Winning the digital game with a human touch

High performance. Delivered.
Did you know that a human touch is essential to deliver a truly holistic customer experience even to the digital customer? To win over the digital customer, merely being digital is not enough. Companies need to purposefully weave in human interactions at touchpoints that digital cannot address effectively.

For companies in today’s digital India looking to extend their market reach, digital innovations have proved to be a game changer. For consumers too, digital channels have delivered price advantage, convenience and access across the purchase journey. In fact, digital has disrupted the linear purchase journey and created new-age consumers who expect a higher level of customer service on demand—anytime, anywhere—delivered via channels of their choice.

This scenario presents a challenge for today’s companies. Customer service expectations are not only increasing, but also becoming more complex at every stage of the purchase journey. They want faster and more personalized services. They want a “human touch” that can personalize the access and convenience that digital channels provide. The rising expectations and access to more choices is making consumers switch service providers frequently.

Accenture’s 2015 Global Consumer Pulse Research estimates the “switching economy” at US$6 trillion globally and India accounts for a sizeable share at US$412 billion. Eighty-eight percent of Indian consumers have switched service providers in at least one industry due to poor customer service in 2015 (see Figure 1. The Switching Economy). Moreover, 75 percent of consumers who switched and were looking for a new provider cited customer service as the main factor that would drive their choice of the new provider. This trend is evident across industries in India, and was especially relevant for the service industry. In fact, the switching behavior was the highest for Internet service providers, retailers and banks (see Figure 2. The Reasons for Customer Dissatisfaction). A deep dive into the various industries covered in the survey indicates that almost 40 percent of consumers in the banking, Internet service providers, and consumer goods and retail industries found the differentiation in company offers to be limited. As many as 55 percent of the consumers in these industries admitted to shopping elsewhere for better deals, indicating a clear gap in the “customer experience.”
This trend is most visible for Internet service providers, retailers and banks.

88% of Indian consumers have switched service providers in at least one industry.

The numbers are percentage of respondents in India who have switched service providers.

Source for all charts: Global Consumer Pulse Survey, 2015, Accenture.

† Accenture surveyed 24,489 end consumers in 33 different countries through the Internet between August 18 and September 30, 2015. Respondents were asked to evaluate 11 industry sectors (up to four industries per respondent). This report provides insights into the changing consumer behavior, attitudes and expectations impacting companies’ customer strategies across digital and analog channels.

The research focused on country-specific findings of consumer behaviors and perceptions with respect to marketing and sales practices, customer service in terms of changing expectations and digital, social media and mobility adoption and its impact, and how customer dynamics have evolved and their attitudes towards price, human versus digital interaction and circular/sharing economy.
The Omnichannel Consumer

To meet the demands of this new-age consumer, companies need to transform their go-to-market strategy to not only be present across all channels, but also offer a blend of physical and digital interface that offers an improved consumer experience across each stage of the purchase journey.

Accenture’s research reveals that consumers’ digital usage varies across stages of the purchase journey. A significant proportion (59 percent) use these channels to learn about products and services (see Figure 3. The Channel Mix) and an even larger majority of consumers (67 percent) use online or digital channels to make their purchases.

However, for post-purchase and most importantly, for resolving customer service issues, only 34 percent first turn to online support provided by the company.

In the race to adopt digital channels such as mobile, Web and social media, companies have lost sight of the effectiveness of physical channels for consumers. Some of the digital customer
service channels deployed, such as IVR (interactive voice response), online text and online information from third-party sources scored the lowest in customer satisfaction compared to other channels of complaint resolution. In contrast, in-store and at-home customer services top the customer service satisfaction chart.

Figure 3. The Channel Mix
Consumers are using a mix of both digital and physical channels for their interactions

1. Figures are percentage of respondents (550 online consumers) who opt for these channels for primary information.
2. Figures are percentage of respondents (550 online consumers) who opt for these channels for purchase.
3. Figures are percentage of respondents (550 online consumers) who opt for these channels first for customer service and support.
The Human Touch

To match these consumer expectations, companies need to find the right mix in their omnichannel strategy. It is not enough to be present and offer services through all digital and physical channels, but companies also need to identify how to blend in the “human interface” at particular touchpoints to offer an enhanced consumer experience. Globally, 73 percent of consumers prefer human interaction for solving service issues, for advice and for resolving complaints about products and services. These trends are mirrored in India too (see Figure 4. The Demand for Personalization).

The demand for human touch is clear in the fact that a significant majority (64 percent) is willing to pay a higher price for human interaction whether face to face, Web chats or on phone. Also, while 55 percent prefer dealing with humans to get quick answers to questions, 59 percent prefer human interactions to resolve complaints about service issues.

Sixty-seven percent of consumers cited “ability to see, touch, try and compare products” as the reason for using an in-store “human interface.” The human factor figured in customer retention too with 54 percent saying they would have not switched if the service provider had provided better live or in-person customer service.

Even for consumers in the banking, Internet service providers, and consumer goods and retail industries, the human element appears to be a differentiator. Consumers across these three industries rated their satisfaction from use of physical channels higher than online or digital channels. In fact, almost 20 percent more consumers in these three industries preferred to use in-store or physical locations for their purchase.

What these trends point to is the need for companies to find “the right balance,” and invest in an omnichannel consumer experience instead of relying too heavily on pure digital interactions.
Figure 4. The Demand for Personalization

Consumers are ready and willing to embrace the human element in their purchase journey...

...But have higher expectations from such human interactions

64% are ready to pay a higher price for access to in-person interactions

65% might not have switched if provided live or in-person customer service

70% are satisfied with repair service provided at home

53% have higher expectations from service provided when human interaction is involved

48% have higher expectations from information and advice provided when human interaction is involved

Human interactions via video chat, phone or in a physical store.
Figures include respondents who have voted 1 to 5 on a scale of 1 to 10.
Companies that are looking to build on the potential of each channel to provide “intelligent consumer service,” need to keep in mind that one size does not fit all digital customers. These customers seek different levels of digital-physical balance. Service providers need to keep two critical factors in mind. First, companies must devise the right omnichannel strategy for a seamless, connected and consistent customer experience across myriad channels. Second, they must leverage the human interaction to upsell and cross-sell, and offer personalized services.

**Strike an online-offline balance**

Embracing digital does not mean ignoring traditional channels. Indeed, being omnichannel is about ensuring a consistency in consumers’ experience, message and content across assorted channels, both digital and traditional. Consumers support this “omnichannel balance” with 52 percent willing to work with companies across digital and physical channels as long as they are well aligned. In fact, our research also shows that consumers who interact with the company across multiple channels are more profitable.

**Mix and match:**

Companies need to increasingly work toward using online and offline channels in new ways. They can install in-store technology to enable consumers to browse catalogues, find alternative offers and place orders. Stores could be used as a display site with home-delivery options, or the other way round—as a collection point for online and mobile orders. These outlets can also be used as an experience place to build loyalty.

For instance, the Tata group in India has launched TataCLIQ.com—an amalgam of physical and digital (phygital) e-commerce marketplace. It is a platform where shoppers can order, collect, return and exchange products from anywhere, anytime, either online or at brand partners’ stores.

Internationally, take the case of Bonobos, one of the leading online brands in men’s apparel in the United States. They have many experiential physical stores all across the country. These stores stock just one sample of all styles, all colors and all sizes. This gives them a chance to showcase their entire collection in a limited space. A customer walks in, likes a particular style and tries a size in that style. If he likes the fit, he looks for a color he wants. Next, an order is placed online for that particular style-color-size combination and the product reaches him within 24 hours straight from the warehouse.

**Get real:** Companies need to put the human and physical elements back into customer services with a focus on delivering better experiences. Aware of this need, several e-commerce companies are opening physical stores to give customers a touch-and-feel experience of products and stand out in the clutter of the increasingly crowded online retail space.

Zivame, Pepperfry, FirstCry and Lenskart have started offline experience zones to differentiate their offerings from those of their online rivals and to increase their credibility. Meanwhile, other digital leaders have come up with an “assisted e-commerce” model. For instance, Indian e-tailers Snapdeal and Flipkart have physical stores that support the customer’s digital purchase journey. These offline stores allow customers an opportunity to “touch and feel” the products and have the products’ features explained and their queries answered by the sales attendant. Snapdeal is collaborating with The Mobile Store (TMS) to add the value of human interaction in the customer’s purchase journey.

Assisted e-commerce could also help bridge the geographic gaps in digital reach, especially in rural areas. Digital payments firm Payworld has launched Payworld Bazaar to help rural and semiurban consumers shop through an assisted e-commerce model with the help of a Payworld retailer. StoreKing, an assisted e-commerce service provider, enables rural retailers to sell more than 50,000 products to walk-in customers via its digital kiosks. Operating on an assisted e-commerce model, the retail shop owner helps customers use the mobile kiosk, select products and make cash payment to the retailer. StoreKing ships the products to the retail store within 24–48 hours. Users then can collect their order from these retail stores.
Or take the case of Amazon India, which is expanding its offline presence and bringing on board customers who are still reluctant to shop online. The e-tailer has tied up with Vodafone India, a telecom operator, to provide a touch and feel experience of smartphones such as OnePlus 3, which are sold exclusively on the platform. As part of the tie-up, each Vodafone store now has a display case with mobile phones listed on Amazon and a product specialist trained by the e-tailer. Customers can try out phones, especially as several smartphones are now exclusively launched and sold on Amazon India without any offline presence. Customers can order the product online from the store, and also come back for any post-purchase help.

**Channeling superior service:** Striking a balance between online and offline is not easy. In addition to the complexity of operating across multiple channels, companies need to ensure quality and responsive customer services. Sixty-six percent of the consumers surveyed indicated an increase in their customer service expectation from last year. Interestingly, the customer service expectations are even higher from “human channels” than they are from digital channels. Only 7 percent of the consumers surveyed cited lower customer service expectations from human channels. Netflix is an example of how a company can take a more focused approach to providing good service. It has decided that it cannot adequately provide a quick and easy resolution on first contact via e-mail. So it does not offer e-mail as a channel. Instead, it has developed a robust self-service help center online, with easy access to a live person via chat or phone. The help page displays the current availability and wait time for chat and phone, so that customers can choose either of the two channels. It also generates a code that is entered prior to being connected to the Netflix representative, so that the latter will be able to easily access the customer’s personal information for a seamless “one contact” resolution.
Leverage the right balance to sell more and offer personalized services

Tap upsell and cross-sell opportunities:
Companies that rely too heavily on digital interactions might be extending their reach, but they could be losing out on upsell and cross-sell opportunities due to the lack of the human touch or personalization efforts.

Our research shows that companies that combine physical and in-store experiences with digital ones to create a holistic consumer experience are more valued by consumers. Consider these facts:

• 49 percent said they were more willing to be sold new or upgraded products when receiving a face-to-face service rather than online.
• 51 percent said in-store service was the best channel for getting a tailored experience.
• 67 percent said they preferred the in-store channel as it allowed them to “touch and feel” products.

• 31 percent said they would recommend their service providers to others, if satisfied.
• 29 percent said they would buy more products/services if satisfied with their current service providers.

Flipkart has recently announced its plan to cross-sell its commerce, supply chain and advertising services to its top-selling merchants and deep-pocketed brands. The company also plans to monetize its registered customer base of 75 million by selling to these merchants and brands insights into who and where the top-paying customers are and what kind of products they want.

Figure 5. The Personal Connect
Well executed human customer service elements score high on customer satisfaction

| 69% | Polite and friendly employees |
| 60% | Well-informed employees |
| 62% | Ensuring privacy of information |
| 54% | Access to customer service on multiple channels |

Figures include respondents who voted “Strongly agree” and “Agree”
Premiumization through personalization:
Companies should strive to create a more personalized shopping experience—such as access to live person interactions via video chat, phone or in a store—to drive premiumization among their offerings. Companies that get this right could have up to 24 percent of their consumers pay a premium for their services. Pepperfry, an Indian online furniture and home products marketplace, launched its B2C bespoke services initially, and has now started offering bespoke services to the B2B sector as well. Extending to corporate offices, hotels, schools and cafes, the service forms a new revenue stream for the company. Bespoke, or made-to-order services, involves a process of browsing and choosing from curated designs, followed by final execution. The company has also posted design consultants in four cities has made virtual design consultants available for customers outside these cities.10

Internationally, CIBC in Canada launched a new digital advice channel for its premium/wealthier customers. Using the existing platform, CIBC is allowing its mass affluent client base to choose from more than 60 remote financial advisors who are available for personalized consultation on phone or through e-mail.11

Service providers that fail to offer human-delivered services and experiences to consumers are willing to pay for are ignoring a significant revenue-generation opportunity.

Conclusion
Managing the changing expectation of the digital customer is all about sticking to the good old principles of customer experience. The answer is not to move to “all things digital” but to ensure a consistent, high-quality experience for consumers across channels. Consumers are increasingly relying on the “channels of choice,” be it digital or physical, and expect the best levels of service across these channels. Companies must make the seamless omnichannel experience easier for their consumers and position themselves to reap the rewards through better upselling and cross-selling opportunities.

References
2 http://knowledge.wharton.upenn.edu/article/human-touch-matter-retail/
4 http://www.essar.com/article.aspx?cont_id=uBPzi1lmXvE=
5 http://economictimes.indiatimes.com/industry/services/retail/payworld-launches-payworld-bazaar-for-assisted-e-commerce/articleshow/52536048.cms
7 http://economictimes.indiatimes.com/industry/services/retail/amazon-ties-up-with-vodafone-to-acquire-hesitant-customers/articleshow/52825400.cms
8 https://hbr.org/2015/05/when-to-offer-fewer-customer-service-channels
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 more than 375,000 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.

About Accenture Strategy

Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow @AccentureStrat or visit www.accenture.com/strategy.

Legal Disclaimer

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 trademark.

Contact the Authors:

Sanjay Dawar
sanjay.dawar@accenture.com

Jayesh Pandey
jayesh.pandey@accenture.com

Dhruv Laroia
dhruv.laroia@accenture.com

Sharmila Saxena
sharmila.saxena@accenture.com