FROM LIP SERVICE TO CUSTOMER SERVICE

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Although **86 percent** of business leaders cite customer experience as a strategic priority, only **23 percent** are actually taking steps to keep customers engaged and brand loyal.[1]

Their inaction is costing them. Global Accenture Strategy research shows that 61 percent of customers walked away from companies because of poor service. Of those, the vast majority (81 percent) felt the company they abandoned could have done something to keep their business. But the companies did nothing. And the customers defected, taking billions in revenue with them.[2]

The disconnect between customer-centric words and non-customer-centric actions is not a new phenomenon. It has long been evident in both business-to-business (B2B) and business-to-consumer (B2C) environments. What's different now is that customers live in a subscription economy and are no longer tolerating empty promises. They are demanding a new standard of service that provides relevant, satisfying and engaging experiences.

Companies must step up. Their current customer service models won't deliver different outcomes. Delivering on the promise of an improved customer experience requires empowering the frontline service professional with new mindsets, skills and behaviors. It is a fundamental change in the future workforce.

FROM CUSTOMER EXPERIENCE TO **CUSTOMER RELEVANCE**

The digital age has upended how companies interact with customers. New technologies, coupled with greater access to information and purchasing options, have ushered in new customer expectations, preferences and behaviors. For customers, the relevance of the interaction with a company is increasingly becoming as important as convenience or speed.

The shift to customer relevance is all about hyper-personalization. By analyzing customer engagement across digital and physical channels, service professionals can develop a keen understanding of who their customers are and what they like, and deliver what they need. This is central to the role of the frontline service professional.

Specifically, service professionals can no longer focus solely on responding to inquiries and resolving issues. They must approach every interaction as an opportunity to strengthen the customer relationship. This begins by taking time to understand the customer's experience—good or bad—as well as how each customer uses a particular product or service to provide an engaging customer-relevant interaction.

To effectively advise, satisfy and develop relationships with customers, service professionals will need deeper product or service knowledge than ever before and the freedom to own the customer relationship. This requires an attitude that evokes trust and commitment to delivering superior customer care. These attributes are particularly important for service professionals who interact with customers who are grappling with complex issues, or can't find what they need via digital self-service channels. Those customers are often highly frustrated when they finally engage with a human service professional for help.

A number of studies indicate that it costs four to 10 times more to attract new customers than to retain existing ones. If companies can improve customer retention even slightly, they stand to generate hundreds of millions of dollars in margin improvement.[3] So, what can they do to keep their customers loyal? Disrupting the role of the frontline service workforce is a great place to start.

4 to 10 times
additional cost to attract a new customer versus retain an existing one

BREAKING DOWN THE BARRIERS TO CUSTOMER CENTRICITY

To deliver the relevant and highly satisfying experiences that keep customers engaged, the future workforce of service professionals will need to expand their current roles. Rather than just completing a transaction, they will need to make every interaction meaningful to the customer. Rather than just supporting a product or service, they will need to serve as a company's brand ambassador, doing everything in their power to deliver on the brand promise.

Transitioning to this new, more strategic customer service model means breaking down the barriers to customer centricity. Unfortunately, many companies lack the processes or culture required to adequately develop the new skills that will be needed. Consider empathy versus expediency. Speed of issue resolution is, of course, important. But in the age of customer relevance, it's not enough. Equally important is the ability of service professionals to put themselves in the shoes of the customers with whom they interact.

Some companies have seen the light. For them, adhering to call center scripts, for example, or structured processes is hardly the way to build relationships, loyalty and trust. Instead, they are adopting a new approach that empowers their frontline service professionals to behave in new ways:

BE AUTHENTIC. BE HUMAN.

Companies encourage the service workforce to tap into inherently human qualities. By applying skills that Accenture analysis has found are in high demand, like creativity, critical thinking and empathy, service professionals can deliver experiences that are satisfying and memorable.[4]

SERVICE PROFESSIONALS ARE THE CHIEF RESOLUTION OFFICER

Understanding a customer's concerns or frustrations is an important first step in delivering superior customer service. Where many companies currently fall short is empowering their service professionals to take the necessary steps to address the problem. Service professionals should have the authority to do whatever it takes to satisfy the customer. Imagine the age-old issue—your wifi drops at home. What if your internet provider service agent helped resolve connectivity knowing the issue was due to your device, not their network? That would create value and help generate loyalty.

ISSUE RESOLUTION IS JUST THE BEGINNING

Many customers—both individuals and businesses—buy products, services or licenses without fully understanding all the benefits or features that come with their purchase. Service professionals are in a unique position to proactively offer advice, suggestions or additional features that allow the customer to get more value or joy from whatever they may have purchased. Our Accenture Strategy research revealed that just over half (52 percent) of customers who stopped doing business with a company would have reconsidered this decision if they had been offered this sort of outreach.[5]
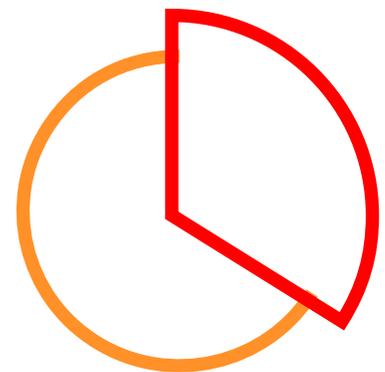
PERFORMANCE
REDEFINED

Using service professionals in more engaging and more valuable ways requires new methods of measuring and managing their performance. From managers to frontline agents, traditional service management practices rely heavily on individual metrics, ranging from number of calls answered to call duration.

In the new paradigm, this level of transparency is counter-productive. It perpetuates a culture in which performing to a scorecard, or chasing a metric, becomes the agents' goal.

There's another reason service leaders should reconsider how they measure workforce performance. According to our research, only 34 percent of employees believe current performance management approaches effectively support the delivery of business objectives.[6]

There is an opportunity for customer service leaders to do something radically different. They should simplify their metrics and assess their service professionals' performance against an aggregated score that measures how well the team, collectively, delivers engaging and relevant customer experiences.

34%
of employees believe current performance management approaches effectively support the delivery of business objectives

Gamification—or the application of game theory, design and reward mechanisms to boost performance in non-game settings—is a valuable tool that leaders should consider using to drive employee engagement. In fact, because gamification encourages collaboration that builds cooperative workplace relationships, companies may also want to consider promoting the use of this tool to attract more qualified candidates for open service positions. Accenture Strategy research finds that 64 percent of new graduates would trade a higher salary for a positive social atmosphere.[7]

GAME ON!

With gamification, service professionals are encouraged to collaborate with and challenge one another in a fun and engaging way. Advanced analytics assess a number of service metrics such as quality of customer sentiment and feedback, but does so behind the scenes. The service professional receives consolidated, actionable, real-time feedback. For one Accenture Strategy-led engagement, a gamification approach designed to promote collaboration and motivate workers contributed to a 50 percent rise in employee satisfaction—and, ultimately, a 20 percent bump in customer satisfaction.

FRONTLINE CUSTOMER SERVICE
TRANSFORMED

To deliver more valuable customer experiences, customer service leaders must be willing to disrupt the talent models they've employed for decades. Transformation success will depend on a vision for redesigning work and investments aimed at unlocking human potential. Above all, it will require leaders to buy in, believe and have the courage to carry out the change that is needed.

Focusing on three core areas can help accelerate the transition in mindset and behaviors from a traditional customer service representative to a truly customer-centric brand ambassador.

1 THE RELEVANCE OF EVERY INTERACTION

A transformed service organization will no longer only be dedicated to resolving customers' immediate issues. It will have an expanded, more valuable purpose. Service professionals will use every interaction to educate customers, reveal new features or services, gain feedback, or share insights on how other customers have enhanced their experiences. Above all, they will consistently demonstrate their commitment to helping customers achieve their goals.

2   BEHAVIORS AND METRICS THAT TRULY MATTER

In an era where customer relevancy is king, old service rules and performance metrics don't apply. Transformed service capabilities and coaching will be aligned to overarching objectives and employee experiences, not individual metrics or scorecards. Performance must be measured against new indicators of success:

• From call-handling efficiency to **customer satisfaction**

• From transaction completions to **customer engagement**

• From processes and scripts to **fluidity of the interaction**

• From time spent resolving issues to **outcomes delivered**

• From short-term sales to **long-term loyalty**

3   THE CHARACTERISTICS OF TALENT AND CULTURE THAT FUEL SUCCESS

Service organization leaders should develop a culture that encourages personal expression and experimentation, and accepts failure, to attract and retain the workforce they need. They should also rethink the skills and human characteristics their service professionals will need to exceed customer expectations and build enduring relationships.

When recruiting new service professionals or reskilling existing ones, special attention should be given to judgment, empathy, critical thinking, autonomy and adaptability. Their passion, personality and relatability will be as important as their attention to detail, efficiency or productivity.

Finally, leaders should re-evaluate their performance management practices and reward structures. This involves identifying the overarching objective they want their service professionals to accomplish and then applying gamification strategies and "gamer scores" to encourage and inspire their people to collectively meet business goals.

CUSTOMER SERVICE OF THE FUTURE
IN ACTION

Accenture Strategy has seen, first-hand, what leaders can achieve when they change not only how frontline service professionals engage with customers, but also how the company manages its frontline service professionals. The results for one large technology company speak for themselves:

CUSTOMER ENGAGEMENT ACTION

Applying insight-driven feedback to refine customer experiences

Customizing education, awareness and feature adoption based on customer usage

Applying advanced analytics to predict when proactive outreach would be useful

RESULTS ACHIEVED

99% of calls are resolved by the first customer service rep (up from 75%)

20% increase in customer satisfaction (from 70% to 90%)

51% of customers provided feedback on products and services

91% positive customer feedback

SERVICE MANAGEMENT ACTIONS

Creating a culture of innovation and experimentation

Encouraging service professionals to own the customer interaction

Introducing a gamified experience to replace/augment individual metrics

RESULTS ACHIEVED

50% increase in employee satisfaction

100% participation in team challenges, designed to promote collaboration and provide motivation

Source: Accenture Strategy client experience.

THE FUTURE WORKFORCE
TODAY

For years, organizations have talked about customer centricity and the importance of customer care. It's time to move from lip service to customer service, from theory to action.

The best place to start is by disrupting the traditional customer service model. Organizations that reinvent their talent strategies, performance management practices and culture will engage with customers in more relevant, more differentiated—and ultimately more valuable—ways than ever before.

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NOTES

[1] Accenture Strategy 2015 B2B Customer Experience Research Findings.

[2] Accenture Strategy 2016 Global Consumer Pulse Research.

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[5] Accenture Strategy 2016 Global Consumer Pulse Research.

[6] Accenture Strategy, "Is performance management performing?" 2016.

[7] Accenture Strategy, 2016 US College Graduate Study.

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