

The digital transformation  
of customer services  
Our point of view







A customer service reformation is taking place. It's radical, it's far-reaching and it's being driven by customers. The digital age has transformed the way customers shop and share their experiences. Today, customers are driving the buying process using websites, blogs, vlogs and social platforms. By the time they enter a store or become visible in the sales funnel, they know what they want to buy and how much they want to pay. It doesn't stop there. Once the sale is closed, customers use those same channels to join forces and name and shame those that disappoint.

On the face of it, it seems a concerning development for businesses. But there's a bright side to these changes. New channels and technologies open up fresh opportunities that can make a company stand out from the rest of the crowd. Opportunities to build an ongoing dialogue with customers. Opportunities to learn from customers and to increase the relevance of your products and services. So it's time for every business to start seeking and fostering enduring relationships with their customers – a relationship that goes far beyond the initial sale.

For some of you, this call to action will not be new. Even so, identifying the depth and breadth of this reformation and deciding how to tackle it is a huge challenge. And that's why we've written this paper. We want to share our view on the major implications of the digital movement and on the best way to respond.

In writing this paper, we have drawn upon interviews and discussions with service teams from several organizations. Specifically we'd like to acknowledge the contributions of the following teams (in no particular order): Canon, UPC, Liberty Global, Philips, LG Electronics, Heineken, Merck, Brambles and The Body Shop.

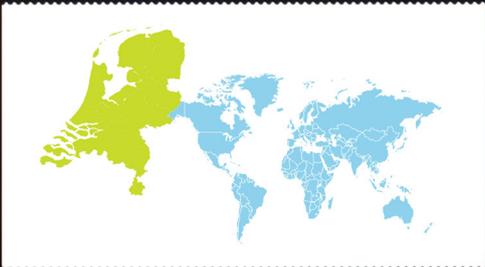
I hope you enjoy this paper and don't hesitate to get in touch if you would like to continue the conversation. We would love to hear your views.

Happy reading,

Theo Slaats  
Partner



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# Disruptive digital forces

In today's digital world, the rules of customer engagement are changing. To continue acquiring and retaining customers, organizations need to recognize this and adapt to these new dynamics.

The battleground for customers has never been so competitive and complicated. Three disruptive forces are combining to create a new contest which will result in fresh winners and losers:

## 1. The rapid adoption of technology

Businesses and their customers are adopting technology at a rapid pace. Social networks, mobile computing, analytics and cloud computing are all significant technology trends. Even taken individually, they create major implications for customer services. Taken together, these digital trends are highly disruptive creating complex business opportunities and risks.

## 2. Changes in customer behaviour

Customer attitudes and demographics are changing. Customers are becoming more fickle and expect greater business transparency and corporate responsibility. Increased comfort with technology and high usage of

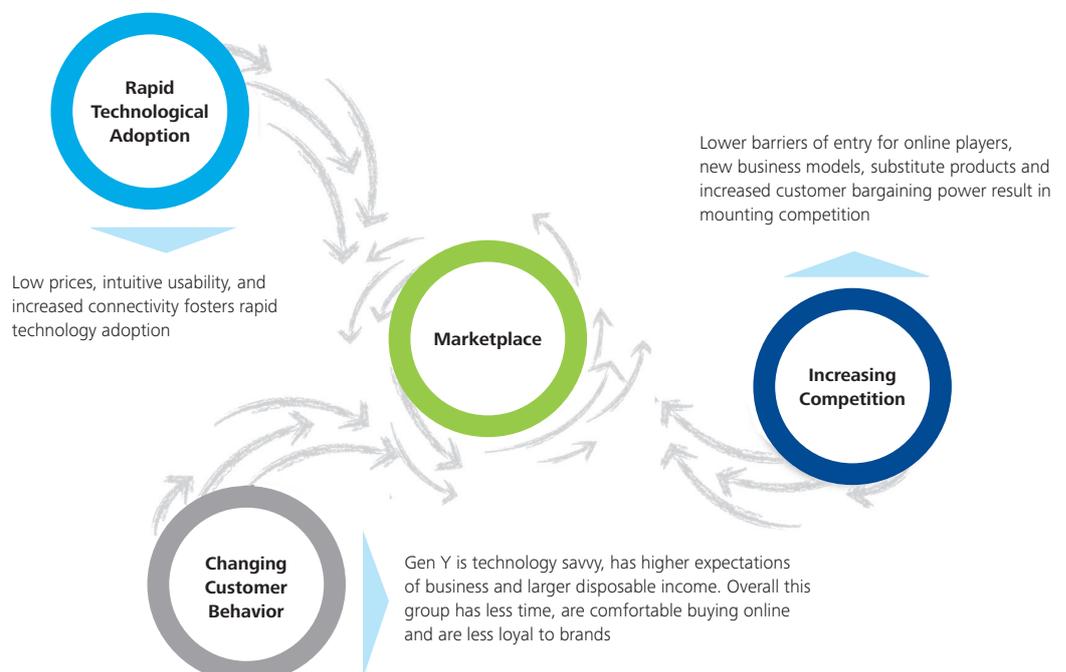
online channels is feeding this shift. According to a report published by the Institute of Customer Service, consumers today face significantly fewer problems when buying goods and services than they did five years ago, but they are more inclined to complain when things go wrong. The percentage of customers who experience a problem has decreased from 17% in January 2008 to 11.7% in July 2012, whilst the proportion of those that went on to make a complaint rose from 72% to 76% in the same period<sup>[1]</sup>.

## 3. Increasing competition

New competitors are flooding almost every market. Some are engaging in direct competition taking advantage of the lower barriers of entry provided by globalization, de-regulation and technology developments. Some, like Facebook, Amazon, Google, Apple or countless smaller ventures, are inventing new business models that create a sudden impact on traditional markets. Take for example, the once pioneer of photography, Kodak which was forced into bankruptcy after failing to transform as digital dissolved its high-margin film business.

Together, these three market forces are exerting intense pressures on almost all industries. The consulting industry is no exception. Deloitte has recently made acquisitions and re-organized to ensure it has both depth and scale to deliver the future digital needs of its clients through Deloitte Digital.

A whirlwind of disruptive forces are in play in today's marketplace



### The need for change

Already in recent years, many businesses were beginning to raise the bar on customer service in order to differentiate from competitors and defend prices. Digitalization is acting as an accelerator on this shift, turning customer service improvement into an urgent imperative. The mainstream adoption of social platforms and the use of online forums is making business practices increasingly transparent. In the past, poor service may have led to a customer complaining to a small number of family or friends. Today, however, a post or a tweet can share bad experiences with hundreds of potential customers instantly and its impact can be amplified to millions more at the click of a button. This digital amplification effect does not only punish a company for poor service. It works the other way around too. Positive messages from delighted customers boost a company's reputation for good service or excellent products. This kind of 'word of mouth' marketing delivers

a much more powerful message than any company can send. It's no wonder that marketing teams are actively investing time and money into engaging wider audiences in order to seek out these positive stories.

The digital disruption signals the need for a fresh customer service strategy. Service teams are being called upon to fulfil a greater purpose in the battle for customers. Interacting on a frequent basis with customers, service teams are in a prime position to engage with customers and create success stories. Such stories can lead to better brand awareness, promote search engine listings, increased web traffic to webshops and ultimately improve sales conversion rates and repeat business. Service has a bright future ahead at the heart of customer communication. The activity of first-class service teams will not only leave customers with answered questions but drive customer acquisition and loyalty.

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The digital disruption signals the need for a fresh customer service strategy. Service teams are being called upon to fulfil a greater purpose in the battle for customers

# New capabilities for customer services

Service has a bright future at the heart of business communications. By developing new capabilities, service teams can create differentiation and competitive advantage

During our research discussions we found that many organizations understand that the customer service environment is changing. Indeed, several are already reacting to this trend and have deployed social media service channels. However, the general response to digitalization has been to deploy new technology-enabled interactions channels simply bolted-on to existing operational models and this, we believe, is missing the point.

### New design principles

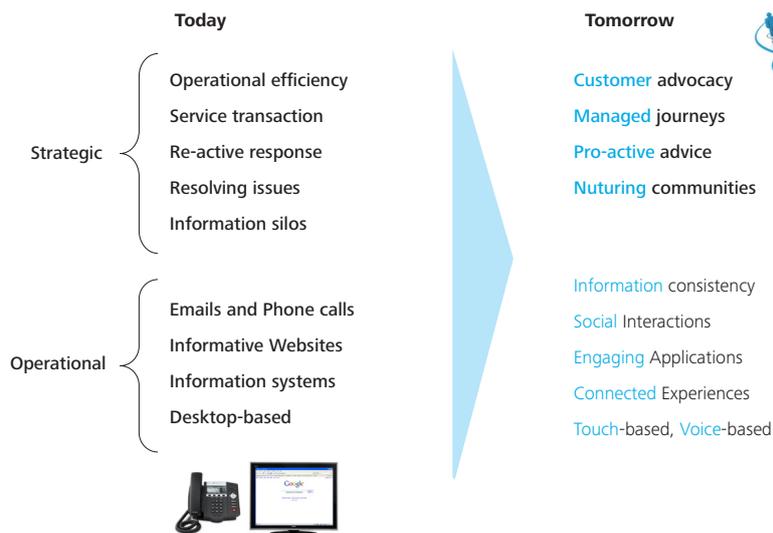
The real importance of digital to business is not the emergence of new technology; the importance is the shift in customer behaviour. The market leaders of tomorrow will not be decided by the amount of technology they deploy, but how they evolve their whole service operation to respond to the changing customer. We believe

companies must review their operations with an open mind accepting that a radically different approach may be needed. All parts of the operating model (i.e. channels, people, process, technology and information) should be reviewed. Appropriate design principles for the digital world today should be defined and applied during the operating model review. This will enable the envisioning of improvement areas and new capabilities. (See later: New capabilities for customer service models).

### From operational efficiency to drivers of customer advocacy

An efficient operation is a necessity but is no longer sufficient for a successful service function. The key objective is to drive consumer acquisition, retention and loyalty through service. In other words, service teams should be generating repeat business and drive word of mouth marketing that contribute additional revenue to the organization. Teams should shift their focus towards performance metrics such as customer profitability, Net Promoter Score and customer lifetime value.

### The future is looking bright for consumer care





#### **From service transaction to managed customer journey**

Rather than optimizing service transactions in isolation, clients are asking us to help bring sales, marketing and service interactions closer together. They want customer service to take a central role in customer engagement while integrating processes across all front-line teams to deliver a consistent and effective customer journey.

#### **From re-active to pro-active**

Organizations must begin pro-actively reaching out to customers with information, advice and where appropriate, forewarnings. Acting as a partner to your customer and advising them how to make the most out of your services and reduce costs for themselves are high value services that will single out your organization from the pack.

#### **From resolving issues to building communities**

The ambition of service teams should not stop at answering questions and resolving issues. Our objective should focus on building thriving customer communities both in the online and real world. Communities have been and still are the territory of marketers, however, service should now play a role in supporting and nurturing these groups.

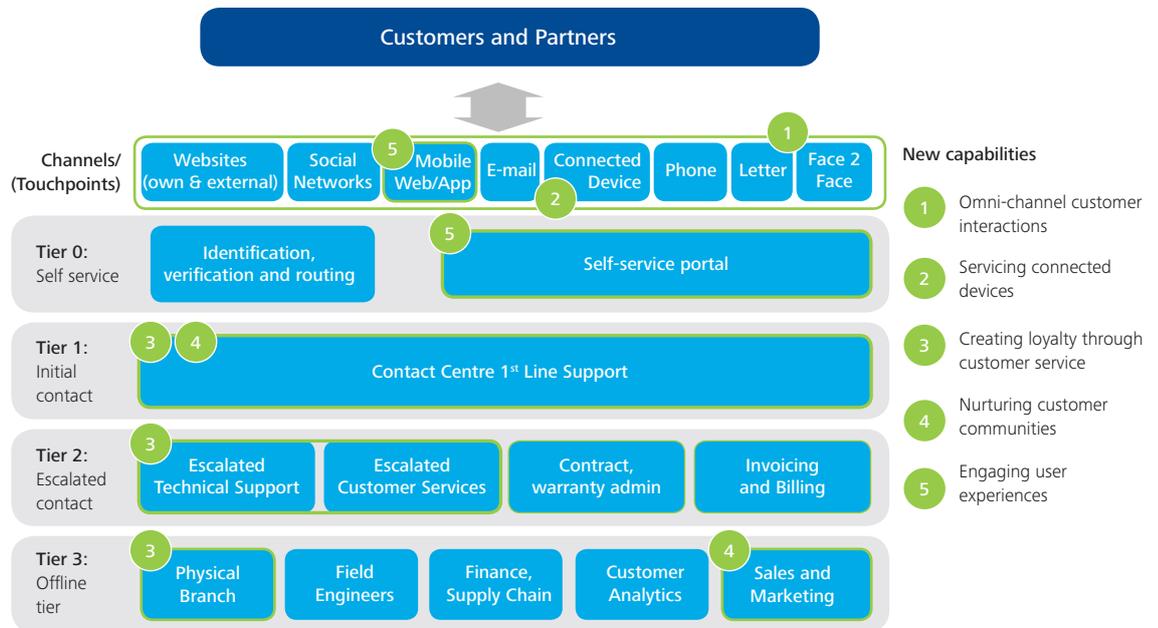
#### **New capabilities for customer service delivery models**

By applying the design principles mentioned earlier in this paper to a review of the service operation, a number of new capabilities can be envisioned. We have combined the output of our client discussions with our thinking on design principles to identify five important capabilities for today's service delivery models. These capabilities are highlighted against an example customer service delivery model in the illustration below.

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The real importance of digital to business is not in the emergence of new technology; the importance is the shift in customer behaviour.

## New capabilities for the service delivery model



(Please note that the service delivery model is for illustrative purposes only. The model must be tailored towards the business and industry. The service capabilities must also be designed within the context of a specific industry and business model. The capabilities described above do not apply to all industries and business models.)

**1. Omni-channel customer interactions** – The explosion of digital services mean that organizations need to understand the entire customer journey and not just optimize contact points individually. Building unified and pro-active cross-channel services will deliver differentiated customer experiences that drive loyalty and repeat sales.

**2. Servicing connected devices** - Connected devices enable service teams to monitor equipment remotely and analyse device data to predict possible failures. Advanced analytical techniques offer valuable opportunities to deliver better services and improve efficiency.

**3. Creating loyalty through customer service** - The mainstream adoption of technology has created greater transparency of business practices. Customer experiences, good or bad, may now be amplified to reach millions of potential customers within minutes. The stakes are high to create lasting relationships and the initial contact tier of the service model should take a leading role.

**4. Nurturing customer communities** – Organizations can better leverage their customers as a resource. A customer community can act as a self-help network, generate valuable user content and provide a wealth of product development ideas. Service teams should play their role in stimulating and growing customer communities.

### What is a customer service delivery model?

The service delivery model concept puts service operations into tiers. The first tier receives the initial incoming contact and tries to identify, diagnose and resolve the query. If this cannot be done, the query is routed to the appropriate second-tier operation, which is made up of specialists. If the second tier cannot resolve the query, it can be passed up to the third tier, which is even more specialized, and so on. Increasingly important in the future service delivery model is the Tier 0, which provides automated or self-service functionality.

**5. Engaging user experiences** – Today, online channels are a critical aspect of the customer journey. The quality of user interfaces in this channel significantly influences customer perceptions. Investing in user experience throughout the implementation of digital initiatives can improve customer satisfaction and brand recognition.

In the remainder of this paper, we set out our views and recommendations in developing these new capabilities.

# 1. Omni-channel customer interactions

Customers are increasingly using multiple touchpoints to resolve service issues, expecting an integrated and seamless experience.

Digital innovations are a major influence on the way customers interact with brands and request services. More than 60% of customers interact through multiple channels and irrespective of time, place, device or medium, they expect consistency. As a result, organizations must constantly evolve their support models to accommodate this ever-changing landscape.

## Don't compete, complement

In the past, companies have developed channel or product-specific support models which compete for supremacy. However, in the eyes of the customer, it's a single organization and the result is a diminished customer experience. Instead an omni-channel customer service approach is required that blends both digital channels (mobile, social, kiosks) and traditional channels (call centre, branch/stores). In this approach the different support touchpoints are designed to complement each other, allowing users to switch between channels without the need to repeat information. Furthermore, multiple channels can be used simultaneously (for example, browsing a physical store while ordering the goods for home delivery from a mobile device).

## Understanding channel preferences

Different customers will have different communication preferences. Omni-channel must enable these different touchpoints to work together in multiple ways in order to support the customer's preferred journey. As the number of channels increase, expect your customers to fragment over them across different age groups. Expect also that channel preferences will change depending on the context of process, location and time. Leverage the customer segmentation work from your marketing department to better direct your engagement and support efforts across appropriate channels for your target audience.

## Getting on the front foot

Customer service has traditionally been dependent on 'what now' rather than 'what next'. The digital age calls for this to change. These days, customers are accustomed to advance notification of product launches or other marketing promotions via their mobile devices and social media. Why should customer service be any different? Identifying relevant issues and informing customers through preferred touchpoints manages customer expectations and increases trust when things do go wrong. Investing in up-front service notifications will reduce the number of inbound calls and differentiate you from the competition.

## Transforming the business model: Omnichannel

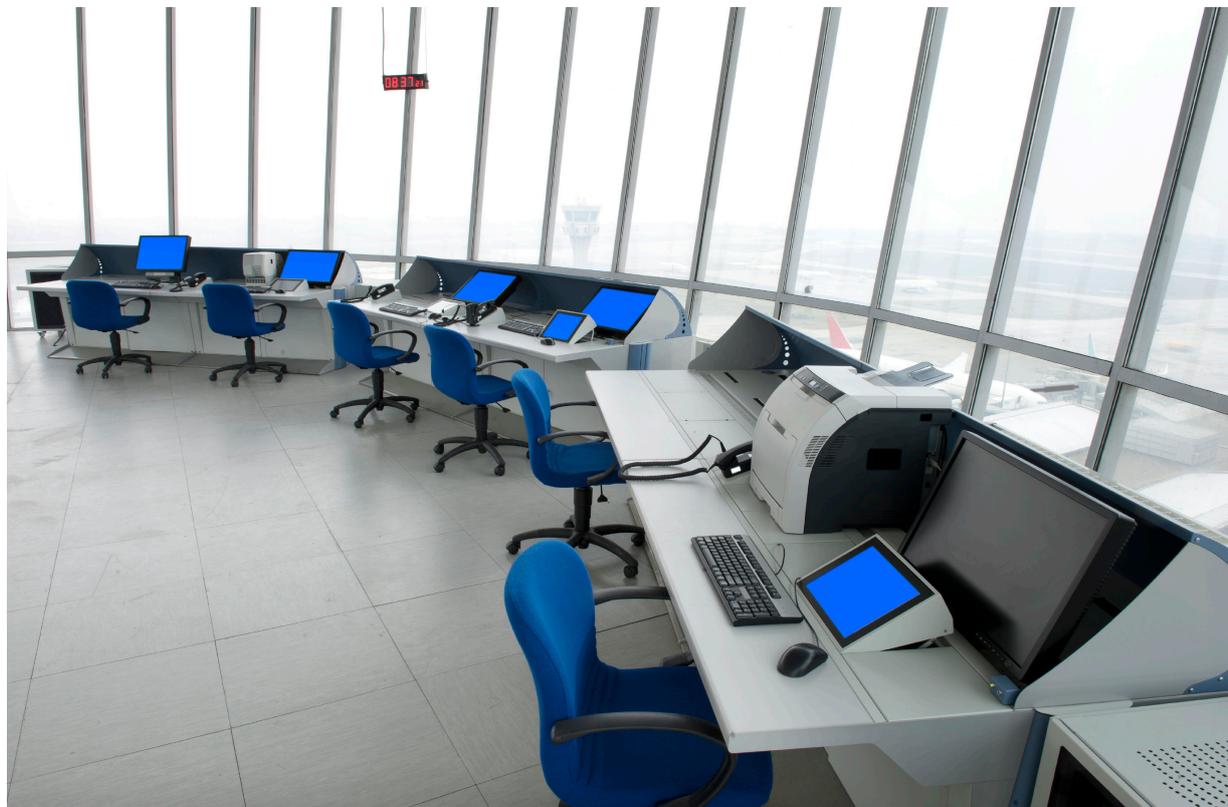


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New channels should be introduced at the right level of maturity. Old channels should be phased-out to keep the operation “lean and mean”

**The bottom line**

In today's, digital world, organizations must understand the entire customer journey and creatively apply the right technology at the right time to build greater customer engagement. The omni-channel approach to customer service provides convenience and accessibility for customers to interact over the channels that they want to use. In reaching this goal, each improvement must not compete with the existing channels. New channels should be introduced at the right level of maturity while early enough to differentiate and deliver the edge over competition. Old channels should be phased-out to keep the operation “lean and mean”. Consistent pro-active cross-channel services will put organizations ahead in building and maintaining relationships with their customers.



# 2. Servicing connected devices

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Remote monitoring of connected devices offers a new growth area for services as well as more efficient and effective maintenance approaches.

An ever increasing number of sensory capabilities are becoming available to monitor device performance remotely. This, coupled with the decreasing hardware and network costs to connect devices to the internet, are now offering opportunities for business growth and greater efficiency in service.

### Driving new services growth from connected devices

A number of organizations are looking towards connected devices to support growth strategies through service revenues. Organizations such as Canon and British Gas for example, plan to offer their customers higher value-add services shifting further away from simple products. In the Canon case, by monitoring paper and ink usage, Canon can provide customers with greater transparency over their printing assets and advise on how to optimise the machine fleet. This would be well-received by customers since Gartner estimates that “firms that actively manage their printer fleets can save up to 30% in printing costs”. British Gas is aiming at the equivalent goal of helping households optimize energy consumption. Their vision takes the concept a step further to also enable consumers to control heating while away from their home via mobile devices.

### Traditional maintenance approaches

Traditionally, maintenance has followed a corrective or preventative approach. In the corrective approach, maintenance is performed when failure happens. This leads to unplanned activities and a high stock of spare parts. In the preventative approach, maintenance is performed periodically to decrease unexpected failures. However, over-maintenance and cost of spare parts leads to additional costs. Today’s technology advances in both data analytics and connected devices present the opportunity to improve upon traditional methods and apply a predictive maintenance approach.

### Developing reliability models

Powerful analytical techniques can now be exploited to improve asset maintenance services to internal and external customers. A reliability model can be developed to determine the probability of failure of a given asset. Such a model predicts failure based on statistical analysis of performance data making the quality of the model highly dependent on the quality of the source data. Consequently, data preparation is a critical task. All potential internal and external sources of information should be identified, audited for quality, cleansed and prepared for analysis. Both the preparation of data as well as its analysis are challenging tasks demanding skills and experience with data manipulation and empirical studies, creativity and knowledge of specialist data mining tools and techniques.

### Predictive maintenance approach

Connected devices provide the ability to monitor asset conditions such as usage, temperature and vibration in real-time. This monitoring capability, combined with reliability models enables the predictive maintenance approach. Maintenance is performed based on the condition of the asset compared to the reliability model. Monitoring should be applied on the root causes of failure (true condition) rather than on the symptoms when failure has already begun. This means maintenance is only performed when required, therefore avoiding over-maintenance. This approach accurately schedules cost-effective maintenance and leads to increased availability of the asset, extended asset lifetimes and improved engineer efficiency. Information from the reliability model means that the scope of the maintenance is also forecasted, as root causes are known and the monitoring of present condition of assets enables more effective ordering of spare parts.

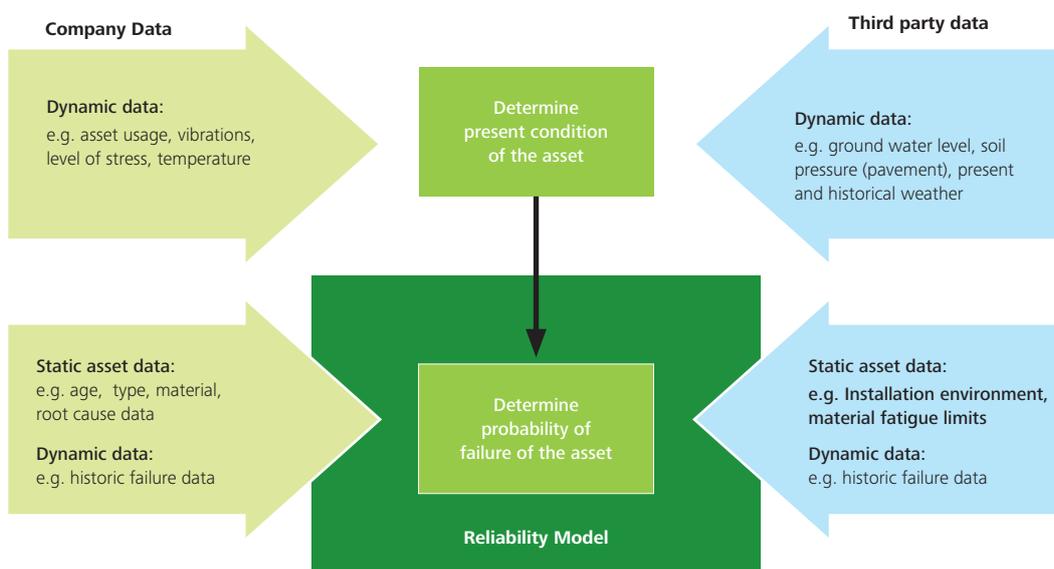
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To improve service maintenance approaches through advanced analytical and remote monitoring technology, organizations must acquire a new set of skills.

**The bottom line**

The development of technology enabling service teams to connect and monitor devices remotely will continue to accelerate. Service organizations need to start to grapple with the opportunity presented from data analytics and remote monitoring to improve maintenance processes. This journey will require new data analytic skillsets within the service organization that are likely not to exist in sufficient measure today. New service processes must be designed and implemented. Firstly, for a subset of high value products and then increasingly across the mainstream. Organizations, that start the journey now will gain the most from the ever-increasing possibilities, while those that do not will run increasingly inefficient operations compared to their peers.

We use the following process to model the probability of failure prediction



Determining the probability of failure draws upon dynamic and static data sources both from within the company and from third parties.

# 3. Creating loyalty through customer service

Today's connected world demands that service teams take a greater role in driving customer engagement and loyalty. This shift calls for organizational and cultural transformation.

The competition to acquire new customers is intense. Customers have more choice and greater access to information than ever before. They are using social media, forums and blogs to connect and share their experiences of good and business to aid one another in purchasing decisions. Considering the cost of winning new customers, developing long-term loyalty with customers once you have them is more critical than ever. Service teams must exploit their frequent contact points with customers to play a crucial role in building loyalty.

Customer service teams will need to review their people and processes to ensure they are prepared for this new role. Service staff must be relationship builders, consultative, listeners and good communicators. Hire for character and attitude, train for skills may be a known principle to follow but judging by a recent report from the Institute of Customer Service there is much room for improvement. The report of 3000 consumers found that 62% of complaints were about staff attitudes and competences, compared to just 34% about the quality or reliability of goods and services <sup>[1]</sup>.

## Dealing with the expanding scope of service

Companies that are utilizing digital support channels such as Facebook, Twitter or web chat are noticing that queries on these channels have a different mix from traditional service. Customers not only request help for product issues but also seek buying advice and comparisons with competing products. The customer does not want to worry about whether a query should go to sales, service or marketing, they just want answers. As a result, the service team needs to be trained and equipped with helpful responses that also ushers the customer along the buying path.

## Redefining the role of face-to-face channels

Many predicted that the shift from "bricks to clicks" would spell the end of retail stores. However, the recent success of Apple "showroom" stores has clearly demonstrated that the role of the physical channel is not redundant, it has merely transformed. While self-service channels offer customers convenience and efficiency, face-to-face channels offer depth and experiences. Organizations must review if they are getting the most value from physical centers and face-to-face interactions. Combining service, sales and marketing through this channel can deliver excellent brand impressions. For organizations associated to the retail sector, the technology changes to come will be extremely important. Mobile applications and digital payment technologies are set to mature over the next few years. Customers can already be identified as they enter and leave stores opening the prospect of individually tailored loyalty offers, automated registration of purchased products and digital payments without the need to checkout at a physical cash register.

## Performance measurement over the full customer journey

If we expect customer services to drive loyalty and manage end-to-end customer experiences, then the way we measure and reward their activities must change. Performance measurement of service in general has focused on efficiency metrics (such as average handling time and call volumes per agent). To drive relationship building in service, KPIs must be appropriate. Net Promoter Score (NPS) and Customer Lifetime Value (CLV) are two KPIs that becoming increasingly popular for measuring the effectiveness of service teams. Zappos.com, is one of the best examples of taking a relationship building approach to the contact center. They judge performance of an agent on building customer relationships by assessing if the agent made a personal emotional connection with the customer and addressed unstated needs. This unorthodox approach has delivered impressive results with gaining repeat orders and they rapidly grew to a \$1bn business just 10 years after being founded. Of course, minimizing costs will always be important factor and cannot be dismissed. Balanced scorecards will be required to ensure the right focus on both efficiency and quality of customer experience.

#### The bottom line

Digitalization is increasing the importance of customer services in acquiring and retaining customers. In response to digitalization many service teams are launching technology initiatives to enable their service teams engage with customers on web, mobile and social channels. However, opening new interactions channels is addressing only a minor aspect of the change required. The more significant shift is in consumer attitudes and expectations of service. This cannot be resolved simply through hooking up channels on to Facebook and Twitter. This must be answered by revising the traditional service agenda of efficiency and cost reduction to refocus on transforming the service team into a loyalty generator. This must be backed up with the right capability in people and culture, and the right metrics to drive relationship-building behavior.

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The role of customer services has extended right across the customer journey.

Current customer service models must be reassessed to ensure they also support customer acquisition and loyalty.

#### Apple

Apple has re-invented the retail store bringing together marketing, sales and service activities to deliver a complete, immersive brand experience. In a recent presentation to the Goldman Sachs investor forum, Tim Cook, CEO at Apple, sung praise for the Apple store. He revealed that he didn't think Apple "would have been nearly as successful with iPad" without this differentiated physical channel. "There's no better place to discover, explore, and learn about our products than in retail," Cook said. He went on to describe the store staff deployed as "the most amazing, awesome, incredible people on earth. "It's the best retail experience, it's an experience where you walk in and instantly realize it's for the purpose of serving, not selling," he said, adding that the stores have also taken on the function of a gathering place "that has an important role in the community." The stores have been so successful that Apple plan to continue investing here, enlarging 20 stores and adding 30 more<sup>[2]</sup>.

# 4. Nurturing customer communities

Nurture a strong customer community to reduce call volumes, generate greater customer insight, co-develop innovative improvement ideas and create compelling word of mouth marketing.

Many service organizations are failing to get the most of one of their most important resources – their customers. This group knows why your product sells, where it falls short and the best solutions to common issues. The social tools and online platforms available today can enable communities to be developed quickly and efficiently. Service teams can play an important role in enabling these communities to increase levels of engagement and tap into this valuable knowledge.

## Connecting the outside to the inside

Building customer communities is not about Millennials socializing on Facebook and Twitter. It's about creating connections between the people within your organization to the people that buy your products and services. Human-to-human interactions, even via online channels, can build authentic relationships between organization and customers. Service teams should be empowered to respond to customer service issues raised by the community using both your brand identity and their own personality. Trust and credibility is created not only with the individual customer but also with the potential millions watching. Some organizations are concerned with the loss of control but training staff to interact responsibly is the key. Be selective in the people you recruit to communicate through social media channels and invest in training and education. Combine that with a simple, clear framework that individuals can personalise, in addition to robust security and privacy processes, and you mitigate the risk of inappropriate broadcasts while putting your business on the front foot.

## Consistency across forums, blogs and social networks

An online community does not exist only on one forum or social platform. Customers will traverse these different sources of information as they discover products and services. Therefore, consistency in business communication is critical. It is important that service teams and marketers join forces to co-ordinate engagement activities and to make the most of contributions. Forming a cross-functional team comprising key stakeholders within the company will also enable a rapid co-ordinated response in the case of an emerging crisis or "attack" against your brand.

## Branded forums first

Customer forums are now commonplace in many industries. Existing and potential customers mix in these channels to discover information or discuss relevant topics and issues without contacting the business directly. This customer-to-customer self-service process brings obvious operational benefits. Where possible, try to lead these conversations to take place on your own company forums. If (potential) customers use other social sites, consequences follow: the company loses control of user-generated content, and are often asked to pay for access to customer data or the opportunity to respond to customers queries.

## From customer community to co-creation

A number of organizations have already taken the customer community concept beyond an active online forum. There are many examples of customers and businesses working together to create new products and services. The main recipe for success comes through a good rewards system that promotes contribution. Incorporating some sort of monetary reward is an obvious motivator. giffgaff is a company that has implemented this type of extrinsic rewards system successfully. In addition to extrinsic rewards, organizations should also find intrinsic motivation drivers for example publicly recognising customers for their contributions and promoting their status within the community. Successful community sites have adopted what is sometimes referred to as gamification techniques. Gamification implements intrinsic motivation systems based upon achieving progress, recognition and/or competition. Tripadvisor for example, have applied gamification techniques to their community that post travel reviews and share travel tips. Tripadvisor makes transparent the number of reviews each contributor has given distinguishing between levels of reviewer and allowing contributions to be scored as helpful to encourage more detailed reviews. This gives the top reviewer a feeling of recognition while adding a useful internal credibility system to the customer community system.



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Intrinsic and extrinsic motivators should be implemented to push the community to a level of engagement where customers are actively helping others with service issues.

#### The bottom line

Building a customer community enables organizations to drive greater engagement and contribution from their customers. With the right leadership, this approach will lead to reduced support calls, word of mouth marketing and greater customer driven product design. Like any new business initiative, engaging in online customer communities comes with risks but through appropriate governance, business policies and training this should not be feared. Service teams must work closely with other teams to keep communications consistent and leverage the best skills to participate. Intrinsic and extrinsic motivators should be implemented to push the community to a level of engagement where customers are actively helping others with service issues and creating new ideas and uses for products or services.

#### **giffgaff**

giffgaff demonstrates excellent use of customer community. This UK mobile operator has such high levels of customer contribution that they only require 33 employed staff to run their operation. giffgaff have no call centre. Instead queries can be posted on to their website or via Facebook or Twitter pages where other customers help resolve issues. giffgaff customers solve 50% of questions and most questions are answered in three minutes or less<sup>[4]</sup>. It doesn't stop there, hundreds of business ideas have been generated and implemented. The community even developed Nokia<sup>[5]</sup> and iPhone<sup>[6]</sup> mobile applications. giffgaff have achieved this symbiotic relationship by rewarding their customers with points whenever they help the company. These points can be traded for airtime credit, cash or donated to charity.

# 5. Engaging user experiences

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Online channels play a critical role in the perception of your brand. High quality interfaces convey credibility, reliability and trust, the pre-requisites for a successful business relationship

The user experience (UX) defines a customer's perception of human-computer interaction through a specific channel or device. It includes the customer's experience of using a device, based not only on its 'look and feel' but also on its practical aspects such as usability and efficiency. Nowadays, cutting-edge technology devised by UX leaders Apple and Google has led consumers to expect a digital service experience that is clean, simple and user-friendly, regardless of device, platform or service provider.

## No second chances to make a first impression

In today's world, customers are discovering and engaging with a high proportion of services and products online. As a result, online channels are playing a critical role in setting perceptions for the overall brand. In response, service organizations embracing the digital age have been investing heavily in UX. They believe that putting UX capability high on the agenda for business and technical teams helps generate ideas and translate them into a business reality. Crucially, they are ensuring creative input throughout the lifecycle of the project, especially when it comes to post-implementation, when it's essential to respond quickly to feedback and customer behaviour with release updates and tweaks.

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Digital technology requires a fresh approach to design. There are few hard and fast rules for what will and won't work.

## Ensure consistency across all touchpoints

Consistency is the key to successful UX. That's why companies are investing in specific UX tools and processes, including guidelines, content libraries and digital asset management systems. This allows UX teams to deliver a consistent experience across different products and digital touchpoints. Nevertheless, being consistent does not equate to being identical. It's crucial to consider not only the different interfaces (e.g. clicks becoming touches and scrolling becoming swiping) but also the user's motivations and goals, as these are likely to differ between devices. Understanding these subtle variations is essential.

## Bring the experience to life!

Bring the user experience to life at early stages in your project, from design through to prototyping. In other words, give all stakeholders – including your customers – the chance to see, touch and use the new touchpoint so they can provide feedback. This should be done several times before the channel or device is ready to go to market. This will not only ensure good customer experience from day one but also instil the confidence to undertake another initiative. In the technology world, this is known as 'agile development' and it's becoming the standard for digital development.

## Customer driven design

Digital technology requires a fresh approach to design. There are few hard and fast rules for what will and won't work. Much depends on the context in which your customer will be using the service. Service organizations winning the race have a deep commitment to early trialling and testing – after all, you don't find the winning format by accident. They invest in A/B testing and try out multiple variations of a concept to understand which one works best and then they go with what is proven to work.

## The bottom line

UX is a battleground for service organizations trying to gain competitive advantage within industries increasingly committed to digital customer services. Investing in user experience capability is essential if they want to win the fight. They need to focus not only on fostering innovations that promote the best possible experience but also on testing those innovations frequently and at an early stage. Pushing for consistent UX will ensure the customer service reflects the brand and delivers the right experience across all touchpoints.

# Why are you waiting?

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Today's customer service leaders must respond to rising customer expectations and acclimatize to the breakneck speed of technology. The pace of change is accelerating. Those that do not start their journey now will be left behind.

This paper has focused on only five selected customer service capabilities from countless possibilities. The capabilities chosen are relatively mature and relevant now. This has been a conscious decision in an attempt to provide practical advice. In our view, developing service capabilities based upon a vision of the world in 2020 for example, is pointless – things are changing too quickly and cannot be predicted. Already on the “horizon of adoption” are developments such as 3D printing, speech-driven interfaces, driverless cars and object sensory systems. We will need to understand the implications of these developments far before 2020.

## **Change will continue, and continue to accelerate**

Technology advances continue to accelerate at an exponential rate. Ten years ago, a \$1000 computer had the equivalent computing power of an insect brain. Today, the same priced computer has the computing power of a mouse. In ten years, it will be the equivalent of one human brain<sup>[7]</sup>. The advances that lie ahead are yet more staggering. Service teams should not make the fatal mistake of waiting for stability. Leaders must embrace continuous development and actively look forwards for new opportunities. Innovative organizations can move quickly ahead, adapting to avoid challenges, capitalising on growth areas and eroding the market share of traditional competition.

## **Developing a sustainable approach**

To meet future challenges in a sustainable way, customer service leaders must develop the capability to quickly identify, evaluate and invest in the right trends at the right time. For many organizations, this means acquiring or developing new talent that better understands digital technologies and how to apply them. Interestingly, many marketing and eCommerce teams have already begun to seek out this kind of talent to meet their digital challenges. Social media managers, data scientists and growth hackers are some of the new job titles that are lining these teams. Service, sales and marketing teams should work together closely to leverage this talent across the entire customer journey.

A different approach is also required for making investment decisions and implementing new capabilities. The speed and pace of innovation means that looking further than 18 months ahead is already difficult and trying to construct detailed benefit cases up-front can kill innovation. Instead, adopt an entrepreneurial spirit of experimentation and establish small innovation funds to trial new approaches. Initiatives should be run using an “agile” approach. This focuses on quickly bringing an idea to market and then iteratively improving it through customer feedback. Take a balanced view of successes and failures and accept that not everything you try will be a success.

## **What are you waiting for?**

The digital disruption has left many organizations spinning but revealed fantastic opportunities for higher levels of customer engagement. The time is now for customer service teams to take advantage of this and step up on to centre stage. Deliver first-rate experiences and watch the customers come back time and time again. What are we waiting for?

# Endnotes

1. Handle with care: an analysis and toolkit to improve complaint handling, January 2013. This report from the Institute of Customer Service is based upon a survey of 26,000 consumers.
2. Presentation by Tim Cook at the Goldman Sachs Technology and Internet Conference, February 2013. See <http://www.macworld.com/article/2027900/this-is-tim-cook-at-the-2013-goldman-sachs-conference.html?page=0>
3. How Walmart and Heineken will use Shopperception to put your In-Store experience in Context. See Forbes news article at <http://www.forbes.com/sites/shelisrael/2013/01/27/how-walmart-and-heineken-will-use-shopperception-to-put-your-in-store-experience-in-context>
4. According to giffgaff. See <http://community.giffgaff.com/t5/Blog/Forrester-Groundswell-Award-Entry-giffgaff-The-mobile-network/ba-p/1236217>
5. According to giffgaff. See <http://community.giffgaff.com/t5/Blog/First-giffgaff-app-in-the-Nokia-Ovi-Store/ba-p/44405>
6. According to giffgaff. See <http://community.giffgaff.com/t5/Blog/Our-first-giffgaff-iPhone-apps/ba-p/38603>
7. As predicted by Salim Ismail (founding Executive Director of Singularity University) during his introduction speech. Singularity University Netherlands @Deloitte, February 2013. See <http://www.youtube.com/watch?v=ol6pk72lCzg> This growth in affordable computing power is related to Moore's Law, an observation made by Intel co-founder Gordon Moore.

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