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# Fast and Fickle

How to keep your digital customers

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Companies have worked overtime to grow their digital customer base. They've been fighting for the attention of these customers with targeted, digital marketing strategies. And they've tried to satisfy millennials' digital cravings with a steady diet of new digital commerce features and innovations. Such investments are necessary in the digital age. But they aren't sufficient.



As it turns out, intensely digital customers are also intensely impatient. They're also not as wedded to digital experiences as we would like to believe. To keep this fickle and fast-moving group engaged, companies simply can't give them a reason to leave. That means they need to focus less on luring customers with digital marketing and sales and more on dazzling them with superior service across all channels of interaction.

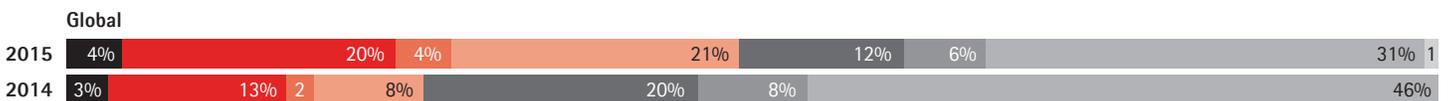
# It's time to call for service

Most companies have historically invested much more in digital sales and marketing than they have in the delivery of top-notch service. Relegating service to a secondary position has hurt them. Accenture Strategy research reveals that poor service is a leading cause of customer defection. In 2015, 64 percent of consumers moved some or all of their businesses from providers that failed the service test.<sup>1</sup>

There's no argument that digital service channels are critical for boosting customer retention. This is supported by the fact that 40 percent of customers want their providers to offer more digital service options. Also, online support provided by a company—in the form of corporate websites, forums, online chats and mobile apps—is the preferred channel for customer service and support by a wide margin (see Figure 1). The online channel's convenience and its ability to offer fast problem resolution are particularly appealing.

**FIGURE 1 | Online support remains the preferred channel for service and support** (Global sample by industry)

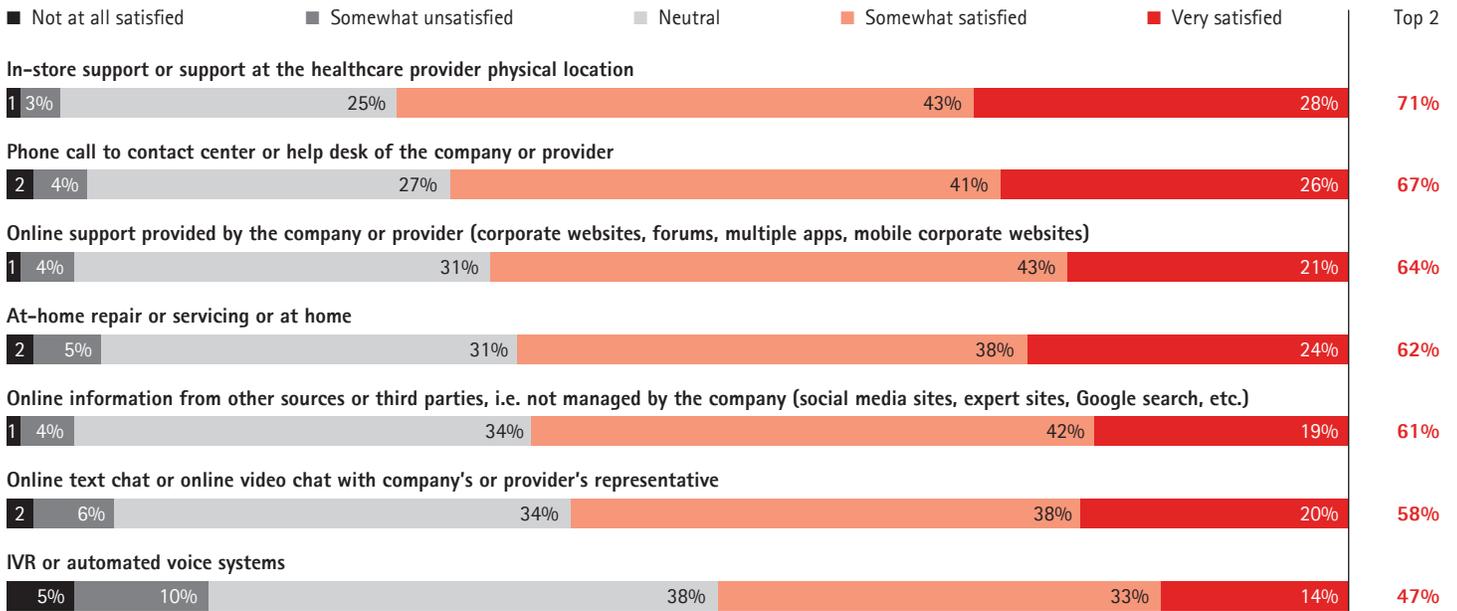
What source/channel did you use first for customer service and support or which one would you be most likely to use first? (Select one)



\*New question included in 2015.  
 \*\*Wording changes in 2015.

**Base size:** Respondents who made a purchase or subscribed to a service in at least one of the mentioned industries, within the past six months.

**FIGURE 2 | Satisfaction levels of support/service received via different channels.**



**Base size:** Respondents who made a purchase or subscribed to a service in at least one of the mentioned industries, within the past six months, and who used (at least one) online source or channel for customer service and support.

Less obvious is the fact that non-digital service channels are as—if not more—important than digital ones.

Nearly all customers (95 percent) who prefer digital channels for the majority of their interactions expect the same or higher levels of service when they interact via non-digital channels.

One-fifth of customers who can be described as “intensely digital” regularly use non-digital channels, too.

And all customers—even digital ones—find in-person support ultimately more satisfying than online service experiences (see Figure 2).

Ironically, non-digital service transactions have become more important—not despite digital options, but because of them. Consider what now commonly occurs in the retail sector. Thanks to the availability of online information and reviews, intensely digital customers often enter stores with more knowledge than the retailer’s staff. That makes it exceedingly difficult for store associates to offer meaningful guidance, advice or support.



Non-digital service transactions have become more important—not despite digital options, but because of them.

# Strike three! You're out!

As beneficial as digital interactions can be, they do have their limitations. The recent launch (and subsequent retraction) of Tay, a chatbot that Microsoft designed to mimic natural human engagement, demonstrates just how difficult it is to create a satisfying human-to-human experience with technology alone.<sup>2</sup>

Beyond the risk of being offended by a foulmouthed avatar, there are plenty of reasons that customers seek out non-digital help. Our research confirmed that 73 percent of customers prefer human interactions when they are seeking advice or looking to resolve a specific issue. More than half of them (58 percent) choose humans when they want quick answers to questions. AI apps may be able to win chess games, but they rarely deliver the personalized experiences that win customer loyalty.

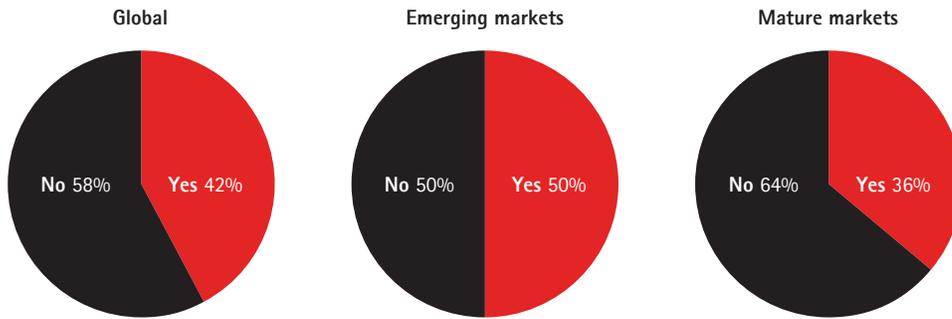
Shifting their attention to service—particularly non-digital service—is important for companies looking to retain their digital customers. In fact, it is critical. That's because digital customers revert to physical channels when they aren't satisfied with the digital experience. And they do so much faster than anyone expected. Millennials, for example, are typically considered intensely digital. In one industry, we've seen that they are 140 percent more likely than customers less digitally inclined to use digital self-service options during their first attempt at problem resolution. However, they are quite quick to abandon the digital world when they can't find the answers they need. This group, in fact, generates just as many human second contacts as non-Millennial (and less digitally savvy) customers.<sup>3</sup>



**73%** of customers prefer human interactions when they are seeking advice or looking to resolve a specific issue.

**FIGURE 3 | Once a company loses a customer, six times out of ten they won't get them back**

Thinking about the previous service provider(s) you switched away from, would you consider switching back or doing business with them again in the future?



This quick switch to human service channels has enormous implications. When an intensely digital customer has moved from the digital to the physical channel, it means that the physical channel becomes the critical final chance to salvage the customer relationship. Our research reveals that when intensely digital customers are disappointed with a provider's digital and physical service channels, they are two to three times more likely than marginally digital consumers to take their business elsewhere.

The message is clear: If companies fail in digital service, they must succeed in the physical arena. If they don't, they will likely lose the customer altogether. And once companies lose their customers, in six out of 10 cases, they will not be able to win them back.



If your digital customers leave, there's a **60%** chance they're gone forever.

# Seize the new frontier!

It's imperative that companies develop a holistic service strategy that keeps digital customers (and all others) satisfied and engaged. This means minimizing the frequency of switching due to poor service and delivering superior experiences in both the physical and digital service domains.

To seize the new frontier of service, we recommend companies do five things:



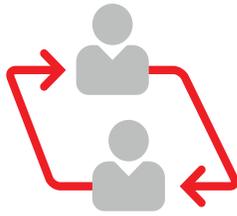
## Map the territory.

Companies need to know their customers' online and offline preferences and behaviors, as well as those "moments of truth" that can make or break the relationship. Advanced analytics are critical. New, cross-channel analytics solutions do so much more than collect data for website optimization. They can reveal meaningful and actionable insights into the types of human and digital guidance, advice, support and services that digital customers want—and the types they don't. Armed with that understanding, companies can more quickly identify root causes of customer frustration.



## Invest in service firepower.

Investing in digital service means investing in digital and physical service capabilities, and doing so in an integrated way. As a first step, companies should prioritize and eliminate the service experiences that cause the greatest frustration. Next, companies should zero in on the digitally enabled support solutions customers find particularly appealing such as online tutorials or real-time text chats. At the same time, companies need to identify and bolster the human capabilities that will address digital customers' needs if they can't find the support they need through digital channels. Providing call center agents with visibility into customers' online history, equipping sales reps and store staffers to act as knowledgeable advisors and decision guides, eliminating call hold times, and improving first-call problem resolutions are examples of actions that can make a real difference.



## The connected car ecosystem: Collective service in action

As consumers embrace the Internet of Things, more and more of them want a "connected" car that works seamlessly with their devices. By 2025, all new cars will be connected.<sup>5</sup> Daimler's Mercedes-Benz connected car already shows what's possible. With API connections to Google's Nest thermostats in drivers' homes, the car notifies the thermostat when the driver will arrive, and the thermostat adjusts the inhome temperature to desired settings.<sup>6</sup>

There's no reason that similar connections couldn't be used to run baths, start ovens or carry out security checks. In these scenarios, the auto manufacturer is part of an ecosystem that includes Google, utility companies, technology firms and even appliance manufacturers. Each one has a stake in meeting customers' demands, and each is responsible for contributing to a satisfying customer service experience.

## Form alliances to create an unbeatable service army.

Companies may want to establish an ecosystem comprising other companies or service champions that can help meet digital service demands. The first step in developing a service ecosystem strategy involves defining what service means to the company, and to the company's customers. Next, companies should identify digital opportunities and channels (often owned by other companies, rivals or peers) that will allow them to proactively care for customers looking for advice, service, information or financing. Collaborating with ecosystem partners can produce a more powerful and holistic service experience than any partner could deliver independently.

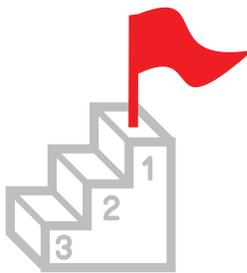
Importantly, companies should not discount customers as members of their service alliance. Customers are often quite knowledgeable about products, and can offer valuable advice and troubleshooting tips. Social media is an excellent forum through which customers can seek guidance and service support from these expert peers. Just ask Swisscom. Switzerland's leading telecom provider embraced the potential of collaborative customer service by creating an online platform that enables its customers to receive technical or installation help from other customers in their neighborhood. The experts—known as Swisscom Friends—get paid for their assistance. But they aren't replacing Swisscom's service agents. They are augmenting Swisscom's service commitments by offering faster, onsite support to complex technical issues.<sup>7</sup>



## Prepare the troops.

Companies need to adjust their talent strategies to support an integrated, multi-channel service experience. The goal is to align human resources to areas of greatest potential impact. Contrary to popular belief, establishing more digital services can place greater demand on the service workforce. This is evident in the tendency of customers to buy products online, only to return them to a physical location. For some retailers, up to 90 percent of e-commerce purchases that are returned are returned to a store. That places much greater stress on the store staff, who must understand the customer's online history and manage the increased volume of returned merchandise.

As they pivot their focus to service, companies will also need to re-imagine the types of people they should hire. They may, for example, create a role for "service masters" charged with optimizing all aspects of service across all channels. Digital service professionals, with deep expertise in creating satisfying digital experiences, will be quite valuable. So will customer service agents with the education, experience and interpersonal skills needed to handle the most complex service issues. All of these service experts must understand how digital and human services fit into the overall service experience. All must be empowered to make decisions. And all must be incented in a way that acknowledges the critical role they play and the unique skills they bring to the service table.



## Know what victory means.

Companies need to understand when they have accomplished their service mission. They need to measure what matters. And for digital customers, that means outcomes. Typical measurements of site traffic or clickthroughs do little to measure whether the company delivered the outcome that the customer expected, or whether the service experience has strengthened or damaged the customer relationship. Instead, companies should focus on Net Promoter Score® or other measures of customer satisfaction and loyalty. Many service directors resist measuring the effectiveness of cross-channel experiences because their analytics and satisfaction metrics aren't perfect. This is a mistake. Measures of outcomes will never be perfect. Service directors will need to make assumptions about the effect their service has on the broader customer experience. It is true that some of those assumptions may be flawed. But others will be spot on. It is those assumptions—few though they may be—that can help companies begin to shape a service experience that entices digital customers to stay.



## Give customers what they want

Companies have dedicated the lion's share of attention and resources to acquiring digital customers or delighting them at the all-important "point of sale." Now it's time to focus on retention by building the cross-channel service capabilities that digital customers expect and deserve.

## Join the conversation



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## Notes

- 1 Accenture Global Consumer Pulse Research, 2015.
- 2 Mark Hachman, "Microsoft says it's making 'adjustments' to Tay chatbot after Internet 'abuse'," PC World, March 24, 2016. Retrieved April 27, 2016 from <http://www.pcworld.com/article/3047823/internet/microsoft-says-its-making-adjustments-to-tay-chatbot-after-internet-abuse.html>
- 3 Accenture Strategy analysis, 2016.
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- 5 HIS, SBD, GSMA, Accenture calculation
- 6 Zach Miners, "Nest thermostat can now talk to cars and health trackers to know where you are and when you wake," Digital Arts, June 25, 2014. Retrieved April 27, 2016 from <http://www.digitalartsonline.co.uk/news/interactive-design/nest-now-works-with-mercedes-jawbone-whirlpool-more/>
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## About the Research

This point of view draws on Accenture Strategy surveys including a 2016 survey of more than 1800 executives from multiple industries across North and South America, Europe and Asia Pacific on a variety of technology strategy topics related to cloud, legacy systems and everything-as-a-service (XaaS), as well as an Accenture Strategy internal survey of more than 20 senior M&A practitioners and analysis of corresponding M&A initiatives.

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