Strengthening the customer experience within the data center

Technology and a people-powered approach drive customer satisfaction and retention

Executive Summary

The customer experience has quickly emerged as a key differentiator in the data center industry. To promote a powerful and positive experience, colocation providers must offer customers world-class technology, vast expertise and a people-centric approach to partnership. But, to sustain this experience, data centers must continually evaluate their success in meeting customer needs and service expectations over time. A customer experience strategy that offers a robust feedback program, infused with technology, predictive analytics and a human touch will continue to help data center operators proactively assess and address customer needs to build stronger relationships.

Customer experience delivers a competitive edge

Customer service has long been a differentiator for businesses as they attempt to win over and retain customers for the long term. Businesses like LLBean and Apple have loyal customer bases based on the quality of their products and their outstanding customer service.

However, customer service has evolved beyond the friendly, welcoming face and satisfactory resolution of an issue. Today's businesses are increasingly focused on the complete customer experience, ensuring customers are satisfied and find value in every interaction they have with a business. This is so crucial to business success that 46% of businesses are prioritizing the customer experience over the product and its pricing strategy over the next five years.

In the digital age, the customer experience can be both enhanced and hindered by technology. While technology can offer customers a number of enhanced capabilities, efficiencies and opportunities, it can also remove human interaction from the equation. This can be a source of tremendous frustration when applications are not working properly. Everyone has had the unenviable experience of being endlessly routed through automated menus with no option to speak to a live person. This is an easy way to mar the customer experience, and a prime reason the human element cannot be overlooked.

Soaring amounts of digitized data—combined with artificial intelligence (AI), machine learning (ML) and predictive analytics (PA), also offers opportunities for businesses to learn about their customers' habits and needs. In turn, businesses can use this data to bridge the gap between innovation and customer care to proactively support the customer.

PROMOTING THE CUSTOMER EXPERIENCE IN THE DATA CENTER INDUSTRY

While the data center industry may not jump to mind when discussing customer experience, this market is highly reliant on delivering exceptional day to day

interaction with customers of all types. Today, data center services are largely a commodity. Providing 100% uptime, diverse connectivity and steadfast security are a mere starting point for successful colocation, and third-party providers that cannot meet this basic criteria will not be in business for long. What is becoming clearer is that the customer experience is what sets one provider apart from another.

Success in the data center space reaches beyond basic colocation requirements to offer customers more value across every touchpoint throughout the life of the relationship. Third-party data centers must position themselves to be strategic, long-term partners, focused on delivering the expertise, flexibility and innovation to help customers improve business efficiencies and overall operational integrity. Providers must also shift from reacting to customer needs to proactively communicating, offering insights, and heading off potential issues.

The customer experience strategy must also holistically evaluate experiences across the entire customer lifecycle—from pre-sales through renewal—building trusting relationships with each stakeholder. Only satisfying the person who signs the contract or reports an issue is not enough.

While most businesses understand this, there is often a disconnect in their abilities to deliver on it. According to [Acquia](#), 90% of customers believe most businesses fail to meet their customer experience expectations. Data centers—like all businesses—must find ways to better understand customers' changing expectations and needs, and develop a strategy that addresses those requirements.

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Operational Maturity grounds QTS' Customer Experience Strategy

QTS Data Centers, a leading provider of hybrid colocation and mega-scale data center solutions, is focused on proactively delivering value-oriented capabilities and services to ensure customers' needs are continuously met—sometimes before they even recognize the need.

"Our Customer Experience program is a strong differentiator for us," said Jeff Sangillo, vice president, technology engineering and operations at QTS Data Center. "How you treat customers, your flexibility and responsiveness to their needs, and your ability to work with them as partners makes a difference and is key to excelling in the data center industry."

QTS' ability to provide an outstanding customer experience is rooted in its Operational Maturity. This intense level of sophistication and operational excellence has been built over years of operating massive data centers and addressing complex customer requirements.

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This experience has given the provider a unique perspective of developing data center requirements. It has also reinforced that Operational Maturity is not a static endeavor. QTS is commitment to continually building on and enhancing its operational excellence, partnership, and innovation across the organization through constant evaluation and refinement.

For QTS, Operational Maturity is founded on three critical pillars: Operational Expertise, Operational Discipline and Operational Partnership. These customer-focused pillars are the building blocks

of QTS' Customer Experience Strategy and allow the organization to meet customers' evolving requirements.

OPERATIONAL EXPERTISE: ENGAGING THE RIGHT PEOPLE WITH THE RIGHT SKILLS

Having an employee base with the right skills is essential to delivering a positive customer experience. After all, this team is responsible for the operational integrity of its customers' IT environments. This expertise goes a long way in ensuring confidence in the data center's ability to deliver results in any situation.

Equally important is the availability of this expertise. When customers need assistance, availability is paramount. A seasoned team that is inaccessible lacks value. QTS stresses the expertise and availability of its staff, investing heavily in their training to ensure they have the tools, skills and knowledge to provide customers with an exceptional experience.

OSC centralizes expertise to effectively manage issues
To provide customers with 24/7 access to this expertise, QTS utilizes a structured and unified Operational Support Center (OSC). Serving as the central point of contact for issue resolution, the OSC ensures a consistent level of service across QTS data centers. Unlike many organizations who utilize their OSC as a call center, QTS invests heavily in the proficiency of the OSC to provide them with the requisite knowledge to remedy customer issues.

With three tiers of increasing expertise, the OSC resolves 97% of issues. Issues that cannot be addressed by these tiers are routed to senior staff, and issues that require physical intervention are directed to the appropriate data center site team.

Employee-centric programs boost the employee experience
Employees are the foundation of any business, and 71% of customers believe that a company's employees have a significant impact on the customer experience. Building a strong, employee-focused corporate culture can improve employee satisfaction and, in turn, impact the customer experience. This culture is a motivator in attracting and retaining effective employees as nearly

80% of employees value corporate culture and 57% deem it a must-have for job satisfaction and longevity. The reality is, happy employees provide better customer service and remain with their employers longer. This retention rate minimizes learning curves and continually builds on the level of expertise to strengthen the customer experience.

QTS values its employees and offers a variety of employee-centric programs to support job satisfaction. This includes continuing education opportunities and career tracks to promote internal growth and development. This is vital to its corporate culture and a driving reason the data center provider boasts one of the highest retention rates in the industry and a staff with decades of data center experience.

"QTS has a unique and powerful culture based on a set of core values that govern how we do business," said Steve Bloom, chief people officer at QTS Data Centers. *"Our values are grounded in a belief that serving each other, our local communities, and our customers is one of our highest callings, and servant leadership is a hallmark of everything we do. Therefore, our approach to serving customers is not just about a good business practice it's also about the fabric of our culture."*

To ensure employee satisfaction and fulfillment, QTS employs a robust employee feedback program designed to enhance its internal culture and provide opportunities for team members to address issues that impact how they perform their jobs and interact with customers.

OPERATIONAL DISCIPLINE: UNITING LEADING-EDGE TECHNOLOGY AND BEST PRACTICES

Having the best technology, security, compliance practices and innovations is another key element of Operational Maturity. Technology evolves at breakneck speed, and organizations that do not continually invest in their environments will quickly fall by the wayside.

Adopting new technologies such as AI and machine learning can enhance service delivery capabilities and the customer experience. Reinvesting in the data

center and integrating innovative technologies is what QTS refers to as Operational Discipline.

Standard Building Design

QTS' Operational Discipline is found in its ability to create high-performing environments for its customers. Its experience developing data center environments for some of the largest, most sophisticated enterprises has allowed the organization to develop a standard building design that offers a best-in-class, highly efficient environment with a repeatable build strategy. Offering predictable timelines and costs, this design delivers ultimate control as well as the flexibility to tailor the build to meet unique needs.

SDP enables data center transparency

Businesses are increasingly relying on digital transformation initiatives to achieve a competitive advantage. QTS has infused the data center experience with innovative technology that improves operational efficiency and visibility to fortify the customer experience. This level of Operational Discipline was never more evident than during COVID-19. QTS' investment in digitizing the data center allowed its customers to continue to manage their environments remotely.

"QTS has been very fortunate during the pandemic. Our Operational Maturity as an organization has long promoted rigor, structure, and processes that have made the uncertainly of COVID-19 feel almost familiar to our security and operations teams," said Tag Greaves, chief hyperscale officer at QTS Data Centers. "Operationally, there was absolutely no disruption—not even from the customer perspective."

This was made possible by QTS' proprietary Service Delivery Platform (SDP). The API-driven application utilizes digitized data to offer real-time views of the customer environment. Using SDP, customers can access power draw, badging data, asset management tools and more. This provides customers with complete transparency and control, allowing them to effectively and efficiently manage their data center environments from anywhere, anytime and on any device. This on-demand access is a critical differentiator for customers.

QTS continues to deliver an expanding arsenal of

leading-edge capabilities via SDP. The company established the QTS Innovation Lab (QIL) to speed the release of these offerings. This dedication to innovation— as well as its intensified pace—also supports customer needs by delivering levels of visibility and control not offered by other data centers.

Incorporating automation and analytics

QTS builds upon this transparency by integrating automation and analytics into its tools to support high-performing customer environments. QTS' AI-driven monitoring platform maps devices to the systems they support—including mechanical and electrical systems—to allow the organization to evaluate devices in real-time and be more preemptive in addressing issues.

This leading-edge solution is centrally monitored by the OSC to promote awareness and quickly coordinate site resources. The platform also alerts the OSC when a system is reaching a pre-established threshold to enable more proactive responses.

"The ability to visually assess the health of our systems based on green, yellow or red indicators allows us to be more proactive in supporting our environment," said Sangillo. "Rather than reacting to failed systems, we can manage potential concerns before they impact the customer."

The automation built into this tool also streamlines the resolution process, automatically generating a ticket and eliminating the need for an engineer to evaluate the system, identify the problem and open a ticket to initiate the incident response process.

QTS also utilizes a state-of-the-art service management tool to define workflows, intelligently route tickets and deliver analytics that help identify trends and operational data points. This level of automation and intelligence will continue to guide the QTS roadmap, focusing on improving capabilities and bolstering customer conversations.

OPERATIONAL PARTNERSHIP: INSERTING A HUMAN TOUCH INTO A TECHNICAL WORLD

In an increasingly digital world, human interaction is often forgotten or underutilized—and consumers recognize

this with 82% of consumers demanding more human contact in the future.

QTS takes great pride in its commitment to its customers, treating them as valued partners. Its 'Powered by People' motto embraces the importance of people in a digital world, ensuring technology does not eclipse the human touch. Serving as a trusted partner for the long-term, QTS' internal team works collaboratively with customers to deliver the support and value-added solutions that help customers meet business goals.

This philosophy is rooted in its Customer Creed, which promotes a holistic view of customer engagement and serves as the foundation of its Customer Experience Strategy. This commitment resonates throughout the organization to build value and deepen the customer experience.

QTS Customer Creed

I make it enjoyable to do business with QTS.

I am empowered to find the right customer solution.

I commit to solving customer issues, even before they occur.

I value and will make a personal connection with each customer.

I remember to view the situation through the customer's eyes.

A dedicated team to build trust

To create and nourish this partnership, QTS provides every customer with a dedicated service team which includes an implementation project manager (IPM), account manager and customer experience manager, as well as access to the OSC and the data center site team. This team is designed to nurture a strong relationship, develop trust and promote collaboration. QTS' industry-leading retention rate allows the

organization to build these essential relationships over the term of the relationship, developing more thorough understandings of the customer's environment, history and budding needs.

Additionally, account managers conduct quarterly business reviews for high-growth accounts to be more proactive and strategic in addressing future initiatives and exploring how QTS can be a better partner.

Value-added opportunities

QTS goes above-and-beyond to provide customers with information that fosters more informed decisions. For example, QTS simplifies complex tax codes into a customer-friendly reference document to helps customers better understand tax implications across cities, municipalities and counties.

The organization is also cognizant that its internal practices can impact customer timelines and capabilities. To best support these needs, QTS remains highly flexible in its processes to minimize the impact on customers. This includes its legal department, which works diligently to streamline legal processes for its customers' and their stakeholders, tempering the rigidity and slow rate that typically define legal dealings.

Delivering customer-aligned social designs

QTS also addresses customer needs when it comes to the amenities in its facilities. For many customers, the data center is their office, and as such, the facility needs to provide a comfortable, adaptive and effective workspace that encourage productivity. QTS recognizes this and integrates appropriate social design elements into its buildings, including cafes, office spaces and meeting rooms, an Environmental Health and Safety (EHS) program, EV charging stations and more.

"*We're constantly thinking about our data centers design through the customer's lens*," said Sangillo. "*We want our buildings to have a sensibility about them that supports customers' needs and makes it very easy to conduct business without sacrificing the necessary controls and security.*"

Building the Customer Experience Strategy

By integrating leading-edge technology, seasoned teams and a human element, QTS' Operational Maturity provides a strong foundation for an exceptional customer experience. To ensure that these factors continue to meet customer needs, QTS deploys a robust Customer Experience Strategy designed to measure, analyze and continually improve the customer experience.

Gaining an eagle's view of the experience is fundamental. This means assessing every touchpoint along the customer journey. This strategy moves beyond simply resolving issues to appreciate and manage the complete customer experience. This comprehensive insight is particularly crucial as 54% of consumers say most businesses need to improve their customer experiences.

SURVEYING CUSTOMERS SECURES VALUABLE INSIGHT

Conducting surveys is one way that QTS attempts to decipher how well it is meeting customers' needs. These surveys are designed to help the organization understand customer perceptions and expose any gaps or shortcomings in the experience.

Like many businesses, QTS utilizes Net Promoter Scores (NPS) to gauge brand loyalty and customer satisfaction. Coordinated by a third-party administrator, NPS surveys are sent out each week to randomly selected customers. Customers respond to a series of questions, noting their satisfaction on a scale of 0 to 10 for a composite score that can range from -100 to 100. While the typical rating scale offers promoter scores of nine and 10 and detractor scores of five and below, QTS calculates its scores more conservatively with zero through six deemed detractors. Despite this stricter rating process, QTS' current rolling 12-month NPS score is 87—a score that doubles its nearest competitor.

Every week, the organization shares its most recent NPS results and accompanying customer comments with every employee, highlighting opportunities and giving credit for hard work and exceptional customer service. QTS also trends these scores monthly and annually to provide an overview of its results.

"*One of the best outcomes we achieve in a survey is that a customer knows a QTS employee by name and wants to highlight him or her for providing an exceptional experience,*" said Sangillo. "*This means we're building the right kinds of relationships and interactions, and are fulfilling our goal of being an extension of the customer's team.*"

Regardless of the score, QTS also follows up with every customer to ensure they know the organization is listening and engaged.

"*We have a tight feedback loop. We track and report actions against every improvement opportunity identified in a customer's survey,*" continued Sangillo. "*We view this feedback as an opportunity to improve. Over the years, customers that grow with us know that when they give us feedback, we're going to acknowledge it and do our best to address it.*"

> QTS' NPS ratings have been the best in the industry for four consecutive years, nearly doubling its nearest competitor.

While QTS' NPS ratings are overwhelmingly positive, they do not provide an all-inclusive view of the customer experience. To achieve a more in-depth appreciation of the customer experience, QTS conducts a series of additional surveys focused on other touchpoints within the customer lifecycle.

RENEWAL → SALES → ONBOARDING → SUPPORT → EXPANSION
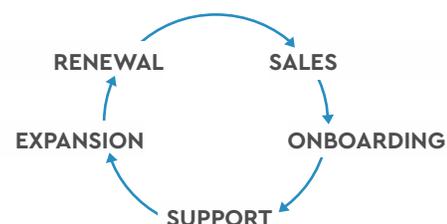
These surveys are conducted with the same rigor as the NPS surveys and focus on the ease of building the relationship, the onboarding process, the success of the implementation, QTS' ability to proactively meet needs, the regularity of check-ins and more. QTS' Great First Impression program, which highlights its customer onboarding program, averages scores of over 90.

In addition to surveys, QTS also tracks additional data points that impact the customer experience, including uptime, number of tickets, ticket responsiveness, frequency of communication and customer retention. These metrics provide additional data points that can impact customers' operational efficiencies and the overall experience. QTS maintains specific expectations around these metrics to meet internal standards. For example, the organization strives to update customers on outstanding tickets every two days, and its analytics trend this metric at every 1.9 days.

On average, the OSC updates customers on outstanding tickets every 1.9 days.

MOVING BEYOND LAGGING METRICS

While these surveys and metrics provide important insight into the customer experience, they offer lagging metrics that do not allow the company to proactively address customer challenges or influence outcomes. To be more proactive, QTS encourages its employees to engage in forward-looking conversations with customers. Additionally, the company is focused on measuring, tracking and assessing the Customer Life Value (CLV) of its services, which appraises both lagging and leading indicators to help QTS understand the value it delivers to its customers.

"*We want to be able to tie together the individual metrics we've harvested to better understand the Customer Lifetime Value we deliver to our customers,*" explained Sangillo. "*By overlaying all of these factors,*

we're able to achieve a more complete picture of the customer experience to understand what we're doing well and where we need to make adjustments to deliver value in the long-term."

Customer Lifetime Value (CLV)
Retention
Uptime & NPS
Customer Satisfaction (CSAT)
Customer Effort Score (CES)
First Contact Resolution (FCR)
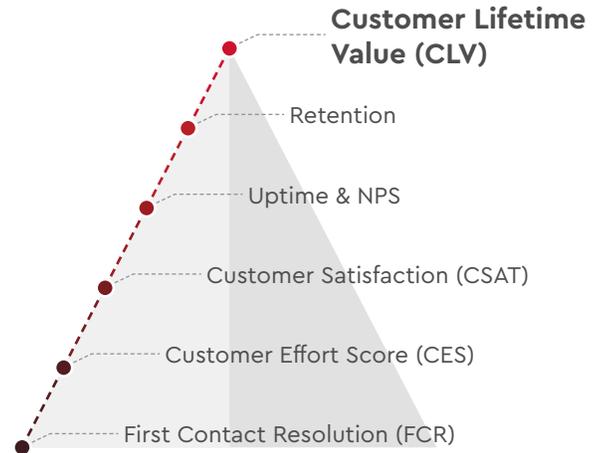
To continue to analyze key metrics, QTS is also integrating predictive analytics and direct feedback opportunities into its applications. While automation and self-service capabilities, including those delivered via SDP, are designed to improve efficiency and visibility, this technology can also limit insight into what customers are doing and what they need.

"*SDP automates many of the processes that previously required a person to coordinate,*" said Sangillo. "*Customers can now order cross-connects, manage their assets and control access directly through the platform. This improves efficiency, but it also eliminates opportunities for us to connect with the customer.*"

To bridge this gap, QTS is integrating feedback mechanisms into its applications to capture direct feedback. This will allow customers to rate application features as they use them, rating the ease of use, intuitiveness and more. QTS can use this data to proactively improve capabilities and that enrich the customer experience and building customer loyalty.

"*We want to give our customers the flexibility to perform tasks on demand, but we need to be able to assess the merit of these features, including how well they meet their expectations and what additional capabilities they may need,*" said Sangillo. "*This real-*

time feedback can help us prioritize where our development team should devote its time to deliver the most value."

Meeting customer expectations into the future

Customer expectations and requirement are evolving in lock-step with the rapid proliferation of innovative technologies. To ensure the customer experience remains strong, data centers need to carefully balance technology and the human touch. A high level of operational excellence bolstered by innovation and good-old-fashioned people skills is necessary to support customers throughout their data center journeys.

Data centers need to remain committed to building this level of excellence, using a targeted strategy to measure and analyze their success in meeting existing customer needs while keeping a keen eye on future directions and projected needs. Understanding and proactively acting upon customer needs will be a key differentiator in an increasingly fast-paced, competitive environment.

As automation and AI continue to dominate operational capabilities, it will be increasingly important to utilize them for insight into customer habits and viewpoints. By integrating advanced analytics, QTS can integrate various customer-impacting tools to plot the customer experience over time and achieve greater granularity into discerning a wide variety of success factors. These additional data points can help QTS gain a broader overview of the customer landscape—from the services they use to their growth trajectory to recent issues and survey results and more.

To round out this strategy, it is important to remember that the customer experience is a living being that evolves overtime as businesses grow and technologies continue to infiltrate business practices. To keep pace with this evolution, data centers need to continually evaluate customer needs and refine their operations, interactions and IT capabilities to strengthen relationships and reinforce the increasingly pivotal customer experience.