Help Desk Software User Report – 2015

by: Craig Borowski

Help desk software allows companies to provide external support to customers and internal support to employees. To better understand how organizations use this software, the benefits and challenges they experience and their future investment plans for this technology, Software Advice conducted a survey of information technology (IT) professionals.

This report identifies help desk software buyer trends in order to help prospective buyers make more informed purchase decisions [www.softwareadvice.com/crm/help-desk-comparison/] and provide data that can be used when requesting or justifying purchases.

Key Findings

1. Despite the prevalence of cloud-based systems in the help desk software market, 68 percent of respondents currently use on-premise systems.

2. The most frequently used help desk functionalities are ticket management, reporting and analytics tools and live chat integration.

3. The three departmental performance factors that help desk software improves most are software problem resolution time, first-contact resolution rate and overall productivity of IT staff.

4. Among organizations with clear help desk software investment plans for 2015, 84 percent plan to increase their spend.

5. Forty-four percent of companies that plan to increase their help desk investment in 2015 cite the need for new functionality as the primary reason.

Introduction

Companies spent $20.4 billion on customer relationship management (CRM) software worldwide in 2013—a 13.7 percent increase over 2012. Impressive but not unexpected, this

strong growth aligns with the forecasts of most market experts, including Gartner's expectation that CRM will become a $36.5 billion market by 2017.

CRM is a very diverse category of software. At its most basic level, it provides the digital infrastructure companies use to manage, improve and learn from their interactions with customers. But given the very wide variety of company/customer relationships that exist in today's business environment, CRM software has many different subcategories, each with different (though often overlapping) focuses.

This report focuses on help desk CRM software, sometimes referred to as "IT support" or "service desk" software. This software addresses the relationship between the providers of a service or product (which is usually technical in nature) and its end users.

In many cases, help desk software is used by a company's internal IT department to manage resources and provide support to employees. In this common scenario, the end users are the company's own employees, and thus are not really customers in the traditional sense.

In other cases, help desk software is used to manage a company's relationships with external customers. These could be traditional business-to-consumer (B2C) customers, or other companies in a business-to-business (B2B) context (e.g., one business that purchases IT services from another).

Reflecting this wide variety of use cases and the strong growth of the CRM market at large, the help desk software market has numerous offerings. Adding to the complexity is the fact that the service expectations of end users are changing quickly, requiring most companies to raise the bar of the services they provide. Our survey of IT professionals who use help desk software further explores these offerings and how they can benefit businesses.

68 Percent of Respondents Use On-Premise Help Desk Software

One major decision software buyers face is deployment model. They can choose to install the system on their own local servers (known as an "on-premise" deployment) or opt for "Software-as-a-Service (SaaS)" or "cloud-based" deployment, where the software is hosted online by the vendor and accessed via the Internet.

While most software was traditionally deployed on-premise, cloud-based deployment has been growing for years. This is due, in large part, to the long-term cost-savings potential of cloud deployment and the convenience of having the software—and its service, maintenance and updates—managed by a third party.

Despite these advantages, 68 percent of respondents in our sample report having on-premise deployments. A combined 31 percent have cloud-based deployments, with 18 percent using software hosted by the vendor and 13 percent using software hosted on their own off-site servers (which are leased from third parties).

Deployment Models

68% On-premise

18% Cloud-based (hosted by vendor)

13% Cloud-based (hosted on leased servers)

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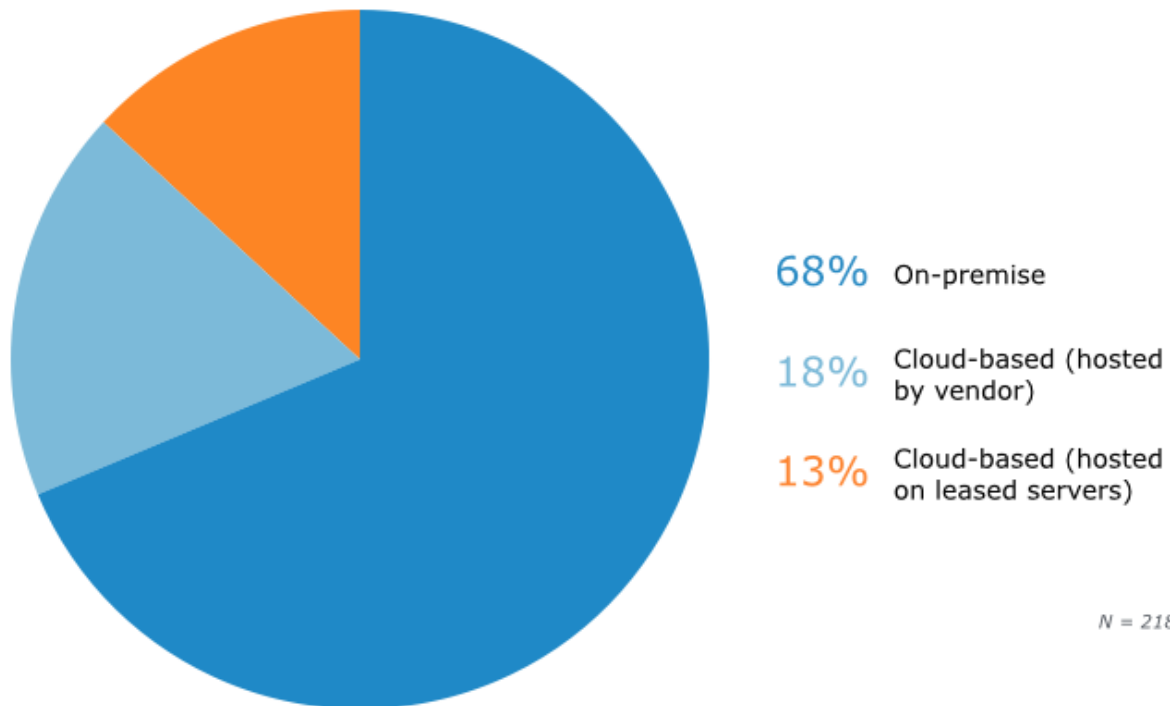
This finding aligns with a 2014 Gartner report, which found "strong demand" for cloud-based systems in the larger CRM market, accounting for "more than 41 percent of CRM total software revenue in 2013." According to the report, this demand for cloud-based systems comes "from organizations of all sizes seeking easier-to-deploy alternatives [in order] to replace legacy systems, implement [new] applications or provide alternative, complementary functionality."

Buyers Seek Lower Costs and Greater Flexibility

While noteworthy, knowing that over two-thirds of respondents use on-premise help desk systems only tells part of the story. Perhaps more important is knowing what motivates buyers to choose one deployment model over another. As such, our survey asked respondents about their reasons for making a purchase, and what benefits they perceive from each deployment model.

We find that the biggest motivation to choose cloud deployment is lower long-term and upfront costs, cited by 18 and 15 percent of respondents, respectively. Stronger security, better remote access and lack of an on-premise option were each cited by 13 percent as the primary motivation for choosing a cloud-based system.

Meanwhile, 44 percent of on-premise help desk users cite having more control over the system as their main motivation for choosing on-premise deployment.

Top Reasons for Choosing Cloud Deployment

18%	Lower long-term cost
15%	Lower upfront cost
13%	Stronger security
13%	Better remote access
13%	No on-premise option
30%	Other

N = 40
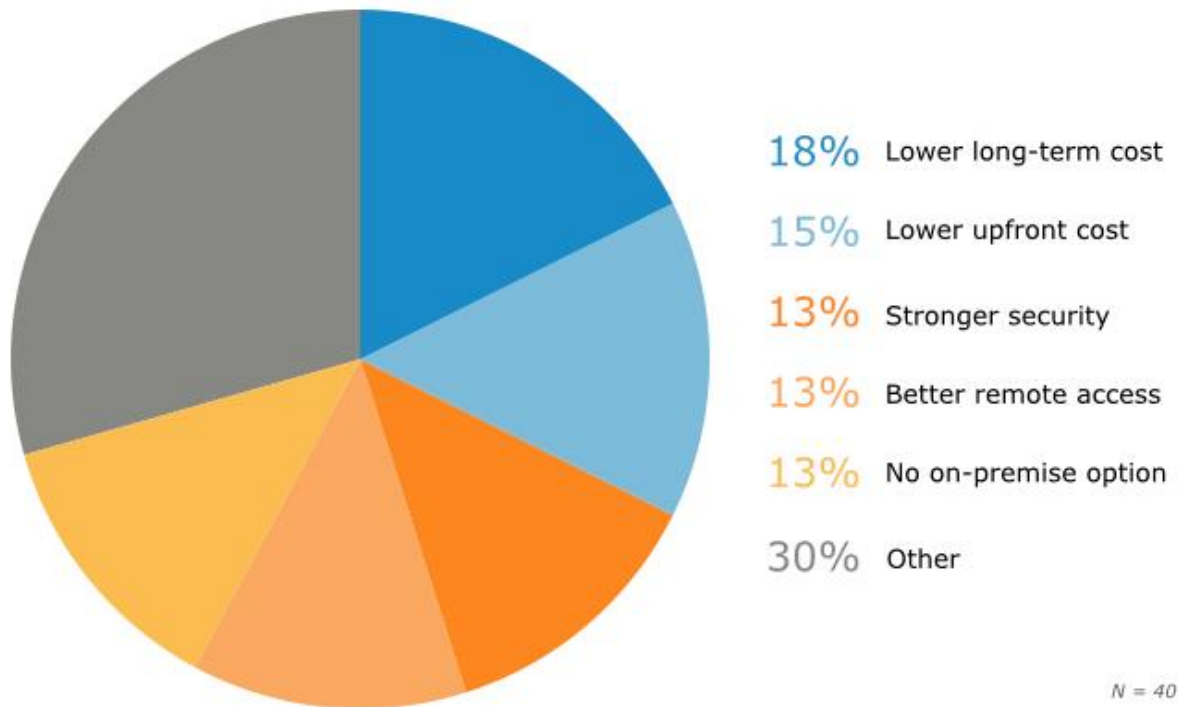
The 2014 Gartner report mentioned above contains another observation worth noting here. While 44 percent of cloud-based CRM software buyers cite lower cost as their primary motivation for choosing cloud over on-premise, the primary motivation varies significantly depending on a person's position at their company:

"Cost-reduction rated highest for the more junior IT roles (IT staff and IT managers) … The [chief information officer] and IT director roles all rated 'cloud is a modern approach,' 'innovation' and 'operational agility' as top drivers. The senior IT leaders also rated 'business advantage' significantly higher than junior IT roles."

In light of this, we should emphasize that our survey was designed to gauge the opinions of IT professionals who have the most hands-on experience with help desk software. As such, our survey population is mainly comprised of IT staff and IT managers. It's likely that respondents would prioritize a reason such as "more control" more so than C-suite executives would, for example.

It's interesting to note that "stronger security" is seen as a benefit of *both* deployment models, and that cloud users cite this motivation at a higher rate than on-premise users. This goes against the more traditional (yet often debated) view that on-premise systems are inherently more secure. One plausible explanation is suggested by data collected in a 2014 survey conducted by cloud services management firm RightScale.

The survey [www.rightscale.com/blog/cloud-industry-insights/cloud-computing-trends-2014-state-cloud-survey] of 1,068 technical professionals "across a broad cross-section of organizations" found that, as companies gain more experience with cloud-based software,

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security becomes less of a challenge. The companies in this sample most likely to rate security as a "significant challenge" are those with no or little experience with cloud software.

Experience Level of Companies That Say Cloud Security Is 'Significant Challenge'
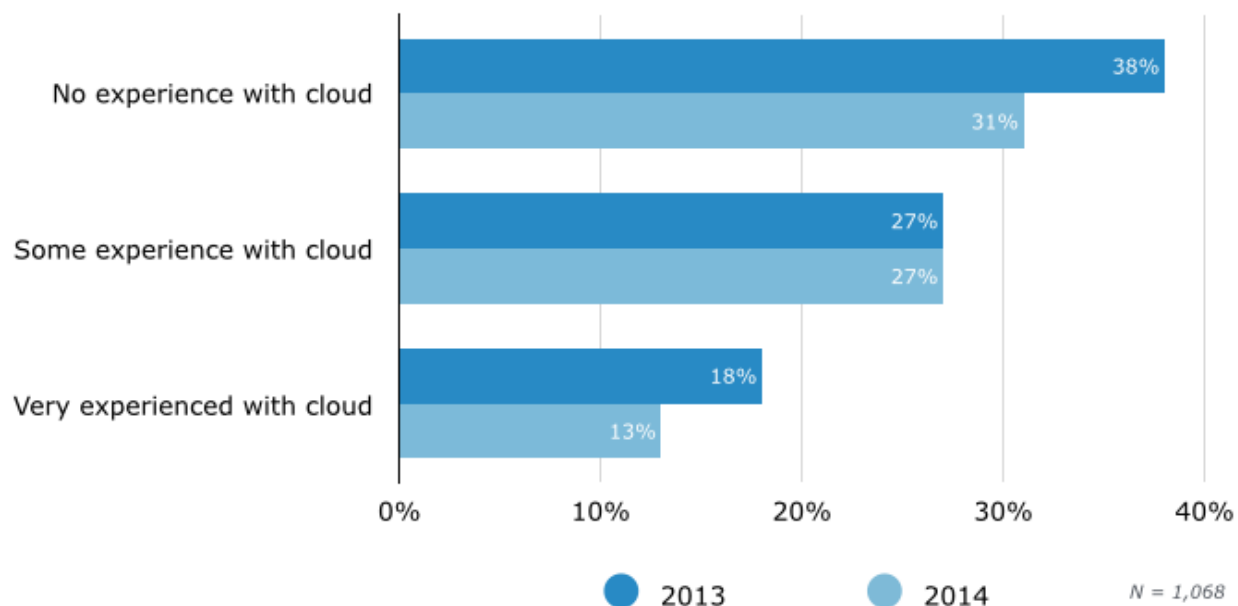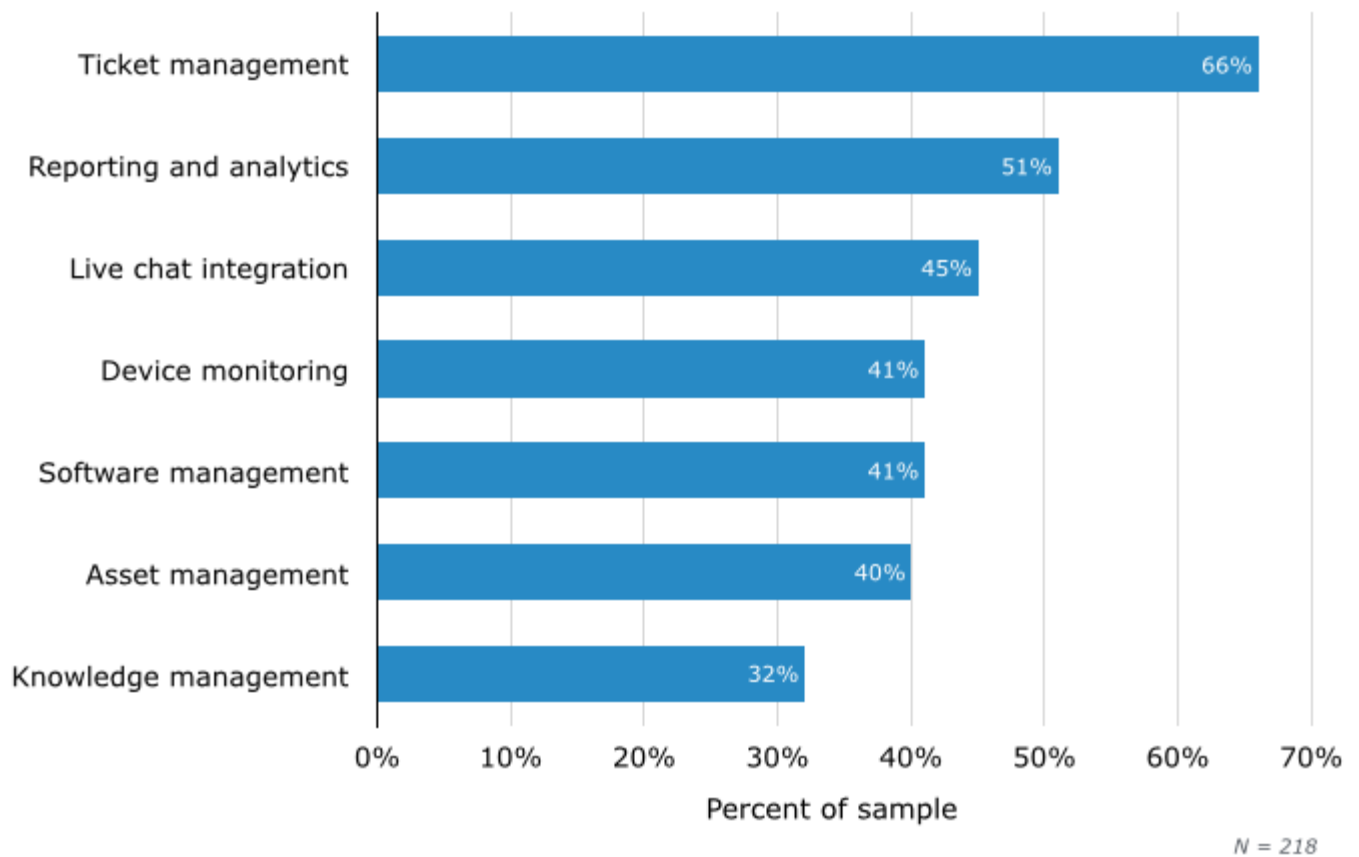

Source: RightScale's Cloud Computing Trends: 2014 State of the Cloud survey. Adapted and used under CC BY 4.0

Live Chat Integration Is Core Function of Help Desk Software

Companies manage support requests by creating a virtual "ticket" for each new request. This ticket serves as a record, and is updated as new information becomes available. It is assigned to certain departments and/or individual support agents, who are responsible for either resolving the issue or passing it along to the department or agent who will. The ticket is "closed" when the issue is resolved.

Ticket management is the most central functionality of help desk software—as such, it's not surprising to see that it is the most-used among respondents in our sample (66 percent).

Frequently Used Help Desk Software Functionality

Ticket management: 66%
Reporting and analytics: 51%
Live chat integration: 45%
Device monitoring: 41%
Software management: 41%
Asset management: 40%
Knowledge management: 32%

Percent of sample

N = 218

The functionalities that place second and third, however, are very interesting in that they confirm broader market trends. Reporting and analytics functionality ranges from the calculation of very simple tallies (e.g., number of tickets currently open) to advanced predictive analytical models that can suggest future actions based on analysis of current data. This latter category can be classified as business intelligence (BI) functionality.

Interest in and adoption of tools for BI analysis are growing quickly. Evidence for their popularity can be found in the growth of the business intelligence software market, which grew 8 percent in 2013. As more companies realize the value of analyzing data on their existing business operations, it's likely more software vendors will add BI features to their products. The popularity of reporting and analytical tools among our survey respondents suggests that some users may already be realizing the benefits of having rudimentary BI tools integrated with help desk platforms.

Third on the list of most-used functionality is live chat integration. Live chat is a communication channel for which consumers have expressed strong demand. And this demand has not gone unnoticed—now more than ever, companies are looking to gain competitive advantage by improving the overall customer experience.
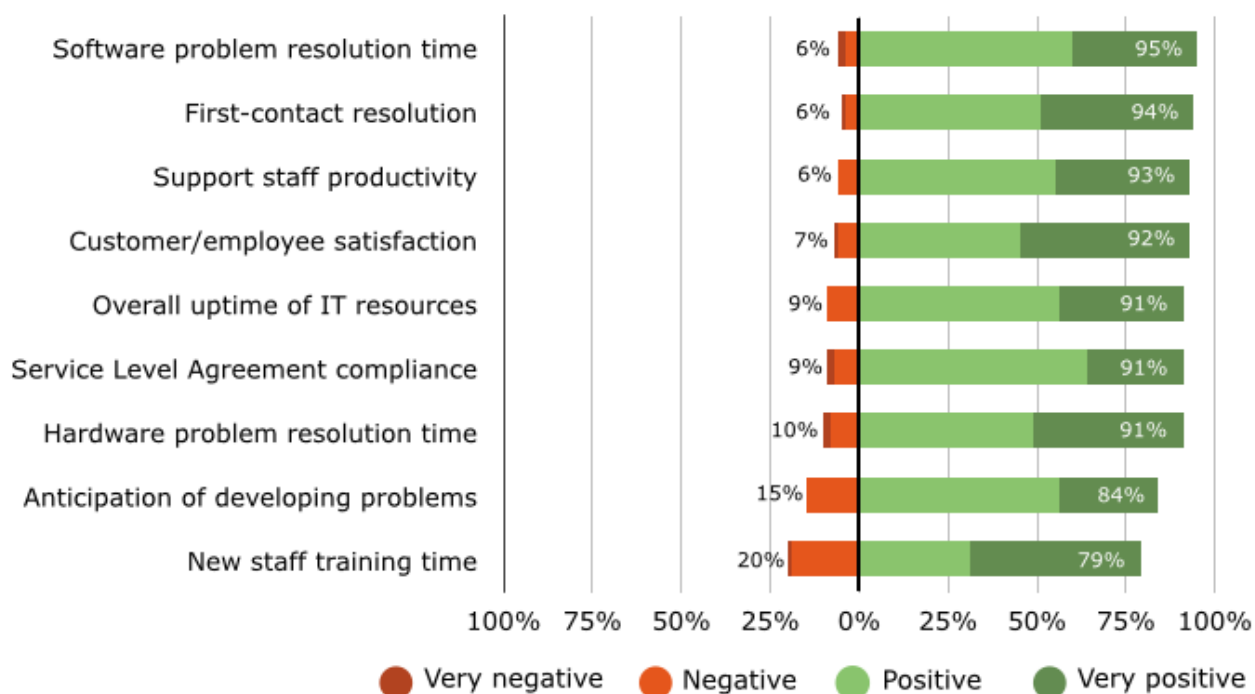
In fact, according to another recent Gartner report, "Customer experience is … considered by many companies to be the top innovation project, just edging out product innovation."

As companies continue to improve the user experience by catering to customers' specific preferences, offering live chat is likely to become increasingly important. After all, unlike email, live chat is instant—and unlike customer-service phone calls, it carries little reputation for customer frustration. The high rate of live chat usage among the help desk professionals in our survey suggests that many are aware of this trend.

Help Desk Software Has Positive Impact on KPIs

Next, we asked respondents about the impact their help desk software has on the performance of certain areas within their departments. Overall, they report that software has a positive impact.

Impact of Help Desk Software on Department Performance

	Negative	Positive
Software problem resolution time	6%	95%
First-contact resolution	6%	94%
Support staff productivity	6%	93%
Customer/employee satisfaction	7%	92%
Overall uptime of IT resources	9%	91%
Service Level Agreement compliance	9%	91%
Hardware problem resolution time	10%	91%
Anticipation of developing problems	15%	84%
New staff training time	20%	79%

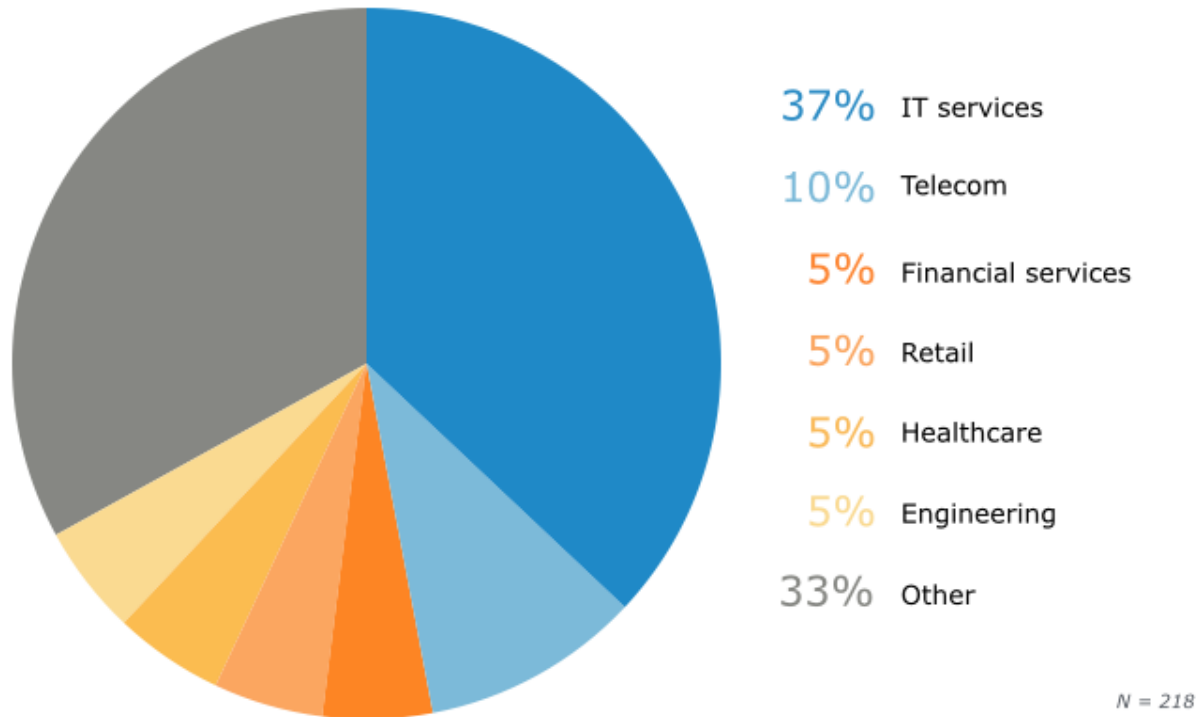Legend: Very negative, Negative, Positive, Very positive

N = 218

Respondents identify the average time needed to resolve problems with software as the area of departmental performance that help desk software improves most. First-contact resolution and overall staff productivity are the second and third most positively impacted areas.

Examining the above list of improvements, it's clear that some are more specific to certain industries than others. While first-contact resolution is an important measure in the support

operations of nearly all industries, other metrics—such as software problem resolution time—would not have equal relevance in all industries.

As such, we should recognize that surveys spanning multiple industry verticals may over-represent some specific performance gains, depending on the makeup of the survey population. The survey we conducted for this report was open to help desk employees in all industries, though not all industries are represented equally.

Respondents by Industry

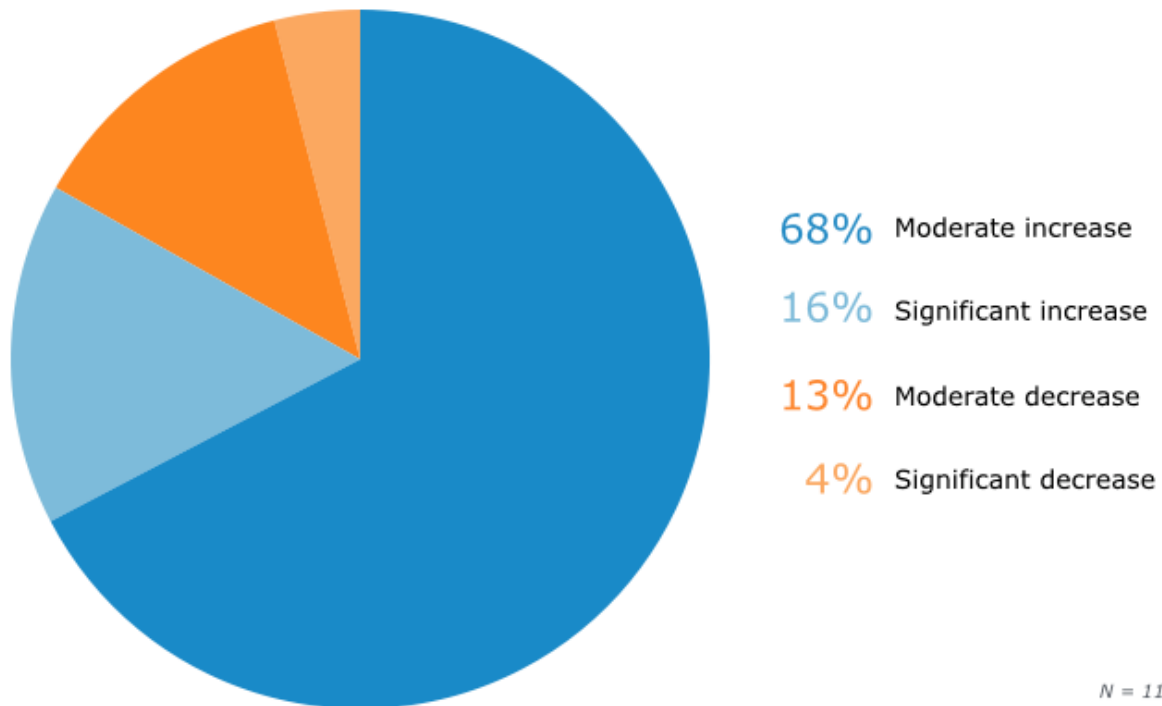|	
37%	IT services
10%	Telecom
5%	Financial services
5%	Retail
5%	Healthcare
5%	Engineering
33%	Other

N = 218

Most Plan to Increase Help Desk Software Investment in 2015

Our survey concluded by asking respondents about their purchasing plans for 2015, and how they compare to those of 2014. Nearly half (46 percent) say they have no plans to increase or decrease the amount spent on help desk software in 2015.

Among those with concrete plans (illustrated in the chart below), 84 percent plan to increase their help desk software investment in 2015, while 16 percent plan to decrease it. For this latter group, the most common reasons are that no new purchases are needed and that the company is downsizing. Among those planning to increase spending on help desk software in 2015, the need to add new features is the most common reason, cited by 44 percent of respondents.

Projected Help Desk Software Investments 2015 vs. 2014

68% Moderate increase

16% Significant increase

13% Moderate decrease

4% Significant decrease

N = 111

There are several likely explanations for why such a large percentage of those increasing their investment want to add features to their help desk platforms. The most obvious is that customers now have higher expectations for the service they receive when contacting a company—and so companies are trying to keep up.

For example, live chat integration was uncommon several years ago. However, since consumers are increasingly showing a strong preference for it (and are even beginning to expect it), many companies are now adding this technology to their service channel offerings. In fact, some reports [http://www.livechatinc.com/reports/livechat-customer-happiness-report-2014/] show that live chat usage increased by 70 percent between 2012 and 2014.

Additionally, there is the influence of new, disruptive technologies to consider. Most relevant among these is mobile technology and the explosive growth of mobile IT culture. Not only do more Americans own smartphones than ever before (58 percent [www.pewinternet.org/fact-sheets/mobile-technology-fact-sheet/] as of January 2014), they are also using them for an increasingly wide variety [www.pewinternet.org/2013/09/19/cell-phone-activities-2013/] of tasks. This includes using them to access the Internet—which, for many, might include going online to access company support websites.

Finally, the CRM market on the whole is rapidly growing. This growth naturally sparks change and competition between vendors, which results in more vendors offering new software functionality in the hopes of gaining a competitive advantage.

It should be noted that, while it can be challenging to keep up with new technology and rising consumer expectations, companies purchasing software should strive to do so to keep pace with customer demand for certain functionality. For example, even a few years ago it was clear that mobile compatibility and live chat support were becoming increasingly desirable. Help desk software buyers that were aware of these trends then wouldn't need to shop around for new software today.

Conclusions

As we've seen, the CRM software market is dynamic, characterized by changes and rapid growth among software vendors. It's equally dynamic among CRM software buyers, where we see a wide variety in deployment-model decisions, functionalities used, performance benefits realized and future investment plans.

This is partly a reflection of the variety of help desk software use cases. This subcategory of CRM software has broad applications, depending on the nature of the specific relationship between a company and its customers and/or employees.

Many software buyers, especially first-time buyers, find the help desk market to be too varied—often overwhelmingly so. In light of this, we offer the following list of suggestions for those facing the challenge of choosing the right help desk software:

⇒ **Define the scope of use.** Will the software be used to provide service and manage relationships with internal employees (i.e., an IT support desk context), or with external customers? If the latter, is it a B2C or B2B context? While there are many help desk solutions that might work equally well in each of these contexts, some are more specialized and could offer a better solution.

⇒ **Identify which business goals the software must address.** In a typical B2C service department context, the company may already have a set of metrics used to gauge the department's performance. Other companies may have broader goals, such as improving the overall customer experience. Identifying goals will help guide better purchase decisions, and will provide a way to measure a system's impact on the business.

⇒ **Consider both deployment models.** There is a great deal of information available about the pros and cons of the two main deployment models, cloud/SaaS and on-premise. Understand that while many use on-premise systems, many more are now choosing cloud-based deployment. Those continuing with on-premise systems usually have very specific reasons for doing so (e.g., complex integrations with other software platforms).

⇒ **Determine integration requirements.** Some companies use a variety of best-of-breed software tools to address their varied business needs. In these situations, help desk software may need to be integrated with other products (e.g., general-purpose CRM or marketing software). Other companies can use CRM suites that offer help desk functionality pre-integrated with other core applications.

The detailed methodology for this report can be found here
[www.softwareadvice.com/methodologies/].