

Indians lost over 15 billion hours on hold to customer service in 2023, resulting in \$55 billion in economic loss output

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New research from ServiceNow shows that each citizen is losing more than one day a year to slow service, and two-thirds are considering making a brand switch

INDIA, July 31, 2024: Indians spent more than 15 billion hours on hold to customer service, according to new research from ServiceNow, the AI platform for business transformation. The '**Customer Experience Intelligence Report 2024**' revealed that the average person spent more than one day each year on hold to address an issue or complaint (30.7 hours), equivalent to an economic loss of \$55 billion¹ (USD), annually. (Refer to Notes for calculation at the end of the release)

4500+ Indians, aged 18 and above took part in the study, conducted in collaboration with Lonergan Research to understand the state of customer service over the past year.

More than 50 percent of survey respondents believe that their time waiting on hold has increased from the past year. Slow service solutions mean the average employee is spending 3.9 days to resolve each customer issue and 66 percent of respondents said they would consider switching to another company if their issue is not resolved within three working days.

"Indian businesses are at risk of losing two-thirds of their customer base in 2024 due to slow service solutions," said Sumeet Mathur, Senior Vice President & Managing Director, ServiceNow India Technology & Business Center.

"Consumers have spoken – three days is the maximum time they will wait for a solution before taking their business

elsewhere. Businesses that can't meet that standard must act, installing AI powered self-service options available at the consumers' fingertips."

How may AI help you?

Nearly two-thirds (62%) of respondents have resolved more issues through self-service options in 2023, compared to the previous year. Over half of Indians say that their trust in chatbots (55%) and self-help guides (56%) has also increased. The study shows a notable surge in trust towards AI amongst Indians, with a remarkable two-thirds (66%), expressing confidence in GenAI to deliver good customer service, nearly 10% higher than trust in traditional in-person customer support, signaling an emerging shift in preferences, particularly among the younger population.

"Consumer expectations from AI are straightforward - effectiveness in issue resolution, ease of use, quick response times, and accurate query comprehension. This shift marks the era of Industry 4.0, transitioning from human-led intervention to exploring the diverse capabilities that AI has to offer. In an era where customer retention is increasingly challenging, it is time for enterprises to put AI to work and drive growth, improve efficiency, and deliver superior customer experiences in a competitive business landscape," added Sumeet Mathur.

ServiceNow is helping Indian enterprises and government agencies put AI to work with Now Assist. AI helps reduce the workload on human agents, allowing them to focus on more complex and value-added interactions. Furthermore, by analyzing historical customer data, AI can anticipate individual preferences, needs, and behaviors, crafting personalized interactions that resonate with the client. This targeted approach fosters a sense of understanding and value among customers, enhancing their connection with the brand and elevating their overall experience.

India On Hold, As Customer Services Fails to Deliver

The study highlights that structural problems are pushing wait times further with 48 percent of Indians identify inefficient internal communication as a major issue for customer service delays, while 47 percent say customer service staff lack decision-making power. 44 percent Indians believe lack of ownership and responsibility between different departments, followed by 44 percent believe - poor record keeping from the previous service and 41 percent think Issues with internal systems are some of the main reasons for delay in resolving their issues which can be easily fixed with strategic interventions.

Transparency, Speed & Empathy are Key Groundbreakers

Close to 60 percent of Indians would like to see customer service teams improve their speed of resolution while half would like to see a reduction in the time spent on hold. Close to half (48 percent) would like to see better customer

experience in their applications

Around 2 in 5 Indians (40 percent) would like increased opening hours or response times – Improving their use of self-help guides and resources (40 percent) – Improving their use of chat bots (39 percent).

“Indian enterprise now faces a choice: allow mediocre experiences to continue eroding customer loyalty or rethink the way they design and deliver those experiences. It is abundantly clear, that customers are willing to use AI led chatbots or self-help guides for faster resolution. Businesses should embrace AI to help create meaningful experiences and reduce the burden on the customer service agents” concludes said Sumeet Mathur.

Notes: ¹Estimated USD 55 billion economic loss was calculated at the average salary rate of 502.79 INR per hour (source: Glassdoor) multiplied by the average number of hours spent by employees resolving issues (28.94) multiplied by the working population who chose to complain during critical business hours (9am to 6pm).

¹ USD 55 billion is calculated basis the average Indian’s salary as identified by a recent **Glassdoor research**

Research Methodology:

To capture a comprehensive view of customer service experiences across India, ServiceNow conducted an in-depth study which was executed by Lonergan Research in compliance with the ISO 20252 standard. The survey engaged a diverse group of 4,500 Indians aged 18 and above, sourced from a permission-based panel. After the interviews, the data was weighted to align with the latest population estimates sourced from the Ministry of Statistics and Programme Implementation. To ensure a diverse and representative sample, surveys were distributed throughout India, encompassing both capital city and non-capital city areas.

About ServiceNow

ServiceNow (NYSE: NOW) is putting AI to work for people. We move with the pace of innovation to help customers transform organizations across every industry while upholding a trustworthy, human centered approach to deploying our products and services at scale. Our AI platform for business transformation connects people, processes, data, and devices to increase productivity and maximize business outcomes. For more information, visit: www.servicenow.com.

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