INTELLIGENT CONVERSATIONS
DELIVERING ENGAGING MOMENTS
High performance. Delivered.
June 2016
TECHNOLOGY MOVES PRETTY FAST

If you don’t stop and look around once in a while, you could miss what’s changed.

We so quickly become accustomed to technology advances, it’s easy to overlook just how much changes in 10 years.

A customer contacting you today is probably doing so on a smartphone with more computing power than a 40 seat contact centre from 2006. They may call, but if they do, they have probably already looked online to resolve their issue.

Mobile and social media technologies have fundamentally reshaped customer service over the past 10 years.

The customer of the future will not just be mobile. They will inhabit a connected world and equipped with a wealth of tools, information and technology at their fingertips.

The customer really will know best. When everything is connected, customers will use digital tools to shape their service experiences on their terms.

And if they don’t get the level of service they expect, they will let their friends, and the world know, via social networks that barely existed 10 years ago.

61% of customers use the web to get information before calling

46% of customers write on social media sites about companies’ products, customer service or their experience

**TODAY: DIGITAL IS NOT OPTIONAL**

Today, digital technology is widely available and widely used by customers. As the chart opposite shows, most organisations provide a range of digital channels for customer service.

Customers use these new channels, where they help to get tasks resolved faster and more conveniently (see lower chart, opposite).

What’s more, most executives understand the importance of digital in delivering a superior customer experience. A recent Forrester–Accenture study found that assessing the impact of digital on the customer experience was top of the list of digital actions that companies are currently taking\(^2\).

Digital channels are no longer just about improving efficiency, but are now as much about meeting customer demands for choice and convenience.

---

**CONTACT CHANNEL AVAILABILITY**\(^1\)

<table>
<thead>
<tr>
<th>Contact Channel</th>
<th>Digital Channel</th>
<th>Non-Digital Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Center</td>
<td>86%</td>
<td>59%</td>
</tr>
<tr>
<td>Email</td>
<td>83%</td>
<td>56%</td>
</tr>
<tr>
<td>Web</td>
<td>67%</td>
<td>44%</td>
</tr>
<tr>
<td>Mobile App</td>
<td>65%</td>
<td>43%</td>
</tr>
<tr>
<td>Mobile Website</td>
<td>63%</td>
<td>42%</td>
</tr>
<tr>
<td>Social Media</td>
<td>62%</td>
<td>41%</td>
</tr>
<tr>
<td>Office/Real/Loc-’o’</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Postal Mail</td>
<td>59%</td>
<td>40%</td>
</tr>
<tr>
<td>Virtual Agent (web)</td>
<td>57%</td>
<td>39%</td>
</tr>
<tr>
<td>Field Service</td>
<td>56%</td>
<td>38%</td>
</tr>
<tr>
<td>Virtual Agent (mob)</td>
<td>56%</td>
<td>36%</td>
</tr>
<tr>
<td>VR</td>
<td>42%</td>
<td>26%</td>
</tr>
<tr>
<td>Intermediary</td>
<td>42%</td>
<td>24%</td>
</tr>
<tr>
<td>Kiosk</td>
<td>41%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**% OF OVERALL SERVICE INTERACTIONS COMPLETED VIA DIGITAL CHANNELS**\(^1\)

- Manage Payment or Billing: 62%
- Make a Payment: 56%
- Update Account Information: 59%
- Add or Upgrade: 54%

Sources:

Copyright © 2016 Accenture All rights reserved.
BUT WE MUST DO BETTER

Despite all the technology advances of recent years, customers’ top frustrations with customer service have remained fairly constant for the past 7 years.

Customer’s Top frustrations

It’s the Usual Suspects:

- Being kept on hold
- Not getting requests resolved the first time
- Needing multiple contacts

Furthermore, as technology makes things easier, customer expectations rise. Simple queries, that a CSR would once have previously answered are now often automated. So, when customers call, they have with more complex queries that are harder to resolve. The old adage that 80% of calls are driven by a small number of reasons is no longer true.

The challenge for customer service professionals looking at the next wave of digital innovations is to bring new capabilities to bear on these customer pain points, whilst simultaneously being cost conscious and strengthening customer relationships.

Technology changes far faster than people’s intrinsic values and needs. Basic human desires to feel valued and recognised as an individual remain the same.

---


Copyright © 2016 Accenture. All rights reserved.
To date, Digital Customer Service has been driven by the spread of mobile and social media technologies. The next wave will take this digital foundation and build on it with four key technologies: Artificial Intelligence, Speech Recognition, Augmented Reality and the Internet of Things.

We see the combination of these technologies creating a world of Intelligent Conversations with four main themes:

**Changing the balance of power between companies and customers**

Customers will have access to tools and information that are every bit as good as, if not better, than companies have in their contact centres. Digital “Concierges” will act for customers, using artificial intelligence to resolve issues and negotiate deals. Winning companies will be those who do not just develop new technology, but create new policies and mindsets that acknowledge this change in the balance of power.

**Prevention over reaction**

Billions of connected devices will give real time information that smart companies can use to pre-empt and prevent service issues ever arising. The best service will almost seem invisible. Winning companies will delight customers by dealing with issues before they are noticed and give customers little moments of magic at just the right times.

**Supercharging digital channels**

Digital channels will be boosted, to truly take advantage of the new medium. The IVR, designed for an era of touch-tone phones, will be remodelled for the touch-screen age. Messaging services will let customers fulfil requests, not just chat to companies. And augmented reality will let companies help customers in new ways and new places.

**New roles for customer service**

The scope and purpose of customer services organisations will change. With routine requests dealt with via digital channels, service agents will focus on more complex cases, acting more as managers, bringing multiple resources to bear on complex problems. And the customer service organisation itself will expand its remit, playing a key role in areas such as product development and marketing. Winning companies will view customer service as a way to develop new business models, not just a cost of running existing ones.
SO, WHAT’S COMING NEXT?

Over the following pages, we will take a look at some of the ideas and innovations that will shape the Future Digital Customer Service experience.

In each of our four themes, we will see what’s happening today, what’s coming next and consider what customer service leaders must do to stay ahead.

As the science fiction writer William Gibson wrote, “The future is already here, it’s just not very evenly distributed”. All the following ideas build on individual technologies in use or development today.

Together, they shape how customer service will look when everything is intelligently connected.
WAR OF THE BOTS

Starting with the development of Digital Assistants - a smart virtual agent that can handle customer service requests either independently or alongside a human agent

Blending the best of digital and human skills to resolve customer issues
WAR OF THE BOTS

The Digital Assistant is a smart virtual agent, which handles customer service requests through a combination of combining artificial intelligence and a vast database of previous customer service interactions. The Digital Assistant can either work independently of human agents, or alongside them in a hybrid approach.

To see how this hybrid approach works, let’s use the example of a customer making contact via a chat window.

1. The digital agent, or “bot”, handles the initial response, accessing the database to find how similar questions have previously been resolved and intelligently replying.

2. Human service agents supervise the chat sequence, and if the bot has difficulty, they can intervene as needed.

3. The bot learns from the human interventions and over time the artificial intelligence expands to handle more types of interactions with less human input required.

4. The learning can be very rapid, as the bot sees many thousand times more interactions each day than a single human agent.

5. With more and more routine queries being dealt with by the digital agent, the human agents are able to devote their time and talents on high value customers and more complex or critical issues.

The strength lies in the combination of human and machine intelligence to reach the best solutions.
WAR OF THE BOTS

The human agent is able to better use intuition, empathy and experience, whereas the digital agent can rapidly apply “brute force” calculations, search and combine data across multiple sources, and apply diagnosis and pattern matching.

Today, this approach is being used in specific cases and trials with impressive results (see sidebar “Results”).

Future evolutions will see the Digital Agents taking on more types of customer requests and using natural language speech recognition in addition to text chat.

RESULTS

In its pilot program one telecommunication company was able to achieve:

- Successful resolution of 82% of customer interactions through automation and artificial intelligence alone, increasing to 88% of interactions when combined with live intervention
- 3% conversion on new sales and 7% up-sell and cross-sell, despite deploying the Digital Assistant in only the customer service channel
- In addition, the company increased employee engagement and satisfaction through a new focus on high-value, non-repetitive customer interactions as well as the opportunity to not only supervise but teach the Digital Assistant

Sources  1. Accenture telecoms client pilot

Copyright © 2016 Accenture All rights reserved.
Customers will use personal digital assistants such as Siri, Alexa or Cortana as their own “Concierge” to manage service requests.

These digital concierges will contact companies on behalf of customers, and be at least as knowledgeable as the service agents they “speak” with.
THE DIGITAL CONCIERGE

It won’t be just contact centres that use digital assistants to improve service; customers will also use their own Personal Digital Concierges to help them deal with companies.

The personal digital assistant is a major investment area for many of the leading digital consumer businesses, including Apple’s Siri, Amazon’s Alexa, Google’s Now, Microsoft’s Cortana and Facebook’s M.

Today, these operate in fairly narrow domains, such as providing information about the weather and nearby places, or controlling connected devices such as smart home lighting and thermostats.

But work is underway to make these assistants into more general purpose Digital Concierges to help with many areas of life, including customer service.

As Mark Zuckerberg put it at the start of this year: “My personal challenge for 2016 is to build a simple AI to run my home and help me with my work. You can think of it kind of like Jarvis in Iron Man”1.

Underpinning the evolution are developments in natural language speech interfaces, machine learning and widespread integrations with a range of third party services. Recent acquisitions support this direction, such as Apple’s purchase of VocalIQ and Google’s purchase of DeepMind.

Alexa, Amazon’s assistant linked to its Echo device, now enables Capital One customers to check their balances and pay their bills by talking to Alexa2.

Facebook is running a pilot of its ‘M’ digital assistant inside Messenger, which completes tasks in addition to finding out information.

‘M’ is trained and supervised by people who have customer services backgrounds. Currently they handle the more complex queries, with M learning from them as they do so.

According to a Wired magazine interview with the VP of Messaging products at Facebook, one of the most popular requests is to “call your cable company and endure the endless hold times and automated messages to help you set up home WiFi or cancel your HBO”\(^3\)

Over time, M, Alexa and the other customer digital concierges will be able to carry out more complex customer service transactions themselves. Furthermore, by the time they contact the company, they will have already carried out basic diagnostics, compared prices with competitors and checked reviews. Indeed, they may be better informed than the customer service agent they “speak” with.

Such services will pose new questions for companies’ contact centres and their policies.

1. How will the customer’s identity and delegated authority be managed?
2. How will your (human) agents react when they are called by a digital concierge?
3. What happens when the digital concierge “talks” with a digital agent?


Copyright © 2016 Accenture All rights reserved.
SERVICE ON-DEMAND

Companies and Customers using On-Demand thinking to change customer service

Companies: Agents and technology supplied on-demand; “Surge Pricing” to manage agent schedules

Customers: Finding third parties who can contact and manage companies on their behalf
SERVICE ON-DEMAND

The past few years have seen the rapid growth of the “on-demand economy”, with companies such as Uber disrupting established industries.

By using resources only when they are needed, companies can lower fixed costs and gain access to specialist skills and technology at times of peak demand. Companies can also rethink business processes, applying ideas such as surge pricing to schedule staff.

Consumers can also use on-demand resources, for example to help them deal with companies on their behalf.

AGENT ON DEMAND

Providing agents on demand has been a business model in use for a few years.

LiveOps, for example, provides access to a pool of 20,000 agents who work from home and can be used to Supplement or even replace a permanent set of agents.

This type of approach can be used to help access specialist skills and people who would otherwise not be available, for example mothers returning to work who prefer to work from home.

Newer start ups are taking this further, such as VOIQ, who are using a mobile based approach for outbound sales that lets companies create “campaigns in minutes” by uploading a script and call list to the VOIQ platform. This is then farmed out to the VOIQ agents’ mobile app, which allows them to click to call the prospects to develop leads.

Sources: 1. www.liveops.com; 2. www.voiq.com
SERVICE ON-DEMAND

Other companies are using ideas such as Surge Pricing popularised by Uber to help set agent schedules. Uber’s surge pricing increases the supply of drivers at peak periods by increasing fares, using an algorithm to rapidly respond to increased demand.

Contact centres which similarly face busy periods can look at similar market based methods to better match agent schedules with customer demand. In 2014, Zappos, the internet shoe retailer bought by Amazon, developed and piloted its own “Open Market” scheduling system. This allows its contact centre workers to schedule 10% of their time themselves, using a surge pricing payment model to pay more for the hourly shifts with greater demand.

The “peak” times were deemed to be when customer call wait times were the longest, and therefore attracted a higher hourly rate to encourage agents to sign up for those shifts.

On demand ideas can also be used to access locally based people, for example to help with last mile delivery, field support, meter reading, market research etc.

INFRASTRUCTURE ON DEMAND

The on-demand contact centre can also include the underlying software and telephony infrastructure. Buying these technologies when needed can provide greater flexibility to match demand, and enable new business models.

For example, secure and high availability connectivity to home locations can be used to enable 3rd party homeworkers with specialist skills to take customer calls or chats.

Sources: 3. Fortune Magazine, Jan 2015 fortune.com/2015/01/28/zappos-employee-pay/
SERVICE ON-DEMAND

CUSTOMERS USING ON-DEMAND SERVICES

It’s not just companies that will use on-demand services to improve customer service interactions, consumers will too.

Already, tech savvy consumers use services such as TaskRabbit or Fiverr to help them with service tasks such as collecting replacement goods or waiting in for a delivery.

New start ups are starting to look at this area, such as “Service” which helps consumers deal with complaints by contacting companies on their behalf.

We can see the emergence of specialist companies who take on particular parts of service for customers, such as claiming refunds for delayed travel or service outages. By operating on behalf of multiple customers, such companies may be able to negotiate better terms with service providers, with the threat of mass switching away from a provider who does not respond satisfactorily.

Today this is emerging in the aggregated buying of specific financial services such as insurance, and the same approach can be applied to post-purchase service.

SMART DEVICES & SENSORS

Billions of connected devices will provide continuous data monitoring

Problems can be detected before they are noticed by customers; Automatic fixes can be made, or preventative maintenance visits scheduled

Information can be used to anticipate future customer needs, blurring the lines between customer service, marketing and product development
40 years ago, a typical householder probably knew how many things in their house were powered by electricity.

20 years ago, they had probably lost count of how many were powered, but could confidently tell you how many had a computer chip inside.

Today, you’ve probably got no idea how many chips are in your house, but are fairly sure which devices are connected to the internet. Fast forward 5-10 years, and it’s a good bet that you will no longer know how many of the things in your house are connected.

The Internet of Things is advancing at such a rate that by 2020 it is predicted there will be 40 billion connected devices worldwide1.

This environment will create more complex services that will bring their own customer service challenges. It will, however, let companies provide proactive monitoring with more information to remotely diagnose and fix problems, or provide field staff with the right information on what to fix.

Connected devices can continually send back service status and usage patterns, so as soon as anomalies occur, corrective actions can take place, before customers even notice anything is wrong.

Smart devices can automatically alert customer services when they detect an issue. Gartner predicts that by 2017, 5% of customer service cases will be initiated by internet-connected devices, up from just 0.02% in 20142.

SMART DEVICES & SENSORS

The data gathered can also be used by product development to improve future versions and even identify new customer needs. The internet of things will influence virtually all industries, creating many potential opportunities to transform customer service. Examples include:

**UTILITIES**
Smart meters can identify usage peaks and send customers advance warnings to pre-empt billing queries.

**TELECOMS**
Routers and set top boxes can self monitor, taking pre-emptive actions to fix issues, or communicating back to the telco when key parameters are out of specified ranges, to give technical support additional and advanced diagnostic information.

**AUTOMOTIVE**
Car monitoring, can help roadside assistance talk customers through problems, or ensure that field staff have the necessary parts to fix the issue.

**CONSUMER GOODS**
Self ordering new consumables, with innovations such as Amazon’s Dash button that allows customers to re-order goods with just a single button press.

In B2B markets, the data from smart devices can be used to provide faster and more accurate information on key metrics used in commercial contracts, such as Mean Time Between Failure (MTBF). This information can in turn be used to trigger payments or discounts based on actual performance.
DIGITAL VIDEO
THE NEW INSTRUCTION MANUAL

Digital video is a rich and engaging way to explain products and services

Videos can be personalised for individual customers

Smart devices can send videos to customer’s phones or TV screen to help customers get more value from their products
DIGITAL VIDEO

Requests for information are typically one of the largest sources of inbound service contacts. Digital media provides new and more engaging ways to educate customers on how to use a service or product, thereby removing the need for them to contact the company.

Customers are increasingly comfortable using digital channels to get information, with 61% preferring to do so before calling or using a “traditional” contact channel.

And people no longer search for the “instruction manual” (see graph). Instead, they look at YouTube for a “how-to” video guide, often from someone unconnected to the company providing the service.

When companies do produce videos, they can personalise them for individual customers.

1. AT&T supply a personalised video bill for a new customer’s first two bills, or when major changes are made, to better explain what the charges are, and hence reduce calls to contact centres. According to AT&T, they got a 90% satisfaction rating with the video bills and “fewer phone calls regarding billing issues”\(^1\).

2. Nuon, a Dutch utility, uses personalised videos to help explain customers annual bills, showing them how much their energy consumption has cost them, and compares it to previous years and to usage in their local neighbourhood\(^2\).

With the cost of producing high quality video rapidly falling, companies will develop short and relevant content to help answer specific customer questions, and make that content easy to find.

NatWest, a UK bank, created a set of 6 second videos distributed via the Vine social network, to show customers how to address the ten or twenty most frequently asked questions on social media, such as how to apply for a contactless card or switch to paperless statements\(^3\).

Smarter products will be able to identify when a customer is having difficulty using them, and perhaps offer to send a short “how-to” guide to the customer’s smartphone, providing information at the right time.

Sources: 1. sundaysky.com AT&T Case Study; 2. Business Wire "Leading Energy Utility Engages Customers with Videos, TV Ads and Direct Mail", 2012' image from idomoo.com; 3. blog.twitter.com/2013/natwest-gets-creative-with-customer-service-on-vine
THIRD PARTY MESSAGING

Hugely popular general messaging services are becoming an important customer channel.

The possibilities are far greater than “chatting” with customers.

They become a secure “command line interface” for customers to fulfil their service requests.
THIRD PARTY MESSAGING

Messaging services have grown in the past few years to become one of the defining platforms of the mobile era. In just a few years, the most popular services have reached astounding numbers of active users.

Furthermore, this means that customers can use their existing applications, rather than having to download a separate app.

Many companies are already using these services to communicate with customers and respond to queries, as an extension of their chat services. Twitter report a 2.5 times increase in tweets to brands at their customer service usernames between 2013 and 2015.

But messaging apps will allow much more than just a convenient way to chat with customers.

WeChat, the popular Chinese messaging app, allows companies to have their own HTML5 apps accessed via the WeChat platform. These apps can access WeChat APIs for services such as payment, direct messaging and user identity.


So, if you believe you should be where you customers are, then offering service via messaging apps is essential in many markets and segments.
THIRD PARTY MESSAGING

This approach allows companies to conduct commerce and service transactions all within the messaging environment.

@TELCO/WHATS MY BALANCE?

With a generation of people comfortable and adept at using messaging as a primary means of communication, companies can think about using messaging to allow customers to carry out a range of transactions.

For this generation, brief communication in text is normal behaviour, leading to the potential for “Command Line” style interfaces to carry out service requests such as balance checks, repeat purchases or booking appointments.

Some companies are already experimenting with such minimal interfaces, such as Dominos Pizza, who have experimented with letting customers order by sending a pizza emoji via Twitter or SMS.

Sources: 6. For more on WeChat see a16z.com/2015/08/06/wechat-china-mobile-first
7. mashable.com/2015/05/13/dominos-twitter-pizza-emoji

Copyright © 2016 Accenture All rights reserved.
VISUAL ROUTING

Touch-screen beats Touch-tone

The IVR was designed for phones from an earlier era... push button landlines, not tap and swipe mobile screens.

Displaying the IVR options visually on a smartphone, rather than a series of verbal options, makes it faster, easier and more personalised for customers.
The IVR is still one of the most used parts of the contact centre voice channel, yet was designed for an era of phones with touch tones, not touch screens. Asking a customer to “Press 1 for Billing, 2 for technical support ...” seems outdated on a device where buttons can be shown on screen to represent almost anything.

Consider instead this flow:

1. A Customer calls the company using their smartphone.

2. The IVR detects that the customer is calling from a mobile and offers them a link to a mobile webpage or app which will let them get their query answered quicker.

3. If the customer agrees (e.g. by pressing 1 or saying “OK”), then they are sent an SMS with a link to a webpage or mobile app.

4. The menu options can be personalised to a customer’s profile and context. Options can be reordered based on previous questions, current queries and the customer’s existing products. Frequently asked information can be automatically displayed, such as billing or order status.

5. The customer can request to call or chat with an agent if needed, and be told the likely wait-time for a call-back.

6. The customer gets a faster call resolution, without having to wait and listen to multiple options. The company gets to complete more calls in the IVR, reducing costs.

The webpage shows the IVR options in a simple menu which the customer can tap to navigate, through multiple levels as required.
AUGMENTED REALITY

Augmented Reality overlays on live video feeds add a new dimension to customer service, helping to diagnose, explain and resolve issues faster and more accurately.
AUGMENTED REALITY

Live Video is starting to be used as a contact channel, with services such as Amazon’s Mayday video help on Kindle Fire tablets. According to Amazon, 75% of customer contacts for the Fire HDX tablet come via the Mayday button.

mBank, a Polish bank which has invested heavily in its digital channels in the past few years is another pioneer in this area, for example using video tellers to explain to new customers how to set up and change their account details.

Augmented Reality (AR) takes live video a step further, by adding digital media such as overlay graphics on top of a video stream to highlight areas of interest.

Consider the example of a car breakdown call. A customer calling their roadside assistance service can use their smartphone camera to show the agent their dashboard or engine, to help explain their problem.

The agent could then highlight the parts to be replaced and talk the customer through the steps to diagnose or fix the problem, such as where to add oil to the engine.

AR is starting to be used in apps, which whilst not transmitting live video to an agent, use AR to help explain how to do specific tasks. Car manufacturers such as Audi and Hyundai have augmented reality apps for their cars to explain the car’s dashboard lights and controls.

In a B2B context, AR will be particularly useful, to help field technicians carry out complex repairs whilst being guided by technical experts.

A truly “out of this world” example is Project Sidekick, a collaboration between NASA and Microsoft to provide augmented reality support to astronauts on the International Space Station.

Sources: 1. Amazon, June 2014; 2. mBank / Forrester; 3. Audi, Hyundai
AUGMENTED REALITY

With an astronaut wearing a Microsoft Hololens, a ground operator can see what the astronaut sees and provide real time guidance to help with a task, including drawing annotations that appear in the astronaut’s view.

A second operating mode places animated holographic illustrations on top of objects the crew are interacting with to give on the spot instructions⁴.

Image: Microsoft
Copyright © 2016 Accenture All rights reserved.
AGENT AS A MANAGER

Increasing service complexity and business model changes mean that providing customer service will often involve several parties.

Requirement to co-ordinate between multiple groups on behalf of a customer, including 3rd party companies with a mix of digital and physical elements.

The Customer Service Agent must be a problem solver and manager.
AGENT AS A MANAGER

Providing services requires a company to co-ordinate multiple different groups, often including multiple third parties. A retailer delivering an online purchase may use several logistics firms for different parts of the same customer order. Fixing an issue with a customer’s connected devices requires a knowledge of the device hardware, third party software and the network.

Providing great service requires a company to hide the underlying complexity from a customer, and instead present a single smooth front.

Digital agents can manage the links to supplier systems, so the human agents only intervene when more complex issues arise. The human agent is acting more as a manager and problem solver, dealing with the difficult cases and those where a human touch is required to communicate with the customer.

Digital tools will help in this management, firstly by carrying out the more routine tasks automatically and secondly by providing the human agent with data from multiple sources so that they have the information to resolve the more complex problems.

Future agents will need project management skills to control a variety of resources, and a set of problem solving skills to handle difficult situations. Recruiting, training and other HR functions will need to adapt to develop and retain the necessary skills.
The impact of digital technologies will change the role customer service plays in an organisation.

Customer service will be more than a cost of doing business. It will be an extension of marketing, a source of insight for new product development and instrumental in developing new disruptive business models.
SERVICE: CREATING NEW VALUE

Digital technologies will change the role and boundaries of customer service functions. Winners will find new ways to link service with other functions and to use superior service to re-invent established markets.

MARKETING

Customer service is marketing. With social media, your customers are a part of your marketing department. They talk if they receive outstanding great service and talk even more when things go wrong. 46% of customers write about companies’ products, customer service or personal experience with them on social media sites.

Keeping on top of these conversations about your brand is an essential starting point. Customer service agents need to know what is going on and be able to act on customer messages.

A study from a couple of years ago suggested that over half of Twitter users (53%) who tweeted about a company expected the company to respond within an hour, increasing to 72% if it was a complaint.

Digital integration will let companies not only know what is going on, but react in highly personalised ways. As an example, consider a hotel guest who tweets about a nightmare journey to reach their hotel. The tweet could be routed to a hotel CSR who could message the customer, offering sympathy and a free room service drink or spa voucher depending on customer profile.

Sources: 1. Accenture Global Consumer Pulse Research 2014 (n=14,665); 2. Lithium / Millward–Brown 2013
SERVICE: CREATING NEW VALUE

PRODUCT DEVELOPMENT

Customer service functions represent one of the best sources of actual data on how existing products and services are used, which in turn can help new product development.

Accurate data on customer issues can pinpoint areas for development. This becomes even more useful as new data sets from the Internet of Things are included, giving a rich picture of usage patterns right down to the individual level.

By seeing which customers are willing to try out new features, it will be possible to identify early adopters and enlist their help in developing and trialling new services.

Whilst most start up companies struggle to get good customer data to make informed decisions on new products and features, established companies have millions of transactions every day where customers implicitly give signals about what they want. This is a largely unheralded advantage, which can be unlocked from customer service systems through digital technologies.

ENABLING NEW BUSINESS MODELS

Digital technologies fundamentally change the nature and frequency of customer interactions. New entrants already disrupt established industries with digital only propositions where service is tightly woven into the overall customer experience. Witness the online- and mobile-only banks, or in the energy sector, new digital competitors such as Powershop in New Zealand.

Such new companies are free from legacy systems and with their digital only platforms they can offer superior customer experiences, reflected in higher than average customer satisfaction scores.

SERVICE: CREATING NEW VALUE

Yet established companies can also embrace digital technologies to re-invent their business models through service.

In B2B markets, 74% of executives surveyed believe customer experience considerations will play an even larger role in their overall corporate strategy than they do today⁴. Indeed B2B leaders look to digitally enabled customer experience to help them disrupt markets.

Customer service data can also be used disruptively in B2C markets. Netflix used data from its millions of viewing streams every day to predict the success of shows such as House of Cards before commissioning them⁵. Similarly, mobile operators could use customer billing history, calling patterns and even types of customer service queries to develop and offer innovative financial products based on unique profile data.

Companies that think of customer service as purely a cost of doing business or a place that only exists to fix problems will fall behind those who take innovative approaches. Leaders will use customer service as a key source of insight to gain competitive advantage.

BUILDING THE FUTURE

“The best way to predict the future is to invent it”
Digital is already an essential part of great customer service. Customers demand it, and used well it both improves the customer experience and lowers costs.

Companies that want to lead the in the future digital customer service world must excel in two areas: **building a solid digital foundation** with today’s tools whilst **shaping the future** services.

A solid digital foundation means obsessing over the experience, having a clear plan to drive customer adoption and operating cross-channel metrics.

Shaping the future means being focussed on specific innovations, challenging possibilities and having a willingness to experiment and learn.

**OBSESS ABOUT THE EXPERIENCE**

First impressions count. Most customers are willing to try digital channels. But when things don’t work or are difficult to use, they switch back to traditional voice channels and it is hard to persuade them to try the digital channel again.

Customers know what “good looks like”. The standard is set not just by your direct competitors but by the best digital experiences they use across all aspects of their lives. This comparison may be “unfair”, but nevertheless that is the one that customers make.

Companies who succeed with digital customer service, obsess over the customer experience and devote resources to make it as good as possible.
BUILDING THE FUTURE

HAVE A CLEAR PLAN TO DRIVE ADOPTION

Companies must have a clear plan to encourage customers to use digital channels. Customer benefits must be clear and meaningful, ideally with incentives to encourage initial trial.

High performing companies use a mix of “push and pull” actions for different customer segments. Push actions may include discounts for using digital channels (e.g. saving for paperless bills). Pull actions can include making customers aware of digital options when they call a contact centre or at sign up.

OPERATE CROSS-CHANNEL METRICS AND IMPROVEMENTS

Understanding how customers use multiple channels across different customer journeys is key to identifying opportunities for improvement.

Journey analytics can help identify reasons why customers move between channels, and hence find ways to increase first time resolution or use of new channels.

BE FOCUSED

Large organisations serve many types of customers with a variety of products and services. The instinct is to be comprehensive and provide many digital tools that can serve all the customers and services. High Performers take a more focussed approach. They identify groups who are likely early adopters of new digital tools, and start with them. These customers may also be more forgiving if the new channels are not quite perfect to begin with, and are more likely to offer improvement feedback.

By starting with a targeted customer group and a limited set of functions, companies can move faster, learn and improve before deciding if and how to roll out the new digital service to a larger audience.
BUILDING THE FUTURE

CHALLENGE WHAT’S POSSIBLE

Innovation comes from finding new ways to overcome constraints. Technology advances mean that new interactions become possible, and the constraints may now be policies and processes that were developed in response to earlier limitations that no longer exist.

EXPERIMENT & LEARN

A start up thinks about new services as if they are experiments. The goal is to develop and test an idea, learn if there is demand and rapidly make changes. Speed, learning and adaptation are key. Metrics are less about traditional indicators such as ROI, but instead about adoption rates and customer usage behaviour.

With new ideas, neither you nor your customers will fully understand all the implications, so it is more important in the early stages to learn with customers, rather than develop for scale.
“To Know what you are going to draw, you have to begin drawing.” Pablo Picasso

Great customer service starts with attitude and understanding. An attitude that really wants to provide great service, and an understanding of what that means for a customer. Digital technology alone cannot replace these fundamentals, but it can support them.

As customers themselves make greater use of digital technologies to get better service, so companies must keep pace and adapt to serving the new smart customer.

Until now, digital customer service has mostly meant adding new channels. The next wave of innovation will create Intelligent Conversations by using digital technologies to reinvent the customer service operating model.

Getting the right balance between digital and human channels will be key to success.

Great customer service will be measured by more than efficiency and customer satisfaction. Widespread digital technology gives the opportunity for deeper customer engagement, and with that an influence on marketing and product development.

It will be an exciting and rewarding time for those who choose to embrace the opportunities that digital customer service presents.

Now is the time to be actively shaping the future, not merely observing. After all, innovation comes from doing, not dreaming.

Don’t wait. Create.
About Accenture Interactive

Accenture Interactive helps the world’s leading brands delight their customers and drive superior marketing performance across the full multichannel customer experience. As part of Accenture Digital, Accenture Interactive works with over 28,000 Accenture professionals dedicated to serving marketing and digital clients, to driven digital transformation and marketing services. Follow @AccentureSocial or visit accenture.com/interactive.

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 373,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

For more information, please contact:

Inés Guzmán
Digital Customer Service Global Lead

Luís Villa
Digital Customer Service Thought Leadership

Join the Conversation;
Follow Us on Twitter:
@AccentureSocial
https://twitter.com/AccentureSocial

Visit:
www.accenture.com/digitalcustomer
service
for more information

Copyright © 2016 Accenture

All rights reserved. Accenture, its logo, and High Performance Delivered are trademarks of Accenture. This document is produced by consultants at Accenture as general guidance. It is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative.

This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.