

Done in by Digital

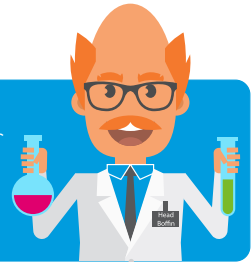
Five reasons why it's so hard to get digital customer service right



Presented to you by
Blue Sky Boffins



Over the past three years, we have conducted in-company research and conversation analysis with over 9,000 customer service agents from 62 blue-chip organisations; either within the Fortune 500/FTSE 100 or large government departments. Let's look at some recent examples:



Leaders in the world of customer service are constantly pressured to 'be more digital.'

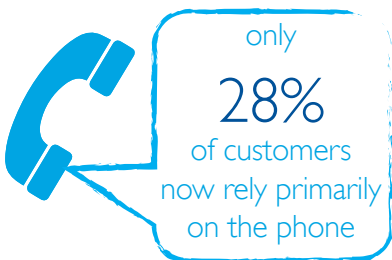
Join the multi-channel mix, they say. Prepare your omni-channel customer strategy. Migrate to a seamless channel-switching platform. There's a relentless call to build an integrated digital customer service offering and when you look at the research, it's clear why.

According to 2016 research by the Corporate Executive Board (CEB), only 28% of customers now rely primarily on the phone – a decrease from 66% three to five years ago. Instead, J.D. Power reports that 77% of consumers have used a company's social media channel for customer service, while research cited by Jay Baer tells us that they

want that service fast - 42% of customers expect a reply from companies on social within an hour.

Accordingly, digital migration strategies have been a board level topic for the past five years, with Accenture, McKinsey, EY and all other established players now touting their offerings to the FTSE 100. For contact centre decision-makers, looking for ways to improve their digital customer experience is now a priority. Gargantuan cost savings are promised: untold wonders of customer satisfaction await. But can the results really live up to the hype?

Over the past three years, we at Blue Sky have conducted in-company research and conversation analysis with over 9,000 customer service agents from 62 blue-chip organisations – both Fortune 500/FTSE 100 businesses and large government departments. So what does this wealth of data tell us about the real impact of digital migration on customer service in the UK?





The first thing we've learnt is that digital isn't quite the cheap catch-all solution it's cracked up to be.

One of our clients, one of the biggest retailers in the world, receives seven million customer calls per year into its UK contact centres. Between 12 and 14% of those customers call back within the hour. Over the past three years this organisation has embraced social media (Facebook Messenger, Twitter and live web chat) as an alternative customer service route. This new digital strategy now generates an additional eight million customer contact points per year...but call volumes have not decreased. So to deal with this additional load on their 1,600 staff, they now are outsourcing an additional 450 seats,

as their employees are swamped with responding to digital enquiries.

When it comes to the public sector, the same wishful thinking is at work. One director of customer service in the public sector tells us that "government departments are steadfastly seeking to pursue digital by default and drop any other form of customer engagement. 'Digital delivers' is the new mantra. Another director tells us that they will save so much money by migrating 80% of their customers to a digital channel, they can purchase millions of new housing stock with the spare cash.

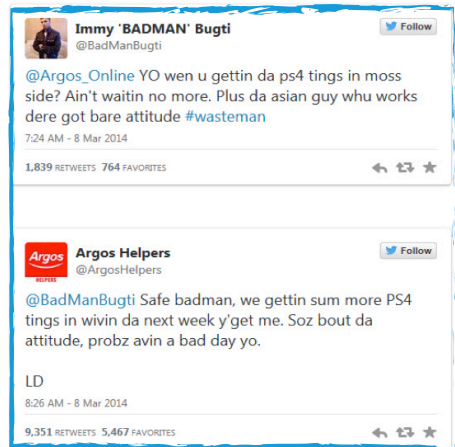
But although the aim is admirable, the logic is flawed. Costs do not decrease. Quite the opposite. Why?



The answer lies in a dangerous assumption: that digital customer service requires about the same training as talking to your mates.

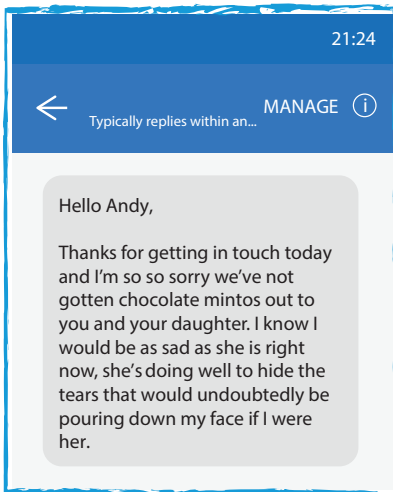
Take Twitter: Twitter has carved out a niche as being at the sharp end of social customer support. Today's customers expect to be able to blast off a quick tweet and get a response straight back. The common advice for service agents seems to be, "Have fun with customer interactions. Don't take yourself too seriously." Indeed, the recommendation from a leading global strategy firm is "Let your customer service team have fun."

Argos certainly seems to have got this right. It recently won the respect of thousands of Twitter users and with its reply to a request about PlayStation 4 accessories from a customer called 'badman':

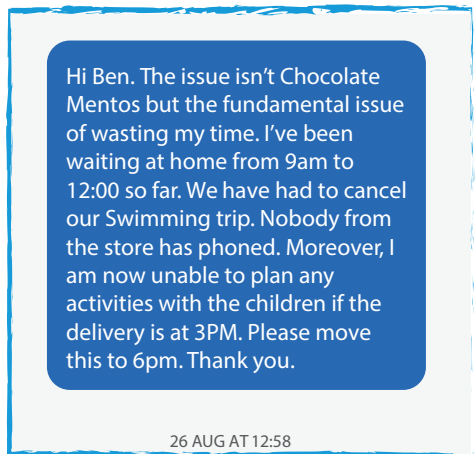


But although this approach looks instant and instinctive, it's very hard to get just right. Compare Argos' effort with a well-publicised example from East Coast Trains:

Or how this example from Facebook Messenger, which occurred after one of the UK's largest grocery stores missed a home delivery?



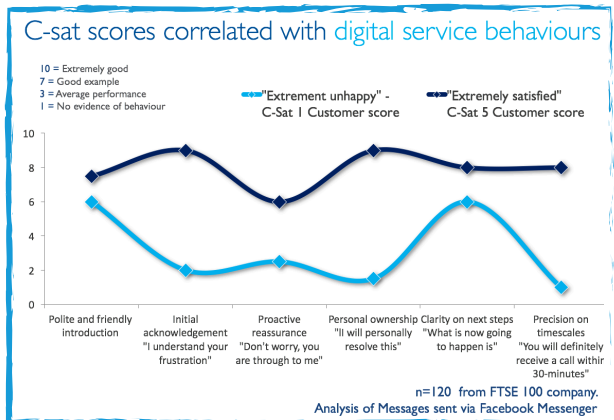
Evidently, it is harder than it looks to achieve just the right tone, in just the right circumstances, to achieve customer satisfaction on a digital service platform. Despite this, one of the largest and most secretive government departments tasked its senior ministers with tweeting to the public with zero guidance except to "be succinct". Great customer service comes from identifying and training for the behaviours that are scientifically proven to work. To make digital service a success, organisations can't just jettison those behaviours in favour of a seductive 'free rein' approach.





When we conduct conversation analysis on the social media conversations that correlate with “very satisfied” customer scores (C-sat 5) on our clients’ feedback surveys, being polite and personable in this space isn’t sufficient. It is the personal ownership, accountability and clarity around timescales that customers reward with “very satisfied” scores.

Yes, now and then a clever Argos-style response might get embraced by the internet. But day in day out, when customers have a problem, they want the provider to acknowledge it, own it and drive it until it’s resolved - irrespective of the channel.



One company that has got it right is Jet Blue. Long recognised as a customer service leader, they give employees permission to put things right without seeking higher approval, and that's exactly what happened when this tweet popped up in their feed.

“One of the fastest and better Customer Service: @JetBlue! Thanks and Happy Thanksgiving.”

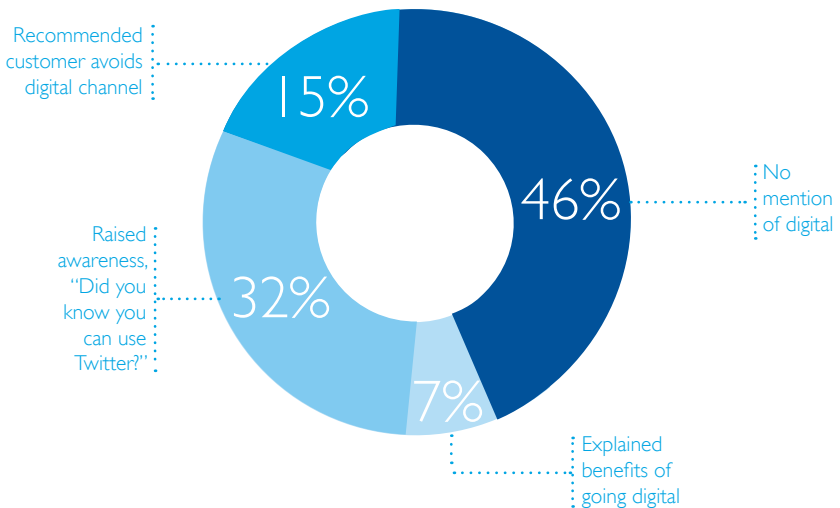


Jet Blue instantly responded: “Oh no! That’s not what we like to hear! Are all the TVs out on the plane or is it just yours?” They took his side, acknowledged the issue and then, after a clarifying question, took action, issuing him with a credit for the trouble. The result? Twenty-three minutes after the complaint, Esai tweets: “One of the fastest and better Customer Service: @JetBlue! Thanks and Happy Thanksgiving.” The exchange may look easy, but it is underpinned by a carefully nurtured culture of permission that takes time and effort to build.



One of our recent studies with a large government department uncovered a rather depressing data point. Even when an organisation is tasked with going digital, 15% of customer conversations end with a recommendation to go back to the telephone service option.

Why? Of course, sometimes things happen that cannot be managed via Twitter; however, in the government department mentioned above, it was a fundamental lack of confidence in the channel itself. "Why would they want to talk to a computer?" was a common mindset.





“When transitioning to a digital business, culture is at least as important as business processes and technology. For many organisations, culture shifts are among the most difficult aspects of undertaking digital transformation.”
Jonathan Becher, Chief Digital Officer, SAP



On the other hand, it's equally worrying when people insist on sticking to a digital channel whether it's the right path or not.

During our call analytics, we came across an elderly customer that had called his local housing association eight times to request that a plumber was sent out to his property. The response was “Sir, you have to request this from the online platform as we have already explained before.” Almost in tears, the customer pleaded with the customer service agent: “I haven’t washed for five days; my shower is broken and I don’t have a computer to fill in the forms.” The cold and robotic response came back: “Can you ask someone else to complete it on your behalf?” Ouch.

Jeffrey Immelt, the chief executive of GE, recently stated: “Regarding digital transformation, I thought it was all about technology. This is something I got wrong. The people skills have to be different too.”

Nowadays, no sane customer service leader would dispute the importance of a digital strategy, and most private and public sector organisations are actually doing a pretty good job at nailing the technical stuff. The next big task is to evolve the mindsets and capabilities needed to fit this new landscape. And that’s a longer and more complex process than firing off a few responses on facebook Messenger.

About the author

Andy Moorhouse
Head of Insight

Andy is our self-confessed analytical geek. Working with companies such as Tesco, Virgin, BT, Lex Autolease, Dunelm, Wickes and many other FTSE 100 companies, Andy has pioneered a science based 'conversation analysis' approach to identify specifically what their top performers do differently. This has led to some tremendous uplifts in sales and customer service performance including one sales organisation hitting 150% of target; with Andy's work being credited for driving a £55 million improvement in net profits.

To learn more about how Blue Sky helps companies to be more human in the digital world, please contact hello@blue-sky.co.uk

