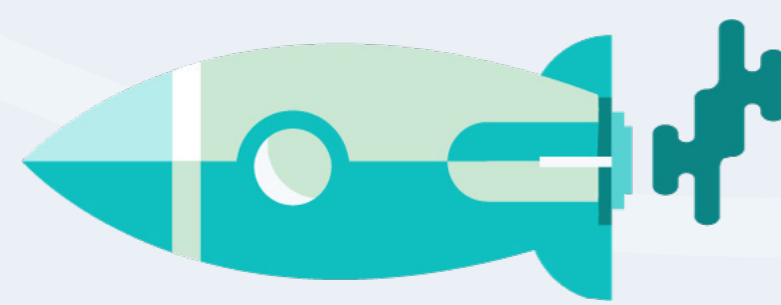
Let's face it: It's easier to sell something no one else offers. But how many B2B companies can honestly call their products and services one of a kind? Most markets are saturated with slogans, websites and marketing campaigns that make your competitors' offerings — at least at a quick glance — look just as good as yours.

The result? Even when your product is clearly the higher quality option, all your customers see is price. It's why nearly half of SaaS apps are unused, and why 60% of software buyers regret their purchases and are at risk of churn. When buying decisions are based solely on cost, the customer experience is bound to disappoint.

It's the kind of predicament a price war won't solve. While dropping prices might generate some short-term revenue, those sales rarely lead to long-term growth. That's because discount customers are easy to gain but hard to retain, since they'll quickly move on in search of the next best price. But focus on value, and you'll capture the hearts of customers who become more loyal over time.

What is customer value?

Customer value refers to a buyer's perception of the worth of your products and services. Value-added activities focus on adding incentives at no extra charge to help boost these perceptions. For example, you could offer:

- **Free educational content** to help users get as much as possible from your software while building new skills

- **Access to exclusive offers** additional services from partners or other business units within your company

Because they view your products and services as essential, value-based customers generate higher ticket sales and contribute more revenue.

Disruption 2: The New CX Economy

For the last decade, servicing customers has relied heavily on headcount — the more customers you get, the more reps you hire to serve them. And the more reps you have, the more tools you use — a live chat tool here, a CRM there... plus call centre apps, messaging apps, knowledge base software, and more.

Unfortunately, this old model is no match for the new realities of today's (CX) landscape. Retention has stagnated, budgets are lower, and teams are smaller. As a result, the old linear growth formula is no longer an effective way to scale.
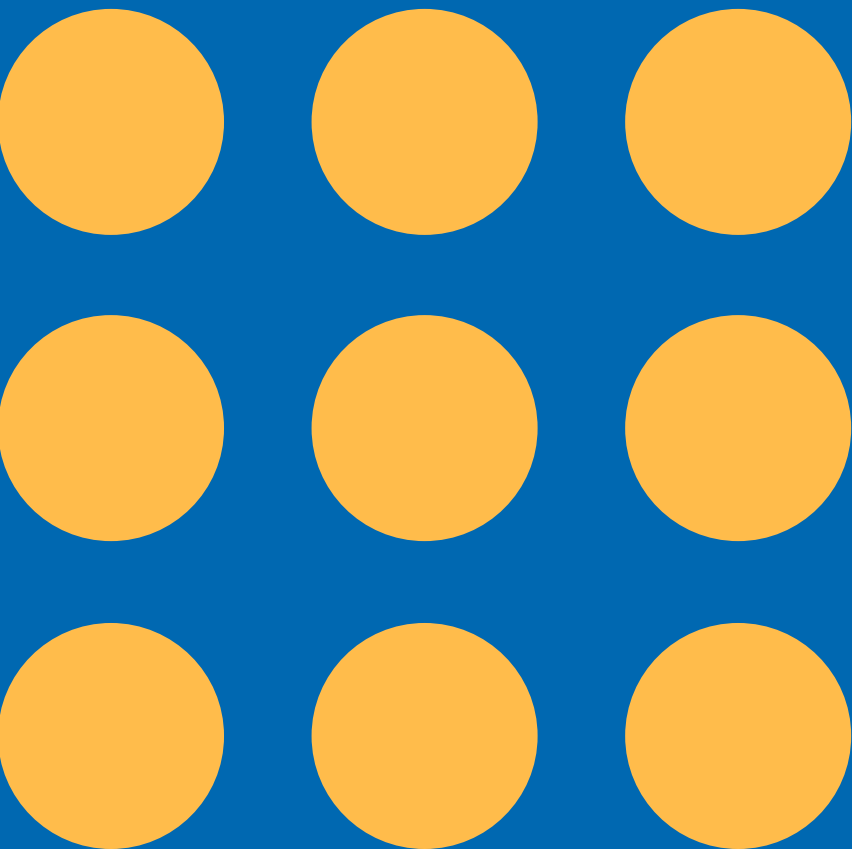
62%
of customer service (CS) budgets have decreased.

82%
of CX teams are being tasked with more sales responsibilities.

Customers feel the pain, too: More than half say they have to repeat or re-explain themselves because companies don't share information, and 98% find support interactions to be frustrating and stress-inducing.

As a CX leader, you can't rely on fragmented tools that isolate the customer journey — or on overextended reps without the bandwidth to focus on scaling growth. Instead, it's time to reimagine the playbook with an eye toward customer value.

Disruption 3: Buyer-Led Service

The B2B customer journey has evolved a lot — and it's shaking things up for CS and CX teams. Most notably, today's customers want to be empowered to problem solve on their own.

One survey found that six in ten customers prefer to be taught how to solve a problem independently, rather than having to contact a service provider directly. Another discovered 65% trust businesses that use AI to help improve the experience. But unfortunately, many companies are still figuring out how to provide the self-service experiences they seek. While 83% of CX professionals surveyed by HubSpot agree customer service is becoming more self-serve, only 34% currently provide 24/7 support or self service options.
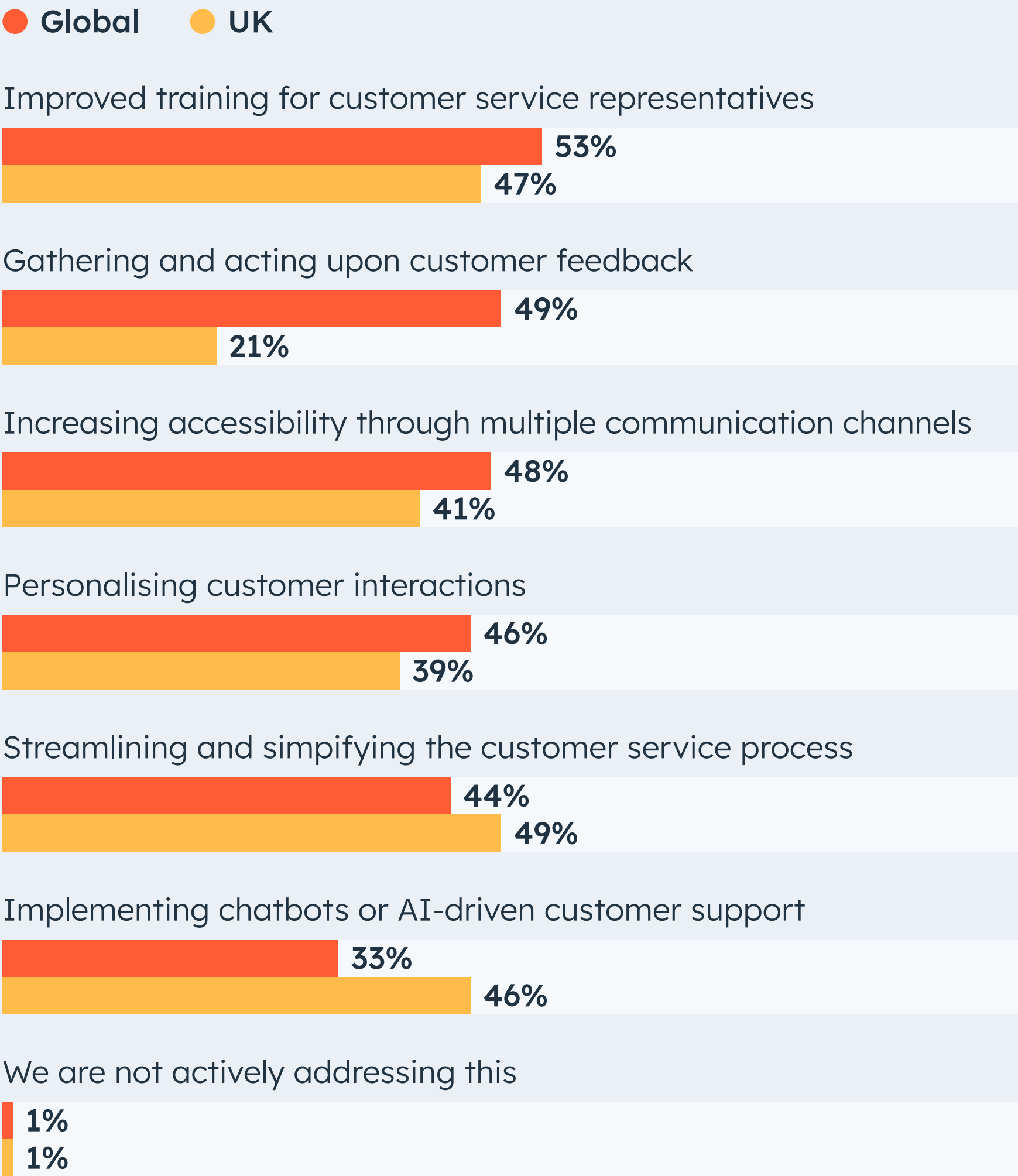
Now more than ever, understanding the value customers seek and continuously adapting to meet those needs is essential for ongoing success.

66%
of CS leaders agree customers find the current experience frustrating, and nearly all of them are actively addressing this perception.

Which of the following strategies is your team actively implementing to address the common misconception that many consumers find customer service experiences frustrating?

● Global   ● UK

Improved training for customer service representatives
- 53%
- 47%

Gathering and acting upon customer feedback
- 49%
- 21%

Increasing accessibility through multiple communication channels
- 48%
- 41%

Personalising customer interactions
- 46%
- 39%

Streamlining and simpifying the customer service process
- 44%
- 49%

Implementing chatbots or AI-driven customer support
- 33%
- 46%

We are not actively addressing this
- 1%
- 1%

Disruption 4:
Heightened Risk of Abandonment

From Germany to France, more than one-third of customers say they would ditch a brand they're loyal to after one bad experience. In the UK, 90% will leave a trusted company after two or three unsatisfying interactions.

All it takes is one wrong move for your competitors to swoop in and entice your once-loyal customers away. But provide a personalised experience, and those same buyers will gladly stay. In fact, more than half of UK consumers say they're willing to pay a premium for outstanding customer service.

You can deliver this value by focusing on the flywheel — a model for aligning your entire organisation around the customer. As you repeatedly earn their loyalty, the resulting momentum will lead to a steady influx of renewals, upgrades, and brand advocacy.

These after-sale experiences are especially important for B2B contracts with high price points and multi-year contracts. While someone might buy from the same brand when a smartphone becomes outdated or a shirt wears out, they expect more from software subscriptions and tech tools. Failing to service every need significantly increases your risk of cancellations and abandonment.
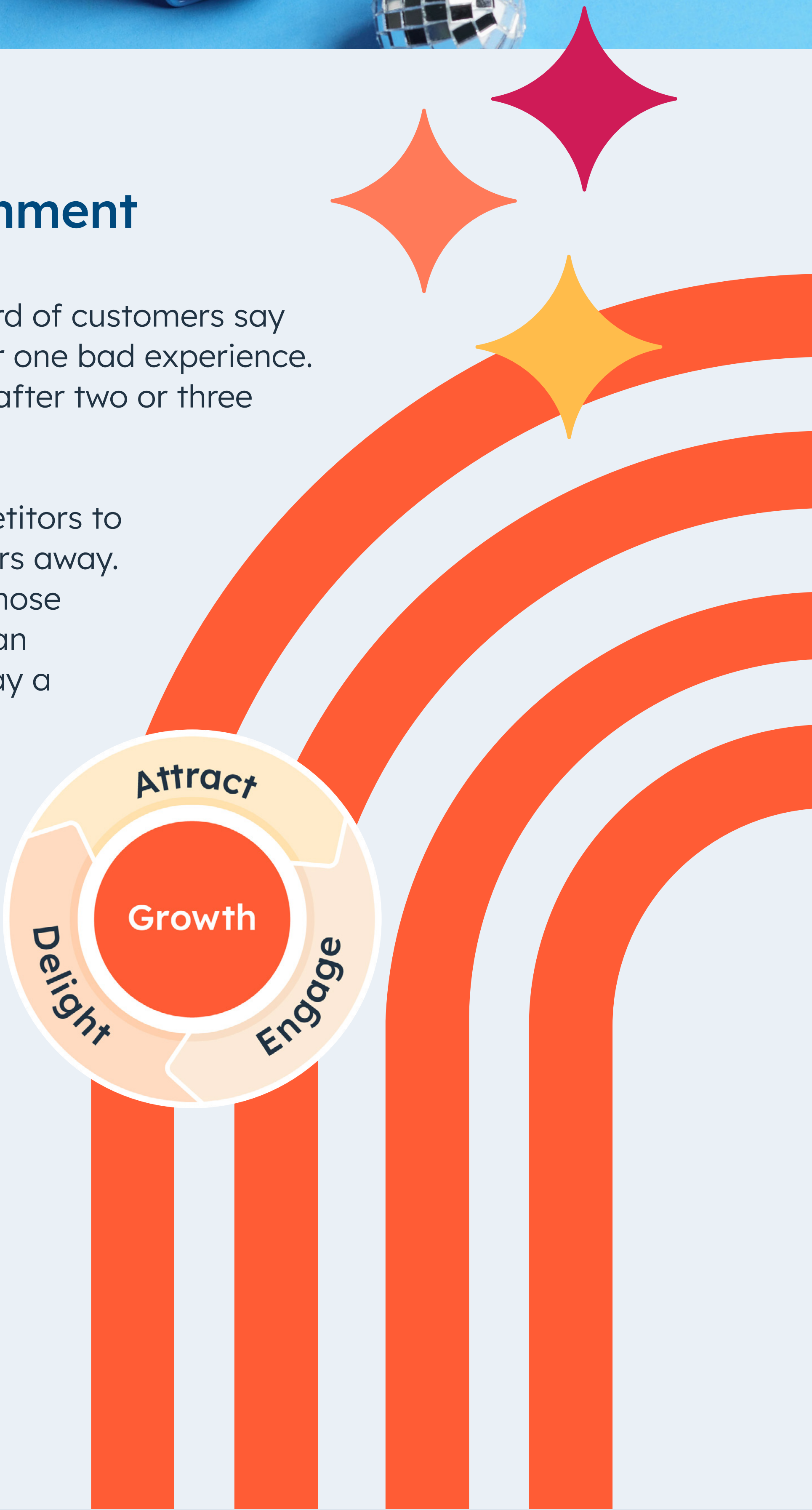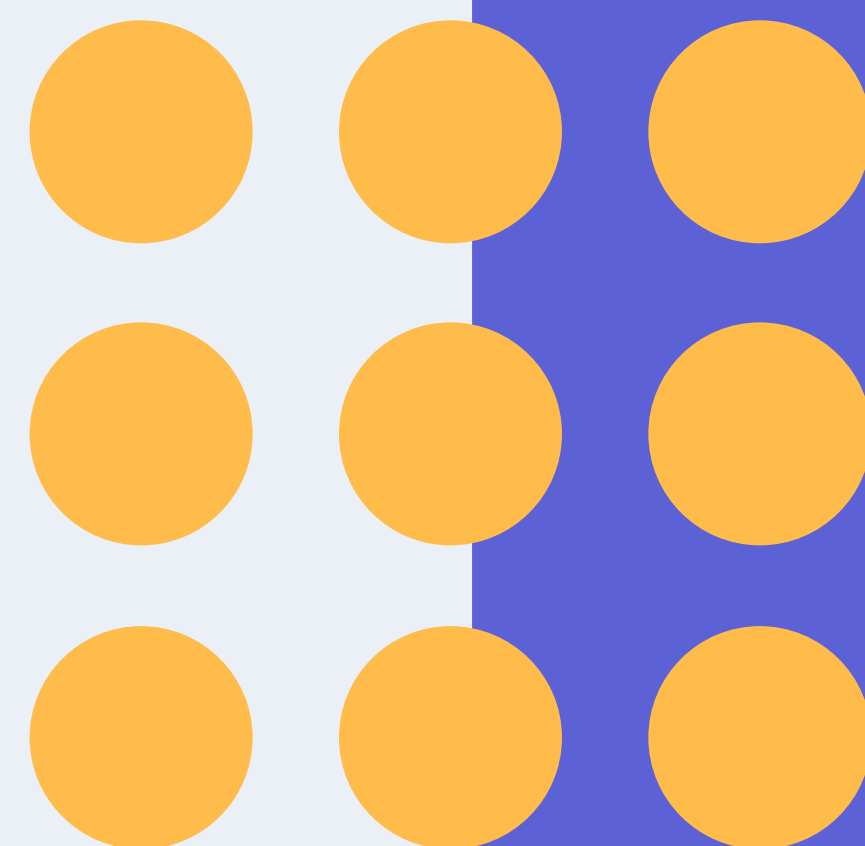
Disruption 5: The Loss of Institutional Knowledge

In past decades, business could rely on long-term employees with deep knowledge of products and services gleaned from years of customer service interactions. But now, people are more likely to not only job hop but also change careers.

In one survey of UK working adults, Gen Z employees said they plan to switch careers at least three times over the course of their working lives — more than any other generation before them. Nearly two-thirds expect to leave their current employers within two years, and even workers who consider themselves loyal to their companies are looking for new jobs. At the same time, many embrace frequent role switching as a way to build career capital and earn more income.

All these changes make it harder to preserve institutional knowledge. Unless you have a strong CRM to capture all communications, the insights stored in your customer service professionals' heads will be lost when they leave. The result is even more frustration for customers forced to repeat themselves to new reps who are still learning the ropes.

The New Framework for Revenue-Driven CX

It's time for a customer service revolution — not just an evolution. CX and CS represent a huge untapped revenue stream for most B2B organisations. To set the stage for sustainable revenue growth, start by focusing on four critical areas.

1. Unburden Your Reps with AI

Relying on resolution rates and the ratio of reps to customers is no longer enough. To deliver real value, you need to rethink these traditional customer service standards with an eye on the future.

So, what will this new era of CX look like?

First and foremost, it means implementing AI. Our latest research reveals that when customer service reps are supported by AI tools, they spend **15 hours less each week** on basic questions. This frees them to focus on solving complex customer inquiries, expanding offers, and improving team collaboration.

Worried AI will replace essential human interactions? The organisations in our study are not facing pressure to reduce headcount. Instead, they use AI to support self-service troubleshooting, allowing CX teams to devote more time to after-sale service and other projects that increase customer value.

By using AI to fuel productivity, CX teams have an unprecedented opportunity to impress, retain, and build relationships with customers like never before. The key is to find the right mix of tech tools and AI — both to provide self-serve support, and to help reps get the exact information they need when servicing customers.
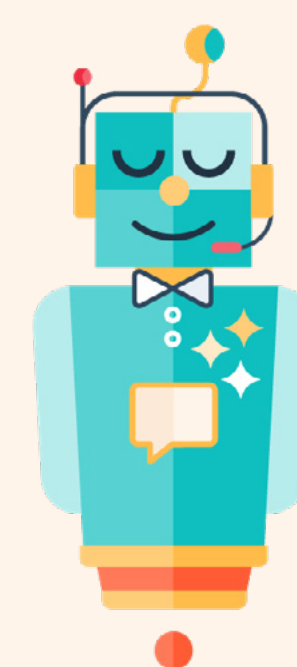
62%
of customer service teams use AI, mainly in the form of chatbots, virtual assistants, and automated responses.

67%
of customer service reps have a positive view of AI.

32%
see AI as a game changer.

2. Prioritise the After Sale

Landing big sales and securing long contracts is worth celebrating. But the reality is, closing a deal is just the start. A single purchase isn't the signifier of a long-term relationship, and being selected over a competitor doesn't mean your brand will always have the upper hand. You have to earn it — and that's where great after-service comes in.

After-sale service refers to all the interactions a customer has with your organisation after they purchase a product, upgrade a subscription, or sign up for a new service. These post-sale activities can be powerful revenue generators. But you have to plan for them before the transaction takes place.

The sooner your teams prepare for after-sale activities, the better positioned you'll be to serve customers intentionally and meaningfully. It means anticipating questions, identifying potential roadblocks, and offering strategic guidance — ideally before customers even realise they need these services.

56%

of buyers will stop doing business with a company that doesn't meet with them face-to-face after the sale.

Yet only 16% of B2B leaders say face-to-face meetings with established clients are vital to keeping business. Personalised after-sale service is one of the best ways to help your brand stand out from your competitors.

Source: Deloitte

And remember: While self-service options play an important role, human touch is equally critical in the after-sale service period. In fact, today's customers value human connections so much they often prioritise them over speed. Nearly 75% of customers are willing to wait twice as long to speak with a human when they need extra help to solve a problem. And vendors rated by customers to provide "good" service are more than twice as likely to know their customers personally.

FREE RESOURCE

Customer Journey Map Templates

Outline your company's customer journey and experience with these 7 free customer journey map templates.

Get the templates

---
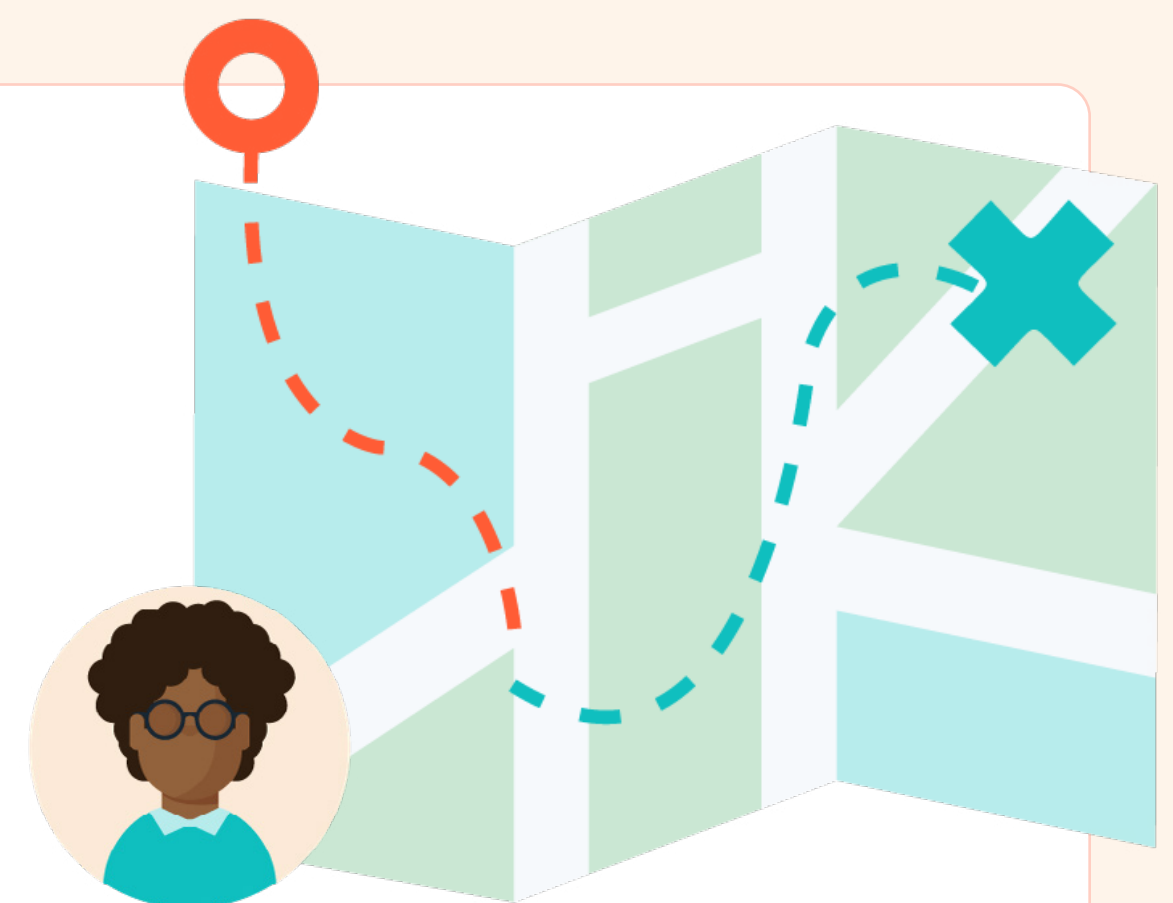
3. Compel Customers to Use Your Products

One of the most overlooked methods for increasing customer value? Compelling people to use the products and services they already pay for. While the after-sale stage is a great opportunity to make a strong first impression, it's important to continue those conversations in the months and years that follow. The more customers rely on your products and services, the more invested they become — and the greater the perceived value.

This phenomenon, often called the psychology of consumption, has a big impact on repeat purchases and recurring revenue. To understand how it works, consider the typical gym membership. Studies show that members who exercise once a week are far less likely to renew memberships than those who workout four times a week. The same goes for paid consultants, learning platforms, software subscriptions, and more. The more often customers use your products, the more likely they are to renew and upgrade.

4.

Embrace Data-Driven Discussions

Did you know **86%** of B2B customers expect companies to be well-informed about their personal information during service interactions? Institutional knowledge may be going away, but today's companies have all kinds of opportunities to leverage data — and your customers know it. They want you to combine all the context you already have — every chat transcript, every recorded call, every social media conversation — to bring them new insights. Every single time.

82%

of customer service teams are being asked to take on more sales-like roles, such as cross-selling and upselling. But only 28% are putting this into practice or actively collaborating with sales reps.

Gone are the days of asking customers to repeat the same information again and again. Now more than ever, you need a 360 view of each customer the moment a conversation starts. This data-driven approach is the key to unlocking personal interactions that surprise and delight. Once you understand what your customers truly need, you can deliver the kind of value that makes them want to give you even more of their business.

If you're not already providing proactive guidance, now's the time to start. Our survey revealed that 87% of CX and CS leaders are actively working to implement predictive customer support.

When it comes to revenue and boosting your bottom line, **your strategy needs to include customer experience**. We've seen a lot of businesses make some short-term decisions in an attempt to meet quarterly forecasts or to improve profitability without consulting the CX specialists in their business. They often find that long-term, those decisions have a detrimental impact to their customer experience and ultimately to revenue. Understand where your customers need people in their process and understand which moments in the customer journey matter most to your customer base. Harness those moments to drive increased loyalty and ultimately increased spend. Your bottom line — and your shareholders — will thank you!

Rebecca Brown
Co-Founder, ThinkWow
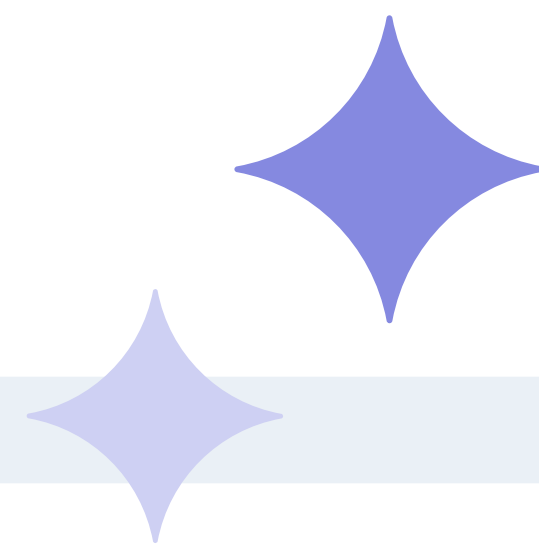
The introduction of AI tools into customer success departments will lead to **a renewed focus on the original mission of all CSMs**: to provide high-quality services with a revenue outcome. It shifts our work away from routine, time-consuming activities — such as data entry, meeting planning, customer research, issue resolution — and towards complex interactions with revenue outcomes — consultation, solution design, and implementation.

Kai Horstmannshoff
Senior Director of Customer Success at Aircall

Preparing for a Future of Proactive CX

If you want a surefire way to drive more revenue, look no further than your CX and CS teams. These unsung heroes have the power to unleash exponential growth. As the helpful assistants closest to your customers, they can anticipate needs and solve complex questions. They can convince people to use your products and services. They can cross-sell, upsell, secure long-term loyalty, build brand advocates and, over time, potentially make you millions.

But first, you need to be willing to reinvent your customer experience to match the new complexities of today's landscape. The sooner you start rethinking traditional roles and embracing new AI-supported models, the better positioned you'll be to transform your team into a true profit centre for your business.

83%+
of companies using Service Hub have increased retention and CSAT.

66%
of CX teams feel closer to their customers since implementing Service Hub.

Deliver more value with HubSpot

Service Hub provides the 360 customer view and AI support you need to compete on value. Companies that use it resolve tickets 13x faster while saving 15 hours per agent, per week.
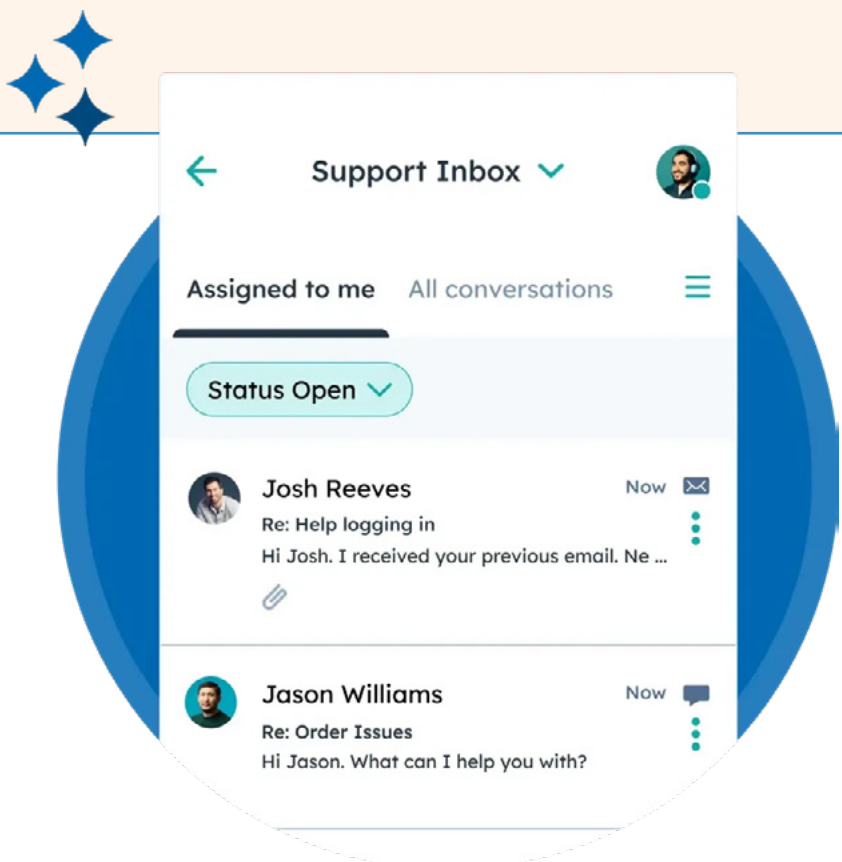
- **Help customers faster** with AI-powered self-service and 24/7 availability
- **Scale service smarter** with an omnichannel help desk enabling insightful resolutions
- **Gain a single organised view** of all customer tickets and conversations

Learn more

Book a demo

One Final Tip

A great Customer Experience transforms average customers into raving fans.

How?

Customers become loyal advocates when, on top of tangible results, they have a great experience with your business.

Advocates continue to do business with you (better retention), buy more from you (more upsell and cross-sell) and recommend your product (more referrals).

But Customer Experience can be deeply misunderstood. According to Gartner's research, great experiences are less about "satisfaction" and more about **effort**. In other words, the easier it is to do business with your company the better the experience.

Businesses that want to deliver great CX need to prioritise:

1 Creating an effortless experience by building a best-in-class self-service motion

2 Reducing the effort to engage when human-led experiences are necessary

Lastly, you can layer brand connection moments throughout the "moments that matter" in the customer lifecycle by offering thought leadership and a community that can help customers advance their personal growth goals!

Daphne Costa Lopes
Director of Customer Success at HubSpot
and Host of This is Growth Podcast

HubSpot