2022 State of Frontline Report

What top service businesses do to empower their frontline teams, and deliver world-class **customer experience.**

The 2022 State of Frontline Study

At AskNicely we help service businesses empower their frontline teams, make every customer experience awesome and accelerate business growth.

On this mission of ours, we've had the opportunity to work alongside thousands of people-powered businesses, all with varying levels of customer experience maturity. We've seen the good, the bad, the ugly, and everything in between.

Based on this knowledge, we've formed a pretty clear hypothesis: service businesses who invest in their frontline teams experience higher levels of customer satisfaction, retention and profit.

To put our hypothesis to the test, we partnered with the innovative research and strategic advisory firm, Metrigy. Founded by Robin Gareiss and Irwin Lazar, both renowned technology analysts and content developers, Metrigy focuses on some of the most interesting technologies including unified communications and collaboration, CX and contact centers, artificial intelligence, analytics and more.

About the study

The State of Frontline Study was completed in January 2022, and involved over 200 service businesses across the United States, United Kingdom, Canada, Australia and Germany.

Of the participating companies, 36% had less than 4000 employees, 31% had between 700 and 4000 employees and 33% had less than 700 employees.

This first-of-its-kind report identifies four key areas where companies can invest in empowering their frontline teams to significantly increase ROI from their customer experience (CX) investments.

The survey is unique in that no other study has been conducted at this level to tie investments in frontline workers to improvements in business outcomes, and specifically to the highest-priority initiatives for service businesses. Frontline and Customer Experience leaders can leverage the results to identify and justify customer experience and frontline enablement initiatives that will help them significantly improve revenue, customer satisfaction, and employee efficiency.
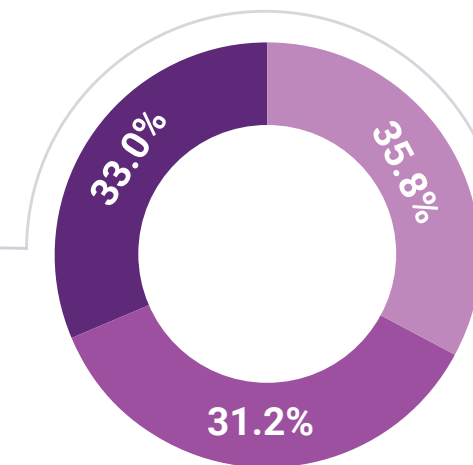
Participating Company Country

- United States
- United Kingdom
- Canada
- Australia
- Germany
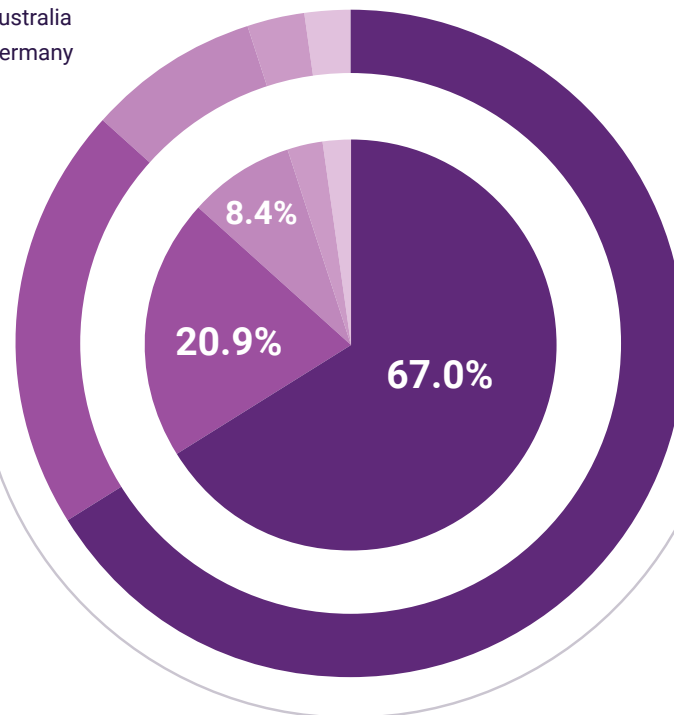
Participating Company Size

- > 4K Employees
- 700 - 4K Employees
- < 700 Employees

8.4%

20.9%

67.0%

33.0%

35.8%

31.2%

The industries of the participating companies included:

- Healthcare
- High Tech
- Financial Services
- Retail
- Education
- Manufacturing
- Professional Services

- Logistics & Transportation
- Distribution
- Automotive
- Government
- Energy & Utilities
- Advertising, Marketing, Entertainment

- Construction, Real Estate
- Travel, Hospitality
- Not-for-Profit
- Agriculture, Forest, Fishing, Hunting
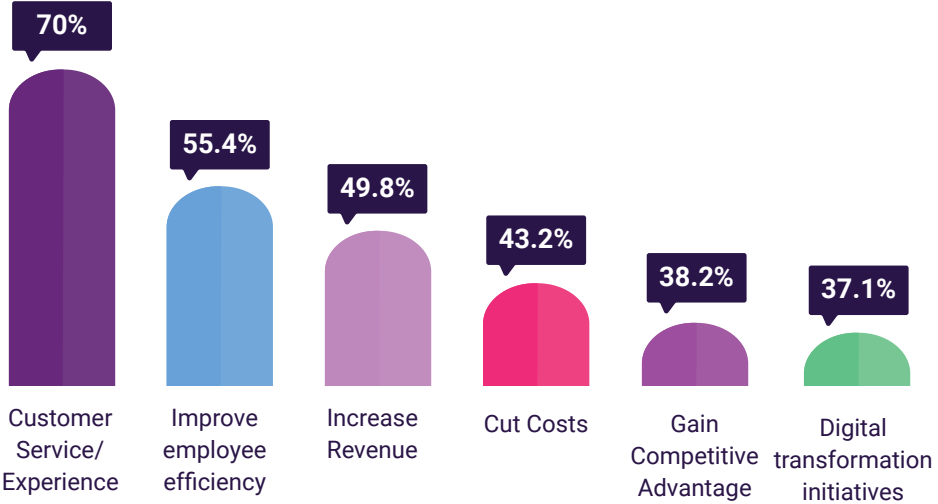- Aerospace & Defense

Let's talk priorities

We asked participating service businesses about their key priorities for 2022 and beyond. The results showed that customer experience sits at the top of the leaderboard, with improving employee efficiency and increasing revenue as second and third. As the effects of the pandemic wind down, the desire for speed and growth wind up, which the top three priorities for service business leaders reflect.

One way that this commitment to customer experience has manifested is through the emergence of the Chief Customer Officer. What may have once been seen as an unclear or uncommon role, is now the new normal for service brands serious about winning on experience. 68.4% of respondents said they either already have a Chief Customer Officer in place or plan to add one in the next few years.

Customer experience is complex, and improving it takes a holistic, systematic approach. Hence, responses from the study show that improving processes, frontline worker training, purchasing and deploying new technology, and filling critical roles are all top priority investments to keep customers grinning and coming back for more.

Top priorities for 2022

70%	55.4%	49.8%	43.2%	38.2%	37.1%
Customer Service/ Experience	Improve employee efficiency	Increase Revenue	Cut Costs	Gain Competitive Advantage	Digital transformation initiatives

Chief Customer Officer becoming the norm

48.4%	15.3%	12.6%	8.4%	7.9%	7.4%
Already have one	Planning for 2022	No plans	Unsure	Evaluating	Planning for 2023+

Top customer experience investments

32.7%	26.1%	24.6%	14.7%	
Improving Processes	Frontline worker training	Purchasing/Deploying new tech	Filling critical roles /hiring	Other
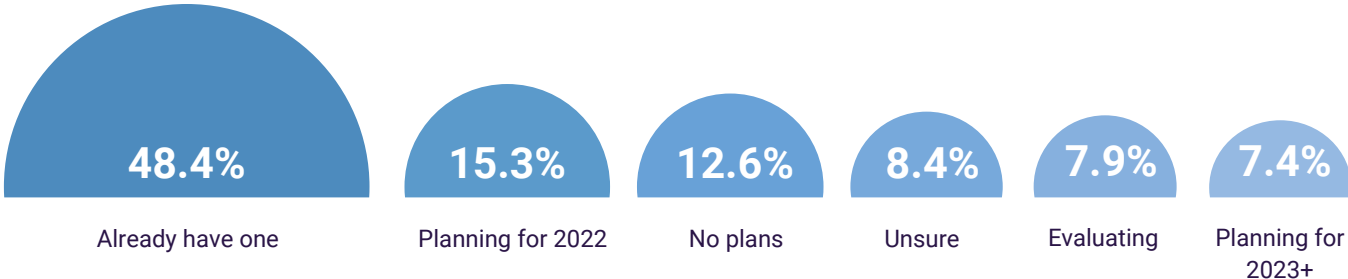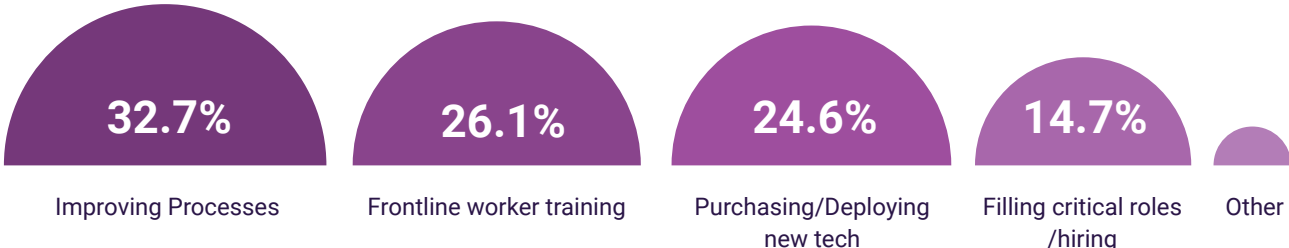
Four focus areas that drive the highest business impact

We asked about the impact frontline enablement and customer experience investments had on:

- Revenue Growth
- Customer Experience Improvement
- Employee Efficiency Improvement
- Cost Decreases

And graded companies against AskNicely's existing customer experience maturity model.

Four focus areas stood out as driving the highest business impact.

1. Defining and publishing your service standard
2. Tracking, sharing, and acting on feedback
3. Empowering and rewarding frontline employees
4. Personalizing coaching to increase training effectiveness

Let's talk impact

Mastering all four areas drives success

- Employee Efficiency
- Customer Satisfaction Improvement
- Revenue Increase

NO MASTERY | MASTERY ONE TO TWO | MASTERY THREE TO FOUR
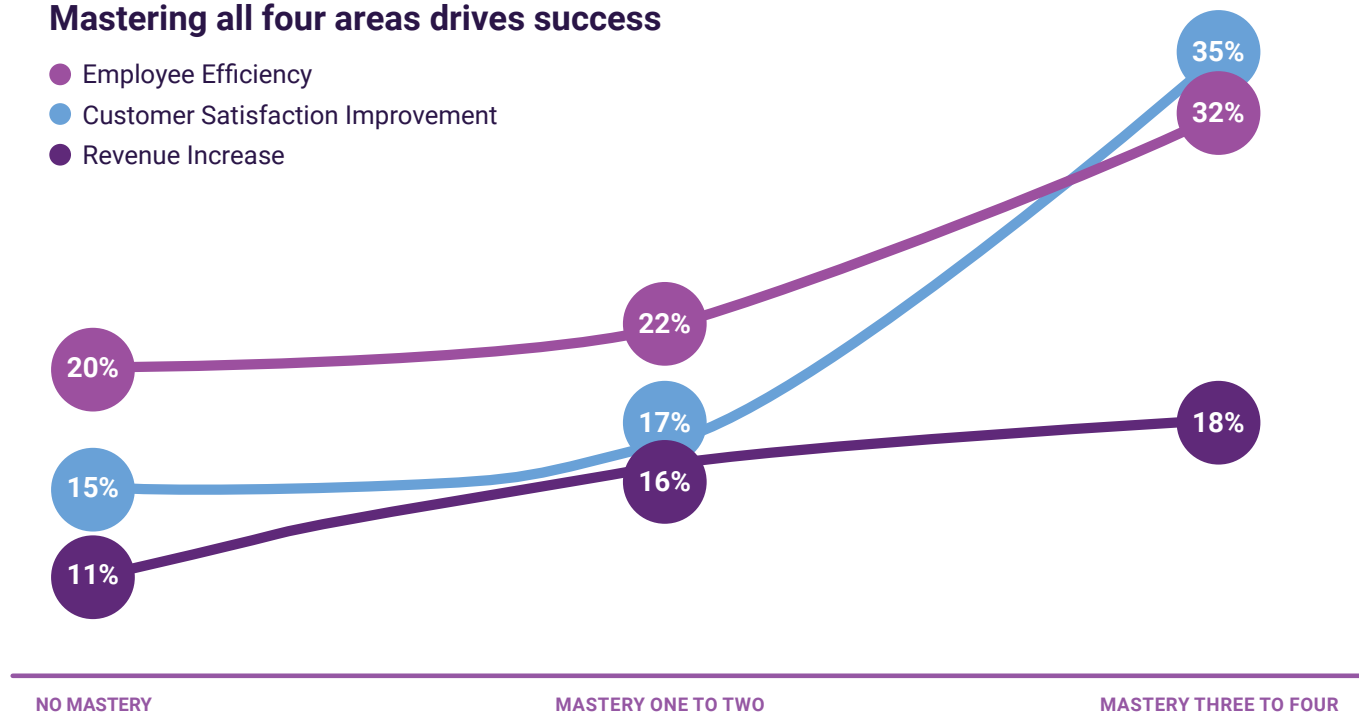
64%
Higher impact on revenue

133%
Higher impact on customer satisfaction

60%
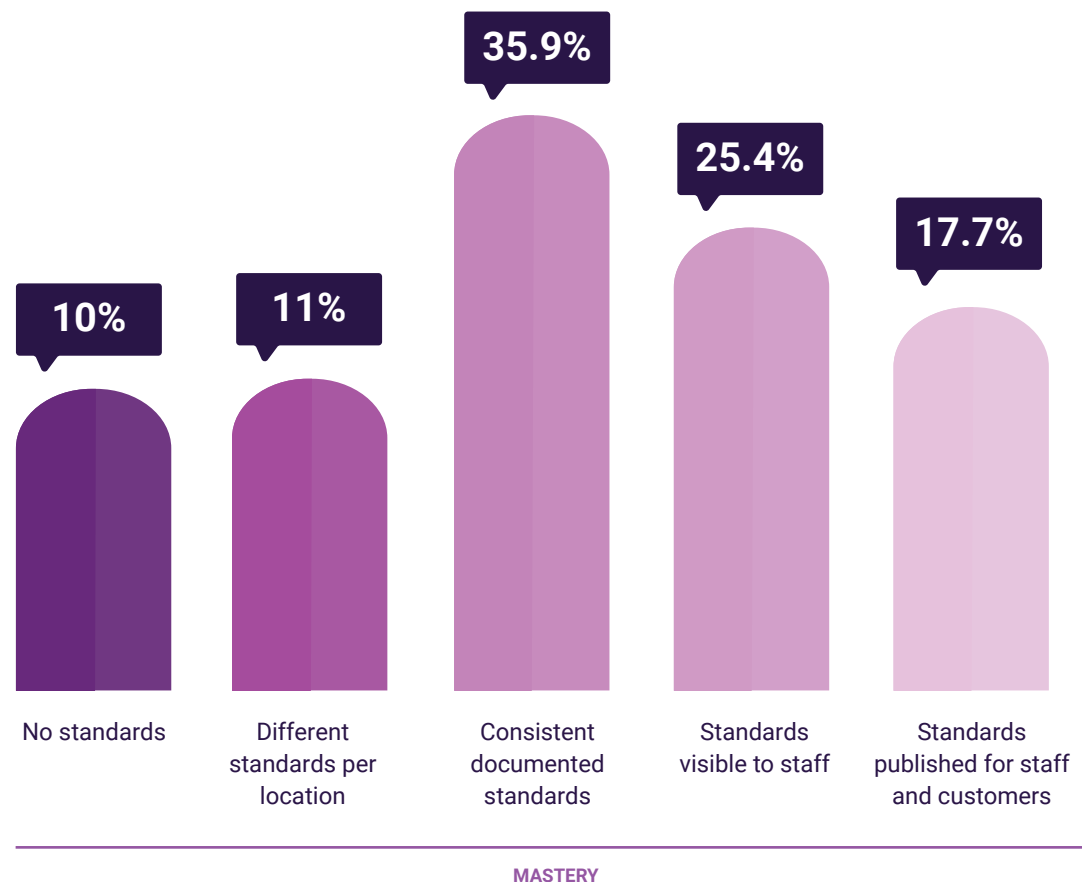Higher impact on employee efficiency

1. Defining and publishing your service standard

Based on the study results, companies that display service standard mastery, that is, companies who define, publish and coach on consistent standards of service outperform their competitors. While the majority of companies in the study had defined consistent service standards, over half had not made those standards visible to staff, and only 17.7% had made those standards visible to staff AND customers.

How can we expect frontline teams to deliver out-of-this-world customer experiences if they don't have a consistent and clear target to work towards? We can't.

This seemingly simple, yet underrated-act is proven to set companies up for success in the remaining three areas.

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Service standard mastery is lacking

10%	**11%**	**35.9%** **25.4%** **17.7%**

No standards | Different standards per location | Consistent documented standards | Standards visible to staff | Standards published for staff and customers
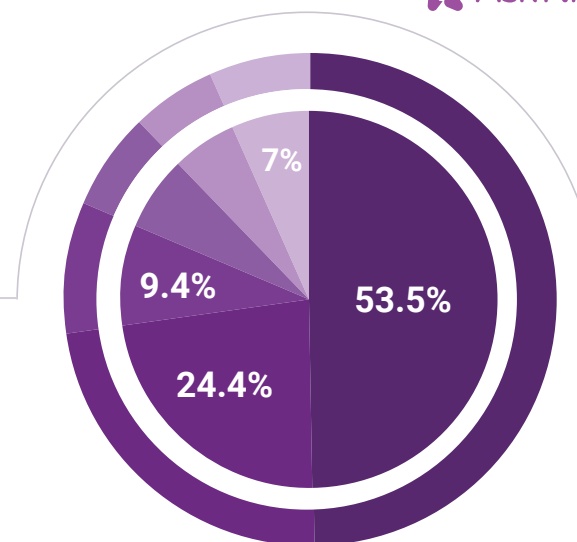
MASTERY

2. Tracking, sharing, and acting on feedback

Shockingly, only 53.5% of companies surveyed collect feedback regularly, and **22.1% of service businesses don't collect feedback at all.** This leaves a substantial blindspot for a large swathe of companies who rely on positive customer sentiment to grow.
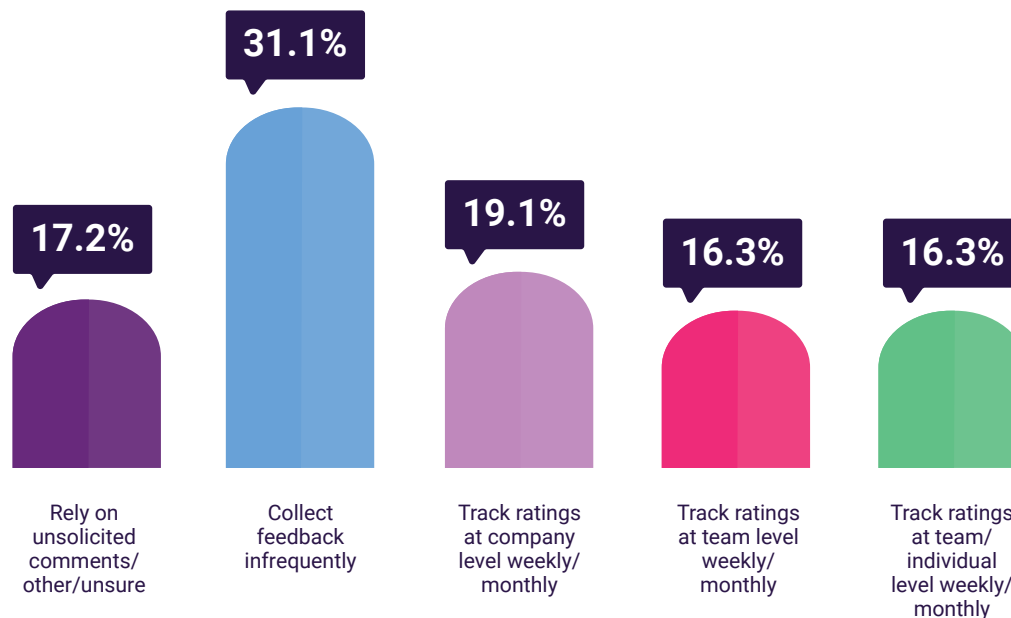
When it comes to the type of feedback collected, only 16.3% meet the Customer Experience Maturity Model's definition of mastery – tracking ratings at the team and individual level, in real time.

Not enough companies collect regular feedback

- ● Collect feedback regularly
- ● Collect feedback sometimes
- ● Start collecting in 2022
- ● Start collecting in 2023+
- ● Evaluating
- ● No plans / unsure

7%
9.4%
53.5%
24.4%

Feedback mastery is lacking

17.2% — Rely on unsolicited comments/ other/unsure

31.1% — Collect feedback infrequently

19.1% — Track ratings at company level weekly/ monthly

16.3% — Track ratings at team level weekly/ monthly

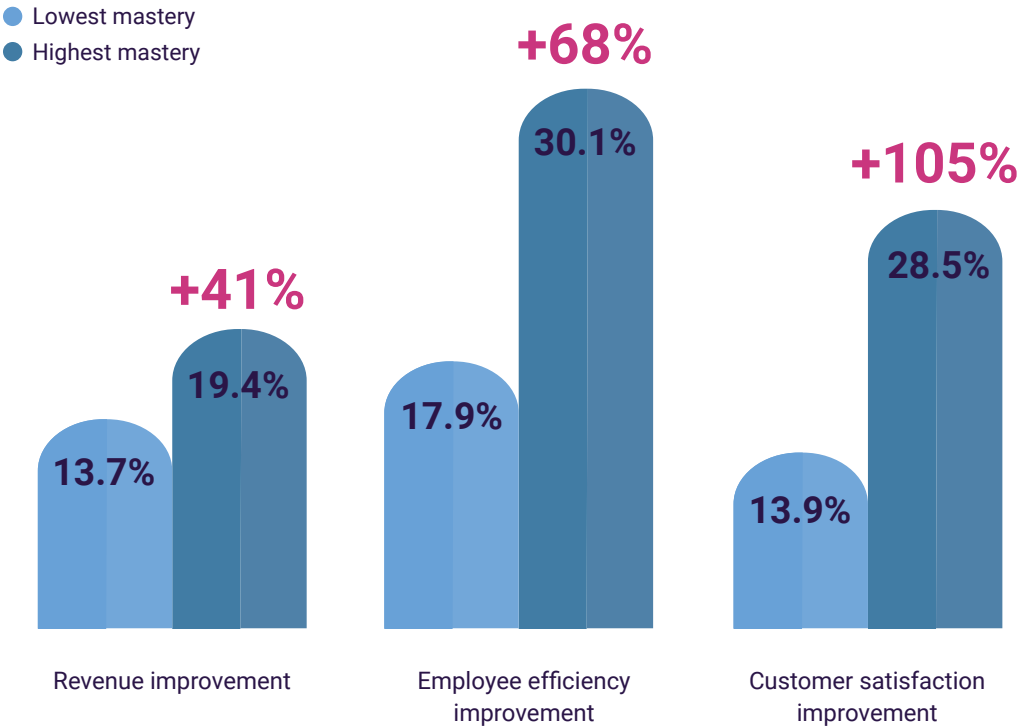**16.3%** — Track ratings at team/ individual level weekly/ monthly

MASTERY →

Why is this important? We found that feedback mastery provides a substantial increase in the impact of customer experience investments.

Specifically, 41% greater revenue improvement, 68% greater employee efficiency improvement, and a massive 105% greater customer satisfaction improvement.

Feedback mastery increases the impact of customer experience investments

● Lowest mastery
● Highest mastery

+41%

13.7% 19.4%

+68%

17.9% 30.1%

+105%

13.9% 28.5%

Revenue improvement

Employee efficiency improvement

Customer satisfaction improvement

3. Empowering and rewarding frontline employees

Here at AskNicely, we've always stood by the belief that happy frontline workers = happy customers. To test this, we polled business leaders on the factors that impact customer experience the most. As it turns out, many business leaders of top service brands agree that awesome customer experiences can't exist without an empowered frontline team. What really stands out is that **roughly two thirds of the customer experience is impacted by things directly delivered by the frontline**: in particular support, service delivery, and purchase experience.

Unsurprisingly then, we found companies that had a Frontline Satisfaction Program in place saw incredible results compared to those that didn't. Perhaps most tellingly, companies with strong employee satisfaction programs in place boast a 73% greater improvement in customer satisfaction.
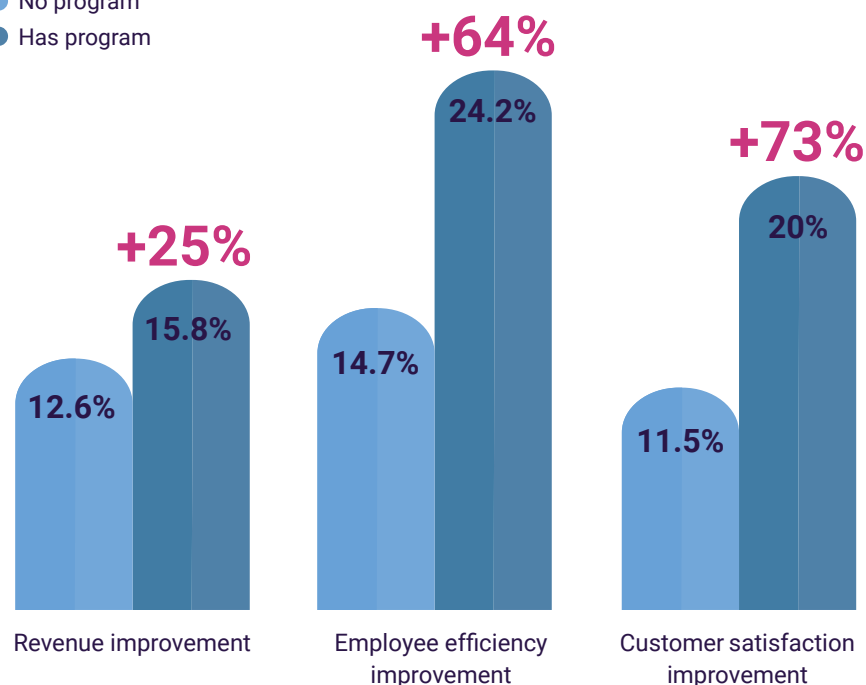
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The biggest impacts on customer experience

● Directly influenced by frontline
● Not influenced by frontline

27.8%	21.5%	20%	16.6%	14.1%
Support Experience	Product Offering / Availability	Delivery Experience	Purchase Experience	Price

Frontline satisfaction programs increase the impact of Customer Experience investments

● No program
● Has program

+25%
12.6% 15.8%

+64%
14.7% 24.2%

+73%
11.5% 20%

Revenue improvement

Employee efficiency improvement

Customer satisfaction improvement

9

Despite this, **only 54.6% had a functioning Frontline Worker Satisfaction Program in place.** This is something AskNicely is hoping will change over 2022 as more companies recognize the value of better serving this underserved workforce.
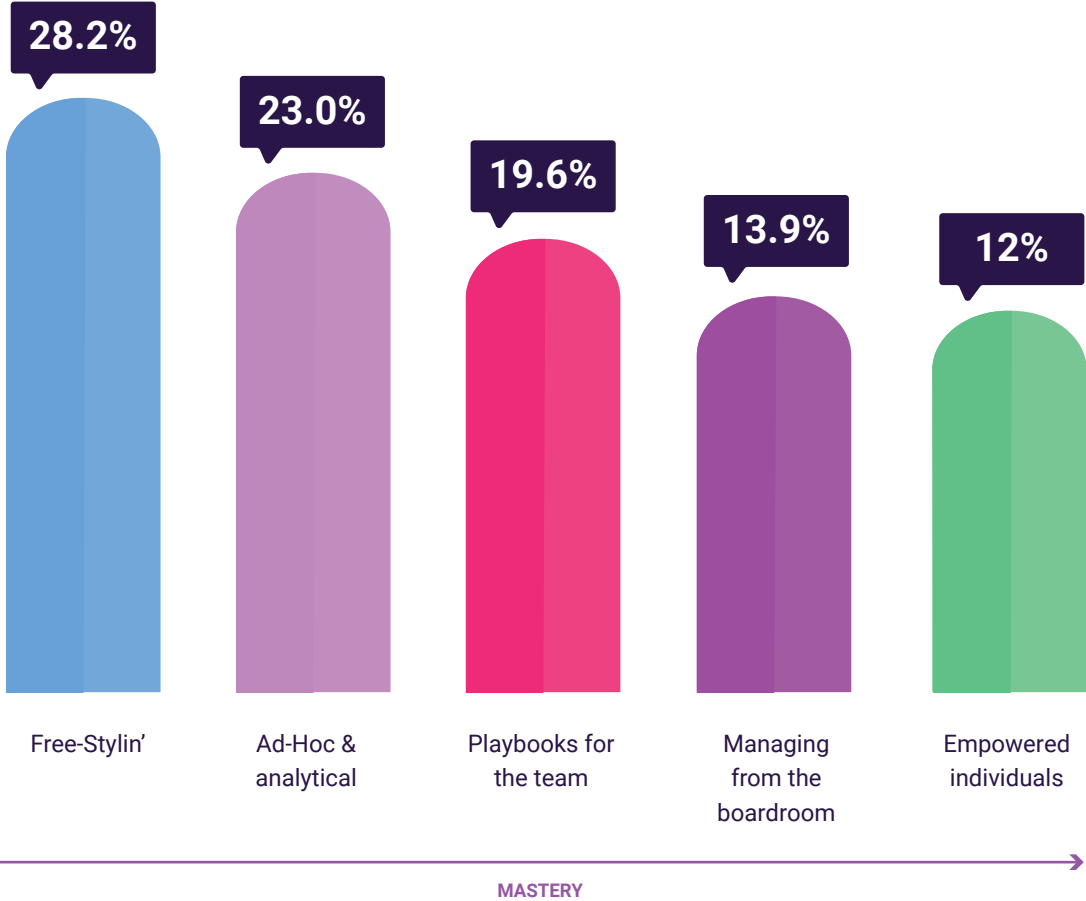
Frontline worker experience has a lot of room to improve

45.4%

54.6%
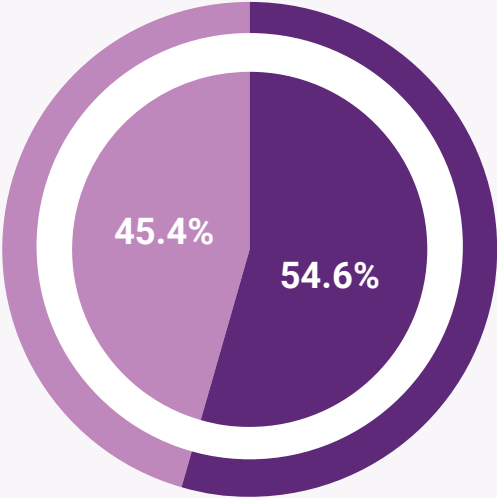
Companies with frontline worker satisfaction programs

- Yes
- No / unsure

How companies reward their frontline teams for good performance

28.2%

23.0%

19.6%

13.9%

12%

Free-Stylin'

Ad-Hoc & analytical

Playbooks for the team

Managing from the boardroom
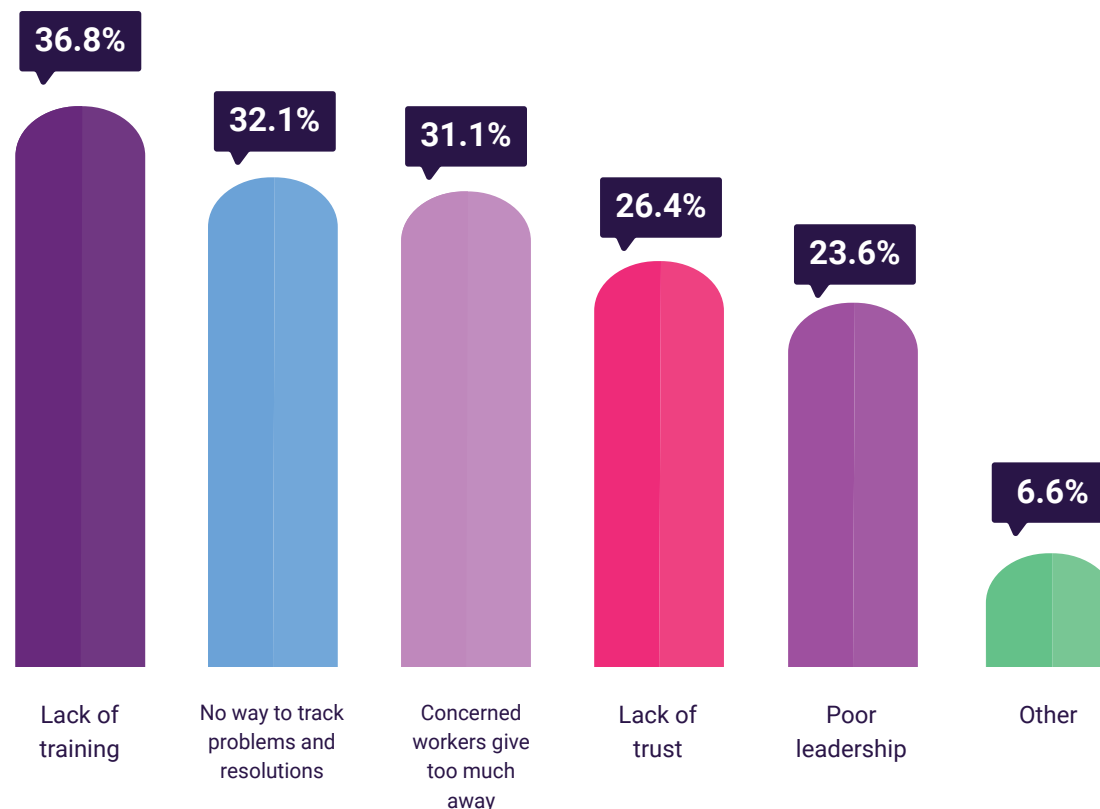
Empowered individuals

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4. Personalizing coaching to increase training effectiveness

Think about the world's greatest athletes. None of them would have reached their mind-boggling achievements without personalized coaching. Coaching unlocks potential, and it's no different when it comes to frontline employees.
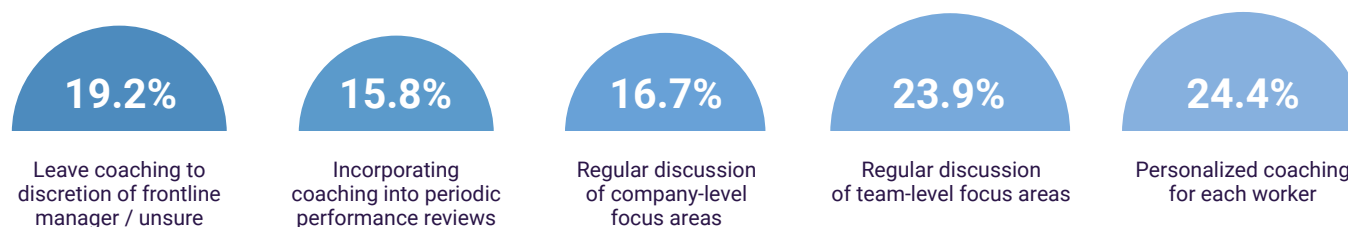
When you consider the top reasons frontline teams aren't more empowered today, it makes sense that companies are investing in training. With such an outsized impact on customer experience, an empowered frontline can be the difference between an average experience, and a totally awesome one, which has the customer coming back for more and referring their friends, family and colleagues.

Lack of Training is the top reason frontline workers aren't empowered

Reasons why frontline workers aren't empowered

36.8%	32.1%	31.1%	26.4%	23.6%	6.6%
Lack of training	No way to track problems and resolutions	Concerned workers give too much away	Lack of trust	Poor leadership	Other

Companies aren't doing enough to reinforce training

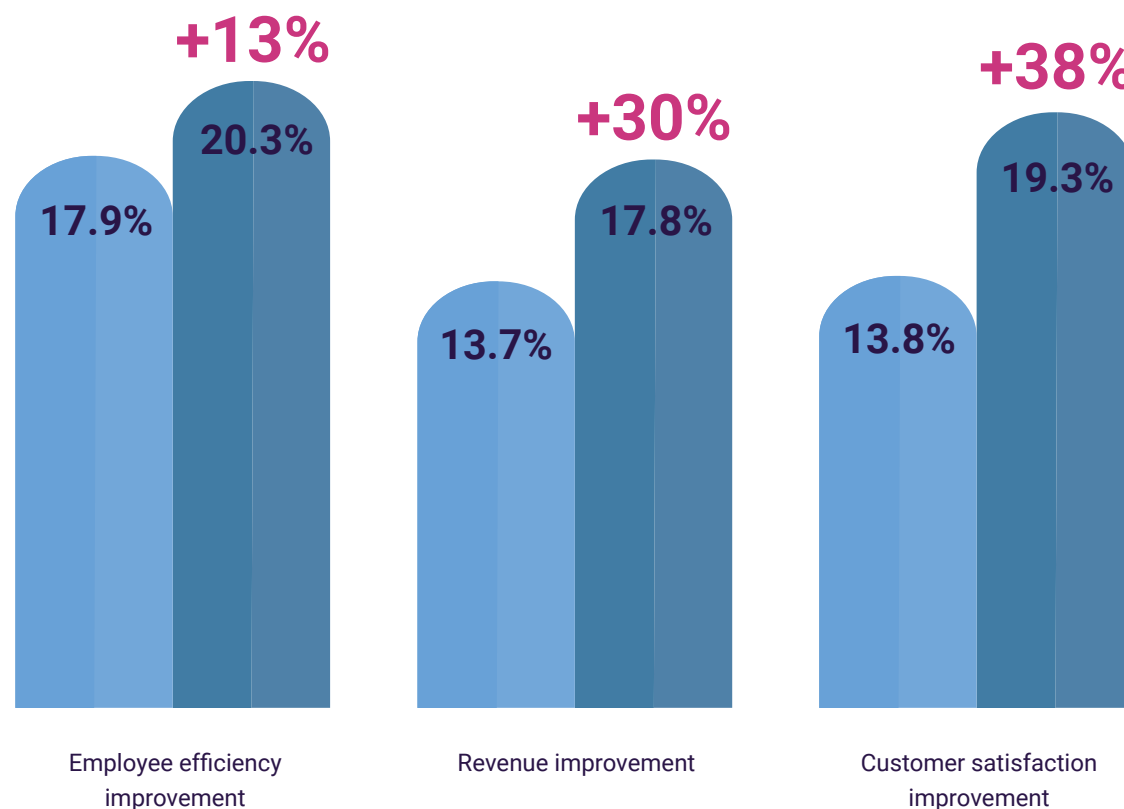| 19.2%	15.8%	16.7%	23.9%	24.4%
Leave coaching to discretion of frontline manager / unsure	Incorporating coaching into periodic performance reviews	Regular discussion of company-level focus areas	Regular discussion of team-level focus areas	Personalized coaching for each worker

MASTERY

However, the days of one-size-fits all training programs and annual performance reviews are over. Effective training is about reinforcing service standards over time, in a way that is personalized to the needs of each person being trained.

Less than 25% of companies that we surveyed are providing regular, personalized training on an individual basis. This is not surprising, as traditional feedback and management systems make it difficult and time consuming to address every team member regularly.

Yet once again, we can see that companies that do master the art of personalized, timely coaching are reaping the benefits, with a **30% greater increase in revenue improvement.**

**Coaching mastery increases the impact of Customer Experience investments**

● Lowest mastery
● Highest mastery

Employee efficiency improvement: 17.9% → 20.3% (+13%)

Revenue improvement: 13.7% → 17.8% (+30%)

Customer satisfaction improvement: 13.8% → 19.3% (+38%)

Where to from here?

While we can see improvements in the customer experience space more broadly, service brands across the globe are missing out on BIG opportunities due to a lack of investment in the frontline.

The results from the report are crystal clear: when businesses are able to master the four areas of Customer Experience Maturity, they significantly outperform their competitors. However, many businesses are simply unable to make these improvements without better technology solutions in place that support a best-practice approach

Best of the best

Your starting point
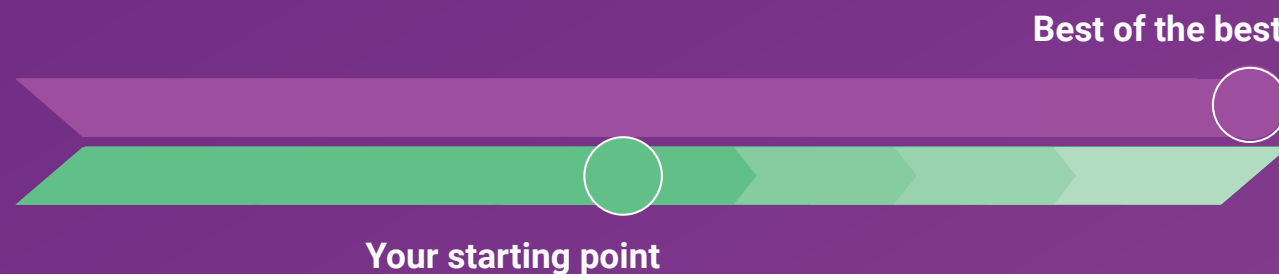
Mastering these four areas often requires significant business change, which means making a strong business case. To help you along that journey, AskNicely offers free benchmarking, where you can map your business alongside the results of this study, and suggest next steps to get the biggest impact for your efforts.

Get your free benchmarking report.

metrigy

Metrigy is an innovative research firm focusing on the rapidly changing areas of Unified Communications & Collaboration (UCC)/digital workplace, and Customer Experience (CX)/ contact center—along with several related technologies.

Metrigy delivers strategic guidance and informative content, backed by primary research metrics and analysis, for technology providers and enterprise organizations.

Ask Nicely

Founded in 2014, AskNicely is the Frontline Success platform pioneer, connecting the dots between employee experience, customer experience, and revenue growth for service businesses.

The industry-leading mobile technology platform delivers personalized coaching and motivation for frontline workers powered by real-time customer feedback.

AskNicely services over 1,400 companies worldwide and has offices in the United States, New Zealand, and the Netherlands. For more information, visit **www.asknicely.com**.

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