

Customer Service Innovation: Top 4 strategies to win in this digital era



Customers today are driving the purchase process using social platforms, blogs and websites. It doesn't stop here. Once the sale is complete, they also use the same platform to tag and share their experiences.

In such a scenario, firms need to adopt new approaches and technologies for digital transformation of customer services and channels—to not only shape ongoing conversations with customers but also stand out in the crowd.

This View Point article describes four innovative customer service strategies that can help businesses better engage with customers in this digital era.



1. Enable seamless multi channel customer experience

Mindtree conducted a survey across 100 existing and prospective clients visiting our innovation hub, [Digital Pumpkin](#), Bangalore for well over an year. In the course of the survey, I realized 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, their general response to digitization has been to deploy new technology-empowered interactions paths linked to existing operational models. This, I believe, is missing the point.

Teams need to shift their focus from mere technology deployment to performance metrics such as Net Promoter Score and customer lifetime value.

The market leaders of tomorrow will not be decided by the number of new technologies they deploy but how they

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evolve their entire service operation to respond to the changing customer behaviour. All parts of the

operating model (for example, information, people, process, technology and channels) should be reviewed. Only such an approach will help business improve customer engagement/experience and increase revenues.

Multi-channel customer experience involves building an ecosystem that can handle customer expectations seamlessly across channels. This involves a greater degree of understanding of customer behavior, and investments in systems and strategies designed to service the customer. This could be in terms of how customers communicate and transact across channels and so on.

The whole premise behind multi-channel engagement is that the sum of the experience delivered is more than its parts. Thus, if your understanding of customers at a channel level (beyond transactions) level is not adequate, you will find it difficult to rollout an omni-channel experience. This in turn, places a huge premium on back-end

and front-end integration of systems and the ability to identify the customer regardless of the channel.

The rules of engagement remain the same service—satisfy and retain. But succeeding in an omni-channel world, also requires unified systems, data flows, analytics, cross-channel visibility, customer information and knowledge management. In developing countries like India and many others in Asia, we also need to keep traditional methods of customer service open since digital adoption is not as widespread as it is in the West. For the next 5 years at least, we need to keep the traditional approaches running parallel to digital ones. The ability of the company to combine both approaches and keep them working seamlessly, will be paramount to its success.



2. Build loyalty through customer service

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 to aid one another in purchase decisions. Given the high cost of winning new customers, it becomes critical to ensure they remain loyal to you, going forward as well. Service teams must exploit their frequent contact points with customers to build customer loyalty. Customer service teams need to review their people and processes to ensure they are prepared for this new role. Service staff need to develop into relationship builders, consultative listeners and good communicators.

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For companies that are utilizing digital support channels such as Facebook, Twitter or web chat, it's apparent that queries on these channels have a different mix as compared to traditional service channels. Customers not only request help on product issues but also seek buying advice and comparisons with competing products. The customer is not bothered whether the query relates to sales, service or marketing. They just want answers. A robust service strategy supported by trained employees and backed by technology can take your service standards to a whole new level even while helping customers along the buying path.



3. Redefine evaluation criteria for customer service

If you expect customer services to drive loyalty and manage end-to-end customer experiences, then the way you measure and reward these activities must change.

Performance measurement of customer service is generally based on efficiency metrics (for example, average handling time and call volume per agent). To drive relationship-building in customer service, Key Performance Indicator

(KPIs) must be appropriate.

Net Promoter Score and Customer Lifetime Value are two KPIs

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that are becoming increasingly popular for measuring the effectiveness of service teams. Minimizing costs will always be an important factor and cannot be dismissed. In addition, balanced scorecards need to be put in place to ensure the right focus on both efficiency and quality of customer experience.

The service strategy you define today will decide how your customers interact with your brand, a few months down the line. With brands becoming more competitive, the need for customer service innovation is no longer a matter of choice. A streamlined and well-conceived customer experience strategy backed by technology, engaged employees and customer inputs, will pave the way for your brand to grow from strength to strength. Service teams must also work closely with other teams to keep communications consistent and leverage the best channels in which to communicate with customers. Intrinsic and extrinsic motivators should be implemented to push the community to a level of engagement where customers actively help others with service issues and create new ideas and uses for products or services.



4. User Experience, key to digital engagement

User Experience (UX) is defined as 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 customers to expect a digital service experience that is clean, simple and user-friendly, regardless of device, platform or service provider.

Customers today are discovering and engaging with a large section of services and products online. As a result, online channels play a critical role in providing insights about the overall brand experience. In response to this phenomena, service organizations embracing the digital age, are investing heavily in UX. They believe that putting UX capability high on the agenda for

business and technical teams, will help generate ideas which can subsequently

be translated to business reality. They are ensuring creative input throughout the customer lifecycle, especially post-implementation when it's essential to respond quickly to feedback on customer behavior with release updates and tweaks.

UX is a battlefield for service organizations trying to gain competitive advantage within industries increasingly dedicated to digital customer services. Investing in user experience capability is crucial if they want to win this fight. They need to focus not only on fostering innovations that promote the best possible experience but also testing those innovations frequently and at an early stage.

Service teams, however, should not make the mistake of waiting for stability before adopting changes. Leaders must embrace continuous development and actively look forward to new opportunities to engage and service clients.

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The way ahead

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To meet future challenges in a sustainable way, customer service leaders must develop the ability to swiftly identify, evaluate and capitalize on 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. Social media managers, data scientists and growth hackers are some of the new job titles that can be seen these days. Service, sales and marketing teams should work closely to leverage these roles across the entire customer journey.

A new method is also required to make investment decisions and execute projects using new skills/capabilities. The speed and pace of innovation is such that, looking beyond two years is to kill innovation. Instead, adopt an entrepreneurial spirit of experimentation and establish small innovation funds to test new approaches. With this, you can focus on bringing an idea to market quickly and then continuously improve it through customer feedback. At this stage, it is important to take a balanced view of successes and failures and accept that not everything you try will be a success.

Conclusion

Customer service is going through a stage of maturity where people are investing a lot in manpower and technology. Demand has become more personal, requiring a quicker time-to-response, not to mention seamless interaction across channels. Different customers also have different communication preferences.

As the number of channels increase, expect your customers to fragment across different age groups too. Expect also for channel preferences to change depending on the context,

process, location and time. Leverage the customer segmentation work done by your marketing department to better direct your engagement and support efforts across appropriate channels and target audience. In addition, make the following changes in the way in which you handle customer service in the digital age:

- **Proactive assistance:** Make your customer service agents more efficient in the way they function. Ensure proactive customer communication within an omni channel environment. Also, identify the top benefits of proactively communicating with customers—higher customer satisfaction, increased overall revenue, increased cost savings—and reward your agents accordingly.
- **Self-help/Service:** Companies with a reputation for excellent customer service know that many customers prefer to bypass the call center and solve problems on their own. Investing in self-service options is crucial for every company today, in order to reap the benefits of better customer satisfaction and increased revenue. Self-service could be via phone, web or through a mobile application. Establishing an effective self-help channel is a win-win for customers and companies. Customers save time, and companies save money by reducing traffic to call centers.
- **Automated Service:** Incorporate an intelligent virtual agent that serves as an online customer service representative for the organization. This is because virtual agents have a human appearance and respond appropriately to customer questions. They lend automated interactions, a semblance of personal service.

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