

# Harvard Business Review

## WEBINAR SUMMARY

# Overcoming Obstacles to Digital Customer Care

*Featuring Jorge Amar*

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# Overcoming Obstacles to Digital Customer Care

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## Overview

Superior digital customer care has the potential to lower costs and increase customer satisfaction. When digital customer service is done well, consumers can turn to an array of digital channels for assistance. But implementing a digital customer service initiative is easier said than done. Deploying technologies and integrating them with existing systems is challenging. In addition, organizational obstacles often create roadblocks.

To create a strategic digital customer care implementation plan, companies must focus on the end-to-end customer journey, address the right customers, invest in an integrated adoption plan, use technology wisely, align the organization and processes, and ensure the organization is fully ready.

## Context

Jorge Amar discussed how digital channels have transformed customer service. He explored how companies can design a strategic and detailed implementation program for digital customer care.

## Key Takeaways

**Digital channels have dramatically transformed customer care**

Companies like Amazon, Uber, Apple, and Airbnb use digital channels to raise the bar for customer service. Tools such as e-chat, online forums, web-based FAQs, virtual assistants, social media, and apps have reshaped customer expectations and behavior. Today:

- Approximately 75% of customers visit more than one channel to collect information.
- For 40% of customers, the channels used to collect information and to purchase are different.
- The digital channel can be 60% less expensive for sales and 90% less for renewal.

Today outstanding customer service means understanding and acting on customer demands. The attributes that customers associate with good service haven't changed: consumers want service that is fast, proactive, innovative, competent, simple, and reliable.

What those attributes mean to customers, however, has changed dramatically. For example, fast service may now mean the ability to pay a bill in two clicks online and customers may now view competent service as web-based resources that provide everything they need.

“To meet customer demands today, you must transform your service. However, not all companies have successfully reshaped their service delivery model and strategy.”

—Jorge Amar

**Most companies haven't successfully implemented a digital service strategy.**

Many companies have invested time, resources, and money into digital service delivery, but the desired results haven't fully materialized. Common challenges are:

- **Investment in new technologies takes longer than expected.** Deployment has been slow and integration with legacy systems difficult.
- **Savings are difficult to capture.** This is due, in part, to increased budget pressures.
- **Key performance indicators are disappointing.** Due to disjointed customer journeys, many organizations find their customer experience KPIs lag behind those of competitors.
- **Organizational obstacles are problematic.** To make digital service delivery a success, multiple areas of the organization must interact. Unfortunately, in many cases, employees don't have sufficient capabilities to support digital service delivery.

**To deliver superior digital customer care, leaders must take an integrated approach.**

Leading companies use six key levers to overcome key obstacles associated with digital service:

**1. FOCUS ON THE END-TO-END CUSTOMER JOURNEY.**

Digital service channels should be integrated into customer journeys. Companies like Amazon and Netflix strive to always resolve customer issues through digital means. At Amazon 75% of customers solve problems on their own via self-service and 15% get help from peers or resident experts through e-assistance channels. Only 10% of Amazon customers need an outbound call from an agent.

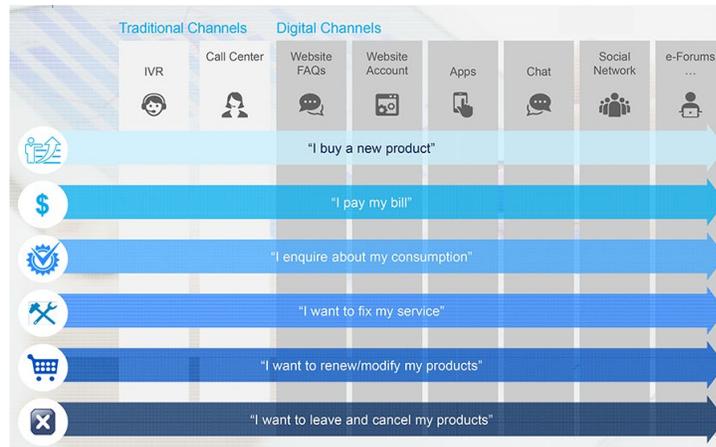


FIGURE 1: INTEGRATE DIGITAL SERVICE CHANNELS INTO CUSTOMER JOURNEYS

Service delivery should also be structured based on the value of the interaction and its complexity.

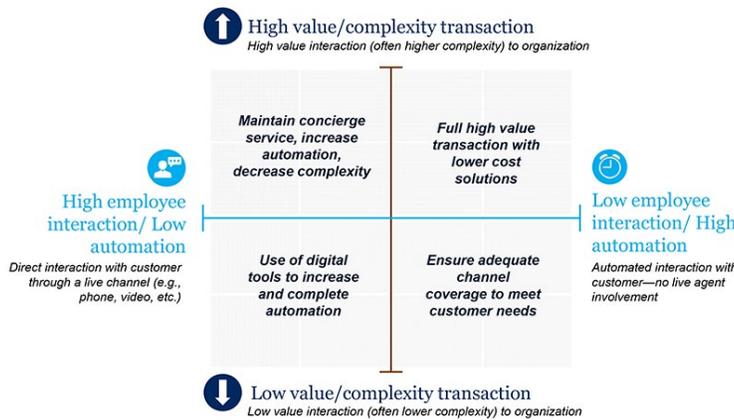


FIGURE 2: SERVICE APPROACH BASED ON EMPLOYEE INTERACTION & TRANSACTION VALUE/COMPLEXITY

To meet the “future state” of customer aspirations, industry leaders are designing how each transaction needs to shift in the next three to five years. Amar anticipates that companies will have three key migration journeys:

1. Low complexity transactions will be completely automated
2. Digital tools will make transactions less complex
3. Digital tools will automate highly complex transactions

**2. FOCUS ON THE RIGHT SET OF CUSTOMERS.**

McKinsey & Company has identified four persona types based on customers’ digital behavior and has determined the percent of the market that each persona represents:

1. **Digital by Lifestyle (23%).** Digital is integral to these individuals’ lives. They are always connected and never without a mobile device. Digital is who they are.

2. **Digital by Choice (35%).** These consumers like the ease and simplicity of digital communication and information sources.
3. **Digital by Need (25%).** Digital is not natural for these individuals. However, they will use digital channels when it is necessary or unavoidable.
4. **Offline Society (17%).** These consumers are non-digital. They prefer a traditional, non-digital life and brands.

Focusing on the right customers helps organizations prioritize when going digital. It also enables companies to emphasize the key characteristics that are most attractive to that customer group.

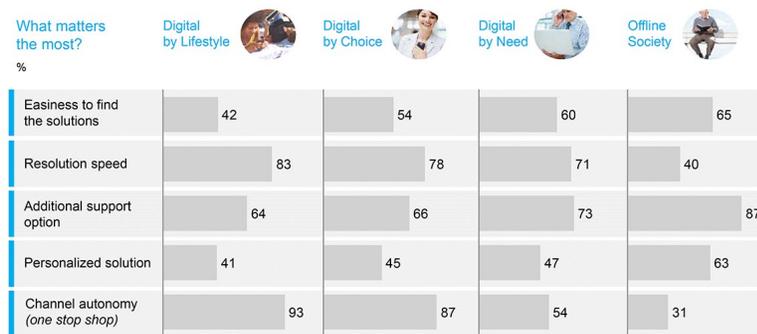


FIGURE 3: TOP PRIORITIES FOR PERSONA GROUPS

### 3. INVEST IN AN INTEGRATED ADOPTION PLAN.

Successful adoption campaigns rely on five pillars:

1. Create a delightful experience that users want.
2. Market and communicate awareness of the new value proposition.
3. Encourage behavior shifts via incentives and promotions.
4. Reduce effectiveness or access to competing or legacy channels.
5. Change policy and achieve internal alignment.

Best practices include using clear and simple language, offering a wide range of services, minimizing the number of clicks to access content or functionality, providing a convenient search function, leveraging interactive content delivery options, offering support wizards and videos, and integrating both traditional and digital live channels.

Both Apple Support and Amazon Mayday are examples of service offerings that provide an outstanding customer experience. Some companies are reducing access to traditional customer service channels. Giffgaff, for instance, is a UK company that handles all customer issues via an online message board system.

It is important to remember that digital channels are not relevant only for customer service. Effective marketing campaigns also must encompass all channels, including traditional and digital.

**4. USE TECHNOLOGY WISELY.**

The automation and technology landscape covers a wide range of solutions that vary in sophistication and potential impact.

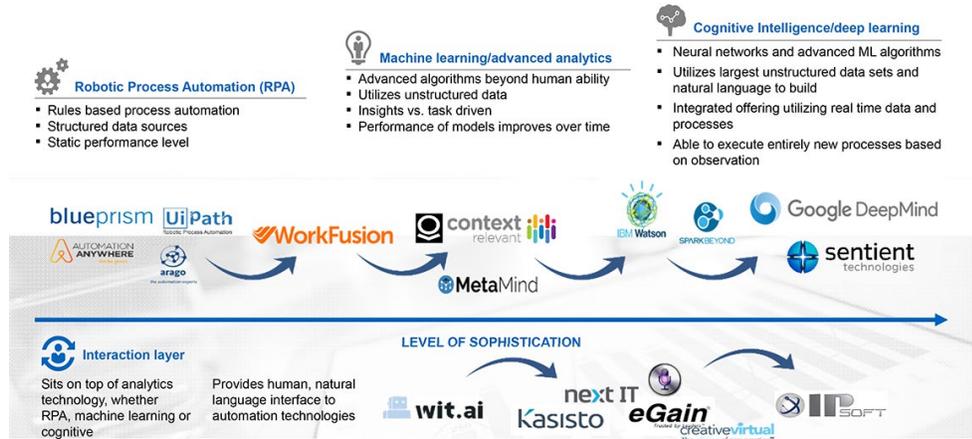


FIGURE 4: AUTOMATION AND TECHNOLOGY LANDSCAPE

Only a few companies are prepared to apply this complex array of solutions effectively to their customer care delivery model and to integrate it seamlessly with back-end systems. Organizations should select technologies based on their desired customer journey. It is essential to evaluate up front the best approach for back-end integration. This is usually a pain point for companies.

**5. ALIGN THE ORGANIZATION AND PROCESSES.**

This is usually the most overlooked lever. Organizations are typically designed for efficiency and stability, rather than speed and flexibility. The result is rigid processes, siloed organizations, monolithic IT systems, and complex application landscapes. McKinsey’s research shows that thriving companies crack the paradox of agility; they are simultaneously stable and dynamic.

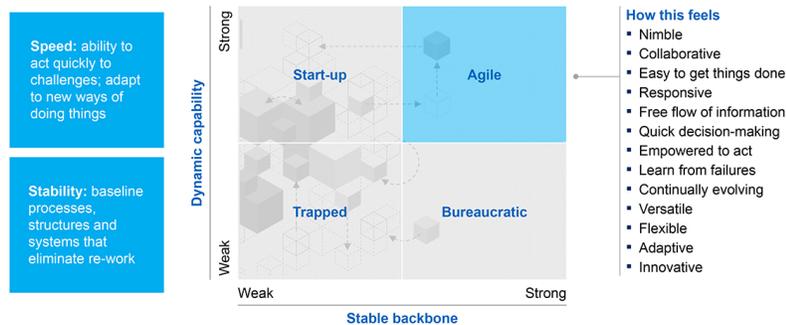


FIGURE 5: CHARACTERISTICS OF AGILE ORGANIZATIONS

Every industry eventually reaches a tipping point where digital capabilities and agility become a matter of survival. Laggards that don't make that transition will die. This dynamic is illustrated by failed companies like Blockbuster Video and Tower Records. Advanced incumbents and established startups that successfully make the transition become the "new normal" within the industry.

**6. DON'T DO IT UNLESS THE ORGANIZATION IS TOTALLY READY.**

Trying to migrate customers to digital channels before the user experience is ready will trigger the "boomerang effect." When customers can't find what they want online, they become angry and contact the call center for problem resolution and to complain about wasted time. Companies must strike a balance between going fast and having a "fully baked" plan.

"To capture the benefits of digital, companies must manage the transition carefully, optimizing channel mix across all service touchpoints and the digital channel customer experience."

— Jorge Amar

## Other Important Points

- **Online search is often a pain point.** In some cases, the company's search engine isn't optimized. In other cases, content may be outdated or tagged properly for search.
- **Tips for getting started.** Support for digital customer care must come from the top and must be a company-wide effort. Cross-functional teams are essential when transitioning to an agile organization.



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**Jorge Amar** is an associate partner at McKinsey & Company. He joined the firm in 2007 as part of the Buenos Aires office, where he served multiple clients across Latin America, mostly in the telecommunications space. Jorge holds an MBA from Harvard Business School.



**Angelia Herrin** is the editor for special projects and research at Harvard Business Review. Her journalism experience spans 25 years, primarily with Knight-Ridder newspapers and USA TODAY, where she was the Washington editor. She won the Knight Fellowship in Professional Journalism at Stanford University in 1990. She has taught journalism at the University of Maryland and Harvard University. Prior to coming to HBR, Angelia was the vice president for content at womenConnect.com, a website focused on women business owners and executives.

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