The new digital ecosystem reality: Innovation's next frontier is in customer service

Technology Institute

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At a glance

As customer expectations evolve, customer service has emerged as the next critical differentiator. Forward-thinking companies understand that the future of customer service is proactive, integrated and omnipresent.

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An overview

In their quest to improve the customer experience, many organizations have overlooked a key element: customer support. Traditional support is episodic and event-driven, with the onus on customers to initiate and maintain contact.

Customers, however, have come to expect much more. The next-generation customer experience requires innovation in service and support across all access channels—contact center, web, mobile, social, email and face to face. Technology is helping to transform customer service in many ways, providing customer support teams with new tools to dramatically improve the service experience.

The next generation of customer service will be proactive, integrated and omnipresent. Do you have a foundation in place to turn the service experience into competitive advantage?

Introduction

The New Digital Ecosystem Reality is a series providing PwC's perspectives relative to the trends and challenges that businesses should consider to remain competitive. PwC has identified nine key technological, economic, and political trends for CEOs to consider. In this article, we look at the world of service innovation, and how it is affected by six of those trends: disruptive innovation, managing cost and complexity, convergence, consumerization of IT, social media, and data explosion.

For technology-empowered consumers, the concept of "always on" connectivity is changing expectations of customer service. If a customer has a question or issue regarding a product—for business or personal use— they expect to be able to reach customer service however they want, whenever they want. And they expect the same level of service whether using self-service tools or talking to a service rep by phone, in person or via web chat.

Innovative, industry-leading companies such as Apple, Virgin America and Zappos have raised expectations even higher by creating enhanced experiences designed to delight customers. Why, the customer asks, can't

I get that superior experience every time, from every brand? This attitude puts organizations— including B2B companies—in a position where managing their own customer satisfaction scores is not enough; they must also view themselves against the best that customers see across all brands, consumer and B2B alike.

Many organizations have been investing in ways to improve the customer experience, leveraging emerging technologies to learn more about their customers and prospects and deliver more personalized experiences to them across digital and physical channels. Much of this innovation, however, has focused on the path to purchase.

Less emphasis has been placed on an equally superior and consistent experience after they complete the purchase. Customer support has for years been largely episodic and event-driven, with the onus on customers to initiate and maintain contact. Making matters worse, warranty policies and access to support personnel don't always align across channels, resulting in inconsistent interactions that frustrate customers and erode brand loyalty.

When customers shop for a new product, they expect to move seamlessly between a brand's web, social and physical channels to research, browse and purchase the product—whenever and however they want. Increasingly, they are expecting a similarly seamless post-purchase experience, when they have questions about their new products or discover a problem they need resolved quickly.

Nearly three-quarters of customers in a Forrester study said the best way for a company to provide good service is to value their time.[1] But a separate study found that just 17% of organizations make it easy
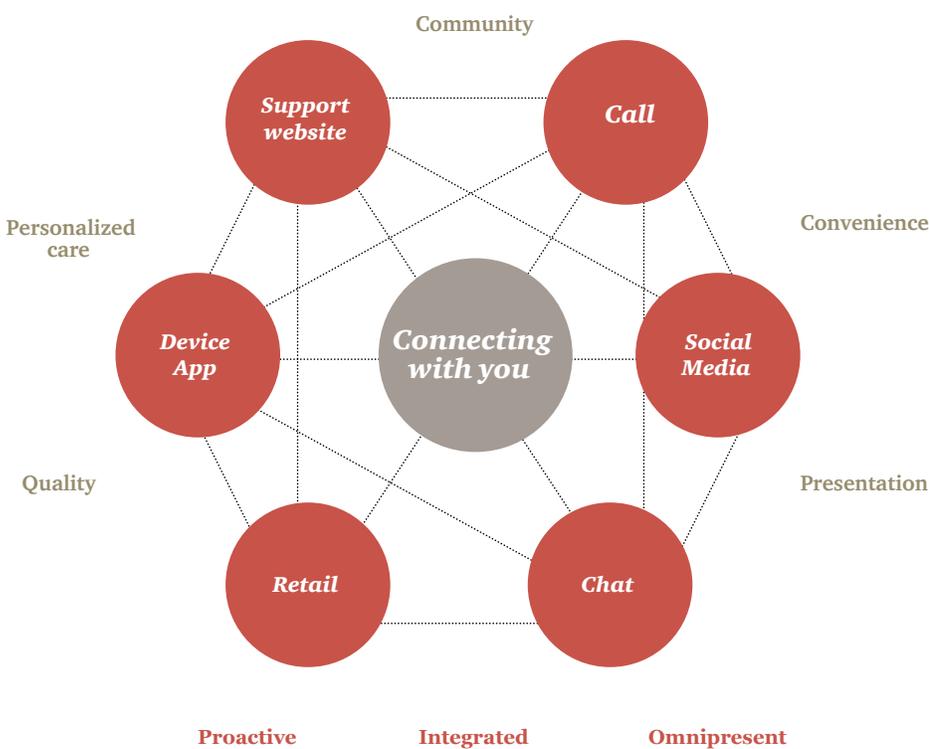
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1 "Forrester Research, Inc., March 2013 Kate Leggett Forrester blog, Communication Channel Preferences For Customer Service Are Rapidly Changing. Do You Know What Your Customers Need?"

for customers to switch between channels.[2] The drivers behind this disconnect are both operational and cultural. Systems at many organizations, for example, are often not set up to easily move data across access channels, such as the contact center and sales. But many organizations simply don't think about service from a customer perspective—instead, they think about internal efficiencies. Different interactions or disciplines—the contact center, professional services, field services and website operations, including self-service content—are managed separately, with different objectives and performance goals. Delivery folks get mired down in the pieces of the experience for which they're responsible, so the desired seamless, end-to-end, positive experience for the customer is impossible by design.

As customer expectations rapidly evolve, the next-generation customer experience requires innovation in service and support across all access channels—contact center, web, mobile, social, email and face to face. The future of customer service is proactive, integrated and omnipresent. Companies that invest in ways to take customer service to this higher level will put themselves in prime position to help increase loyalty and drive sustainable growth.

Technology is transforming customer service in many ways

Technology is empowering consumers, but it is also providing customer support teams with new tools to dramatically improve the service experience. Key advances include:

- *Predictive analytics:* Big data tools can help companies anticipate customer behavior and take proactive steps to resolve situations before they become bigger problems. For example, analyzing incoming contact center inquiries can alert support teams to bugs or other issues, which are escalated to a product engineering team to be resolved and deployed before they affect a critical mass of customers. Some companies do this within weeks or months; service innovators can do it within days or hours.

Figure 1: Service operations should be designed to support the customer service journey across multiple channels

Community · Support website · Call · Convenience · Personalized care · Device App · Connecting with you · Social Media · Quality · Retail · Chat · Presentation · Proactive · Integrated · Omnipresent

2 "The Autonomous Customer 2013," Avaya, February 2013

- *On-board support:* Companies are building more intelligent support features directly into their products, utilizing the products' connectivity and sensor capabilities. Support can become more proactive based on a user's activities: tapping the same app or area three times on a smartphone, for example, would trigger a pop-up message asking the user if he needs help. Small improvements can go a long way toward improving the experience. Instead of requiring a user to open a browser and fill out a web form to report a problem with his tablet, why not leverage the tablet's built-in messaging capabilities to send a text message directly to customer support?

- *Remote diagnostics:* Intelligent business hardware and software can communicate directly with the manufacturer, without direct customer interaction, to diagnose problems from afar. The ability to identify—and sometimes fix— problems in the background, without user interaction or an on-site service call, can drive significant time and cost savings. Products from Applied Materials, NetApp and Symantec, for example, all have built-in capabilities that, when enabled by customers, send product health information back to support teams to review and act upon, without requiring customers to be on the critical communication path.

- *Identity-driven web:* Social and web log-ins can help customer support teams personalize and contextualize service based on the growing repository of direct and indirect information they have about a customer. Call records, past purchases, browsing history and similar transactional or activity-based information, can be combined with social identities to provide a more complete picture of customer needs and satisfaction with the brand.

- *Service eCommerce:* Technology companies are investing heavily in eCommerce functionality on their websites. Why not extend that option to customer service? Enabling customers to access and buy services online whenever they need them—not just when they purchase the product—empowers customers by giving them access to critical resources at their discretion.

- *Social care:* Monitoring social media has become table stakes for many organizations. Allocating service reps—not just marketing personnel—to respond to customers via social media channels enables one-to-many service interactions.

- *Service marketplace:* New platforms enable different types of customer interactions, creating opportunities to create a "service marketplace" where customers have more choices about how or even with whom they interact, based on their needs.

- *Crowdsourcing:* The open source movement disrupted traditional software development by empowering individuals to make changes and improvements to a company's core software products. This same crowdsourcing approach can and is being used to address service issues, even in highly technical environments. A company no longer has to be the primary resource to address problems or questions about its products—solutions can come from many venues.

- *Co-creation:* The same open-source tools and concepts that power crowdsourcing also offer an opportunity for companies to improve customer service by enabling individuals to define their own experience. Instead of trying to predefine an "optimal" experience for every customer, companies have an opportunity to build a platform that lets customers create their own, highly personalized experiences.

These emerging technologies, individually and collectively, are critical to an organization's ability to delivering enhanced, seamless customer service across all touch points. In other words, to make customer service more human.

Next-generation customer service: Proactive, integrated and omnipresent

Meet Jordan, a next-generation customer. Jordan owns a smartphone and a laptop and recently purchased a new tablet. He successfully connected the devices, but when he tries to share content across his network, he gets an error message. Jordan's tablet recognizes the error and instantly provides knowledge sources to help him fix the problem. This includes content from the community and a demo video.

Jordan's tablet also gives him an option to text with a support representative to receive additional support. He accepts the invitation and is connected to an agent, who co-browses Jordan's device and pinpoints the problem. The agent sends Jordan a text with instructions on how to fix his issue. The agent also offers to set up an appointment for Jordan with a personal consultant to provide one-on-one guidance, ensuring that Jordan is getting full value from his products and services.

This scenario—which is equally applicable in a business-to-business setting—represents the future of customer service. Jordan's experience is proactive, integrated and omnipresent, enabled by five critical elements:

- *Guided connectivity:* Built-in guidance that allows customers to connect and implement their products and services by following in-product instructions.

- *Instant knowledge:* Products recognize errors and are able to tap into a vast knowledge base to automatically provide customers with the most relevant and recommended information.

- *Proactive support:* Devices can prompt their owners to communicate with a support representative, quickly providing an additional level of support. Or a support representative can call a customer to inform them about a fix or new feature—without being prompted by the customer.

- *Virtual support:* Customer care representatives can provide support via multiple channels, such as instant message, text or video, on multiple devices. They can also co-browse a device to help customers troubleshoot applications and communicate solutions in real-time.

- *Personal attention:* An option to schedule a face-to-face appointment to properly set up a customer's products and services helps him unlock the full value of his devices, improving the overall experience and driving loyalty.

Many companies are addressing individual parts of this experience. Apple's Genius Bar, for example, has put a human face on product support. The true innovators, however, will find a way to knit each of these pieces together.

Those that don't may fail to meet customers' evolving expectations—and risk falling behind quickly.

Building a foundation for next-generation customer service

We've shown what the next generation of customer experience looks like from the customer's perspective. Here's how it will look through the eyes of Gillian, our next-generation support representative. Gillian monitors her assigned communities and provides answers to customer questions. Her social listening skills enable Gillian to easily trace trending customer concerns. Gillian is also a content sharing expert. She regularly submits knowledge to help customers set up and improve the performance of their content sharing network.

Gillian's ability to navigate the company's integrated service operations gives her the flexibility to quickly address the customer's precise needs. When Gillian connects with a customer, she sees a full customer profile, including the customer's level of sophistication, usage, propensity

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Figure 2: Next generation customer support: empowered to reach out proactively to help the customer

Meet Gillian, a member of the next generation support team

Social knowledge	**Expertise sharing**	**Support flexibility**	**Tailored experience**	**In-product assistance**
Gillian monitors her assigned communities and provides answers to customer questions. She can easily trace trending customer concerns.	Gillian is a content sharing expert. She regularly submits knowledge to help customers set up and improve the performance of their content sharing network.	Gillian is able to satisfy the customer using the company's service operations. Whether replacement parts, software updates or specific expertise is needed, she has access to it.	When Gillian engages with a customer she is given a record of the customer's information, including level of sophistication and support history. This allows her to tailor the customer's experience.	Gillian is able to show a customer how to use in-product support to find answers and diagnose problems. She is also able to co-browse a device to assist the customer.

Broad knowledge and support foundation → Personally focused

to renew, and support history, as well as comparative industry benchmark information or best practices that the customer may find useful. This allows her to tailor the customer's experience: Whether replacement parts, software updates, best practices or specific expertise is needed, Gillian has access to it. She is also able to show the customer how to use in-product support to find answers and diagnose problems, and can co-browse or remotely access a device when needed to provide additional assistance in real-time.

Technology is a key enabler in Gillian's ability to deliver personalized experiences, but it's not the only factor. Leadership teams also need to redesign their service operations to support the customer journey across multiple interactions or disciplines. Specifically, they should take three important steps to develop and deliver next-generation customer service.

1. Empower customer support teams. Support personnel require the flexibility to go "off script," not only to fix problems but also to rejigger processes if they don't deliver positive experiences. Rigid rules about the order in which calls are taken or the chain of command when resolving problems can degrade a customer's experience instead of enhancing it.

Consider "no cherry picking," a common practice of taking support calls on a first-come, first-served basis. In theory, this policy appears to be the most efficient and fair way to move customers through the support queue. But in practice, we've found that overusing these methods can actually decrease productivity and degrade the customer experience because they impede agents from aligning their expertise with the customers or problems they are best equipped to address.

2. Empower customers. What if customers were allowed to collaborate with companies to define their own service experience? Instead of a menu of options based on company-designed best guesses or common practices, consider a flexible process that allows customers to interact however and with whomever they want—e.g., picking from a list of 10 available agents with different languages, experience levels or specialties.

One software vendor created this type of service marketplace, integrating internal support staff and channel partners to give customers more options for personalizing their service. The result: Costs decreased (lower-cost service agents were able to field a larger percentage of needs) and customer satisfaction levels increased (because customers were less frustrated when navigating the system, and their problems were resolved more quickly).

More sophisticated self-service options, often embedded in the products themselves, can also drive a more positive and empowering customer experience. Experiment with in-product functionality that provides suggested fixes, displays relevant knowledge based on customer behavior, and offers access to internal and external support communities or face-to-face appointments with a service engineer.

3. Assign a champion. Most organizations are not in a position to rip out their discrete service operations and build a fully integrated, seamless operation from scratch. Assigning a senior executive to oversee customer service across all interactions or disciplines can provide the coordination necessary to ensure a consistent experience. Someone needs to be a champion of the end-

to-end experience, even if they don't own all of the individual pieces. VPs of customer success or customer experience are becoming more prevalent, demonstrating growing awareness of the importance of end-to-end responsibility.

In many ways, this approach echoes the ways in which supply chain management has evolved as a strategic discipline. Organizations have gained significant cost savings and revenue growth by linking the previously disparate pieces of their supply chains, including external partners. No single executive owns all those parts of the business, but the need to coordinate operations has driven demand in supply-chain managers, directors and vice presidents charged with driving cross-functional collaboration.

Turning aspirations into reality

Companies invest heavily in R&D for their products and services. But how many are devoting similar R&D resources to customer service? Just as technology is changing the way that customers interact with brands, advances in big data, intelligent devices, service marketplaces, service support systems, and social communications present opportunities for companies to create a much more personalized, automated and human service experience.

As customer expectations evolve, as products and services face increasing competition, and as organizations shift from emphasizing products to emphasizing an end-to-end experience, customer service is shaping up as the next critical differentiator for organizations in their quest for sustainable growth.

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PwC can help

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Let's talk

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