WHAT’S NEXT IN DIGITAL CUSTOMER CARE?

CUSTOMER SATISFACTION IN THE DIGITAL AGE

Sprint Reply has conducted a study to research the field of Digital Customer Care (DCC) by performing in-depth interviews with digital customer service executives of large German corporations as well as Digital Experience technology suppliers. Furthermore, a technical benchmarking analysis of both B2C web and mobile services have been conducted.

With the advent of digital customer experiences and the emergence of entirely digital players Digital Customer Care becomes an increasingly important element across the entire customer lifecycle.

The report details the strategic direction of the participants and highlights the increased need for corporate attention and investment to provide satisfying customer care across all digital channels.

THE CHANGES

Expectations are growing

- Having access to a comprehensive range of online service offerings is becoming normal to customers. To access these offerings, customers use conventional web browsers as well as a growing pool of apps optimized for mobile devices.
- Experiences need to be continuous and consistent as customers migrate from one platform to another. As a result, service options have to be tailor-made to fit the context.

The standard is being set elsewhere

- The rapid rise of “digital native” companies, such as Spotify or Uber, exposes customers to simple, streamlined user experiences designed from the ground up for digital delivery. Established companies that build their digital care offerings and processes on top of, or alongside, more traditional channels often find it hard to meet the same standards.

THE CHALLENGES

Knowing how to guide your customer

- Digital Customer Care usage requires strong promotion to receive uptake and usage of the offered apps – which consumers simply don’t proactively use.

Implementing a new process landscape

- Digital customer care requires massive changes in the process landscape: One challenge is data migration towards a single, comprehensive consumer data set. In addition, legacy systems provide pitfalls when it comes to the implementation of new technologies.
- One more obstacle: PoS integration remains a major challenge.

Knowing your KPIs

- Since apps provide new services which were not provided in the non-digital era the KPIs that have been set get harder to track. Above all, customer satisfaction tracking by channel and by journey is not yet fully possible.

WHAT DO COMPANIES EXPECT?

Customer Care is undergoing an evolution: In the past it has been regarded as an inevitable cost factor. But it is becoming more and more a strategic investment with measured ROI & NPS. Nowadays, **DCC is consistently among the Top 5 strategic priorities of companies**. Therefore, most participants already provide some kind of Digital Customer Care across the entire customer journey. The outcomes are already promising:

- **Faster service**
  Companies using Digital Customer Care solutions have recognized that complaints and requests have been handled **five times** faster.

- **Higher customer satisfaction**
  Purely digital journeys drive higher customer satisfaction – users starting and ending a customer service interaction digitally show on average **20%** higher satisfaction rates.

- **Lower cost**
  Costs of a digital approach have been estimated to be significantly lower (**- 56%** for chats; **- 12%** for forum and FAQ; **- 9%** for community solutions).

- **Higher differentiation**
  A well designed digital support channel UIX allows users to navigate **faster** and **more intuitively** with a high level of interactivity.

While all participants of the study emphasized the strategic relevance of Digital Customer Care and **aspire a >70% digital rate** of all care transactions, only half of the interviewees have articulated an explicit digital care strategy. Therefore, at the moment only **best practice achieves >60% digital rate** of all care transactions. Call avoidance is the most common KPI for digital care and often gets quantified by the abolished costs for call centers. The strategic focus of the participants in fact leans towards cost reduction when it comes to the benefits of DCC:

60%
of participants emphasize on **cost reduction.**

30%
think that DCC leads to **cost reduction and better service.**

10%
of participants see just a chance for **better service.**

THE OMNICHANNEL APPROACH

Omnichannel is a must-have for most participants, since their consumers use **up to six channels** for customer care requests. Seamless multichannel transactions, however, remain a challenge given the lack of backend system integration.

Traditional channels, including letters and fax are still of relevance for German consumers; together with call centers they still represent the vast majority of customer care interactions. More than 50% of German customers prefer to have their service requests handled on the **telephone**. But nevertheless, the **new digital channels** for DCC are on the rise:

57%
of the participating companies offer text chat on their website.

29%
of the companies have video chat in their portfolio.

0%
despite the need for AI-enabled chatbots, they cannot be found yet.

HOW DO THE BIG PLAYERS BEHAVE?

Most of the German DAX30 companies are present on Social Media, especially on Facebook and Twitter, but Instagram also plays a major role. The important thing: these companies are not only present on these channels, but **also interact with their customers via Social Media**. Best practices are Allianz and Vonovia, with presence and interaction on all four social media channels analyzed for this study. In total the Social Media Presence and Customer Interaction on these channels by the DAX30 is as follows:

- **Facebook**
  Social Media Presence: **93%**
  Customer Interaction: **90%**
- **Twitter**
  Social Media Presence: **97%**
  Customer Interaction: **93%**
- **Instagram**
  Social Media Presence: **73%**
  Customer Interaction: **70%**
- **Whatsapp**
  Social Media Presence: **17%**
  Customer Interaction: **7%**

3 MAJOR CUSTOMER CARE TRENDS

The research showed that Omnichannel is a must, since customers are using a broad spectrum of channels with chats becoming increasingly relevant. However, WhatsApp is not one of them yet. Social Media gains more dominance. With more channels available the focus has to lie on **data management in the different customer care channels.** Within this playground the main trends are:

MESSAGING: 2019 IS THE YEAR OF MESSAGING FOR LARGE CORPORATIONS. One trend that can be clearly witnessed is that consumers are **progressively shifting away from traditional channels** like calls and emails. The winner of this migration is messaging and it is set to grow, with the most popular messaging apps, Facebook Messenger and WhatsApp, each being used by more than 1bn users worldwide.

Therefore, companies need to understand that when consumers change their habits for personal usage, their expectations towards brands also evolve. As a consequence, many companies have already integrated messaging services in their customer care strategy and provide the option of being contacted via messaging channels. **Companies who will not quickly respond to this trend will risk alienating customers** and falling behind their competitors if not making the effort of being available on messaging channels.

CHATBOTS AND AI: MACHINES GET BETTER AT ANSWERING YOUR QUESTIONS. Increasingly consumers use company websites as their landing page for customer care requests. As recent surveys reveal consumers actually appreciate bots to experience instant support for their requests. **64% rate the 24/7-service a bot can offer as number one advantage**, 55% say the instant response is among their priorities and 55% see advantages in bots when it comes to clarifying simple questions.

But human interaction should not be abolished entirely. Latest research indicates that 43% of consumers prefer dealing with an actual person. 34% of consumers expect to have a **seamless handover from a chatbot to an online or offline agent**. Therefore, the future of chatbots and chat-based services will depend on their integration into processes that put emotion and human empathy at the center of these interactions. As a result AI-enabled chatbots are clearly seen as the up and coming technology. Nevertheless, most interviewees are at the point of deploying chatbots in a pilot stage or in some specific care areas.

MOBILE: BE AT YOUR CUSTOMERS HANDS. All survey participants recognized the **massive trend towards mobile.** However there is ambivalence on consolidation of Apps: While some will consolidate their plethora of Apps (up to 50), some claim that they will not – and actually cannot – due to differentiated functionality and issues with merging backend systems. The same applies to the consolidation of web and mobile apps: Two thirds of participants revealed that functionality of Web-app and App need to be harmonized, allowing for similar care experiences on both channels.

Despite clear benefits of mobile App as a channel, many find that even though they have invested heavily in developing a mobile app with a view to enabling customers to perform routine transactions in a simplified manner, too **few of their customers have download it** – or use it. So in this trend field a lot of challenges wait to be tackled.

KEY TAKEAWAYS

- The survey reveals a key shift in consumer behavior and **expectations concerning Digital Customer Care**.
- Service offerings of participants are still on the way to become fully harmonized (Web/App), fully **omnichannel** and **seamlessly transitional** between digital to traditional.
- While **Social Media** is about to become a dominant and important channel German DAX players and participants have largely but not yet fully embarked them.
- **Chats** will become increasingly a key channel and AI trials will further boost automated customer interactions.
- Technically both **web and mobile** applications show lots of improvement potentials to meet customer expectations.
- **Key challenges** are to overcome are organizational matters, functional upgrade needs and legacy system capabilities.

REPLY'S ADVICE

Define a focused business strategy which will deliver DCC Transformation deep within your organization.

As customers move further into a digital world, companies clearly have work to do to give their customers the **best digital care experience**. Leading companies not only make their digital channels highly useful and consistent at every customer touch point – they also make them **fun and emotionally appealing**. Best Practice leaders **personalize the experience** and keep it relevant across the entire customer life cycle. For these top digital players, digital care doesn't just work, it builds a brand that engages and delights customers.

That is **becoming the standard**, and it's lifting customer expectations for everyone else.

To keep up, traditional companies must measure their own performance against the best of the best of best – and embrace a culture of **rapid, continuous evolution and improvement.** There's no time to lose!

SPRINT REPLY

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