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# Essential Strategies for Proactive Customer Service

Ignite Guide

Boost satisfaction, trust, and loyalty by anticipating your customers' needs

Remember the last time a waiter refilled your coffee without you having to wave him down? Or the text reminder you got for your oil change? These are examples of proactive service—anticipating customers' needs before they ask for help. It's the kind of service we've all come to expect.

According to McKinsey, successful customer operations of the future will be simple, predictive, proactive, and responsive—all while reducing service costs by 25 to 50% for service-based industries such as banking and insurance.[2] But the truth is, it's time for all industries to start thinking about pro-active service. Because whoever your customers may be, they'll compare your service to the best service experience they've ever had, and that often includes proactive service.

This guide will help you develop a strategy that balances the needs of your current service model with the opportunities of your proactive future.

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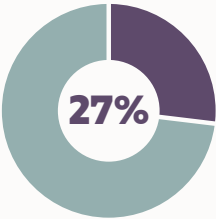
27% of consumers expect companies to provide proactive customer service experiences.[1]

What's inside?

Proactive customer service defined

Most people think of customer service as a business function for fixing problems, like when you receive a defective product and contact customer support for an exchange. This traditional model is known as reactive service. And, if it's the only type of service being offered, that can cause a host of problems.

Resolving problems takes longer if you're waiting for customers to alert you to issues, increasing cost and effort for your team

When resources are tied up fielding a high volume of calls, there's nothing left to power innovation—and your company may lose its competitive edge.

Inefficient service leaves customers with products or services they can't use, leading to dissatisfaction, customer attrition, and reduced revenue and market share.

Proactive (or preemptive) service avoids these issues by anticipating and addressing customer needs before customers become aware of them. While proactive service experiences are common in consumer businesses—such as the attentive waiter—new technologies and customer expectations are making them relevant, and feasible, for B2B companies as well.

Proactive customer service, defined

Across B2C and B2B, there are three types of proactive service experiences.

1. **Human (person-to-person):** A service professional notices a future need and recommends it to a customer. For example, while activating high-speed internet, a technician suggests buying a new router that can achieve the connection speeds the customer has paid for.

2. **Technical (machine-to-person):** A technology provider preemptively addresses a technical issue. For instance, a B2B SaaS company releases a software update to fix a bug that users haven't yet noticed. Or, a smart commercial refrigerator registers a needed repair and communicates the data needed to make that repair via the Internet of Things (IoT).

3. **Customer-driven (person-to-business):** Customer support data preempts large-scale issues and needs. Let's say a manufacturer receives multiple complaints about an office coffeemaker malfunction. Instead of waiting for every customer who has purchased that machine to submit a ticket, support data triggers an alert to send replacement coffeemakers to everyone who ordered one.

When executed well, proactive service can elevate the customer experience and increase the efficiency of your service costs and processes.

- **Preventing downtime** increases confidence in your product and service offerings, building trust and loyalty

- **Increased dependability** makes customers more loyal and likely to advocate for your brand and buy more in the future

- **Preemptively resolving service issues** reduces customer frustration and inbound complaints, so your service reps can spend less time reacting and more time cross-selling and upselling to satisfied customers

A proactive approach is an excellent way to achieve customer service innovation. Let's get started.

Proactive in a time of need

COVID-19 presented a unique opportunity for proactive service: When the pandemic upended business processes worldwide, companies that offered proactive communication and service helped reassure customers and build trust. And now, research indicates that the global service industry is in the midst of a greater shift from reactive to proactive service.[3]

Was your service delivery more reactive or more proactive prior to the pandemic?

Predominantly reactive	**+33%**
Predominantly proactive	**+35%**
An even mix of both	**+32%**

Build your foundational strategy

With a thoughtful strategy in place, you'll be able to deliver proactive service that exceeds customer expectations while making the best use of your resources.

There are five key areas to consider as you develop a comprehensive service strategy. From customer expectations to technology innovation and leadership support, gathering the facts will help you create a vision that drives service success across your business.

1. Customer expectations

How well do you know your customers? Do they jump from online to offline across multiple channels when they are looking for help? Do you have a clear understanding of which customers are candidates for proactive service? The truth is, all customers are different and while some people might appreciate proactive outreach to provide updates on minor issues, others may prefer to be contacted only on a need-to-know basis. Consider which situations truly merit proactive outreach to avoid annoying customers or sending so many minor updates that critical issues go unnoticed.

2. Employee skills

Proactive service requires a shift in how your organization and agents approach customer service. Being proactive involves more than outbound notifications or IoT asset monitoring. By reducing routine inbound calls, your agents will need to be able to solve more complex service requests. Do you have the right team in place to handle these types of issues? Or will you need to hire and train your agents to make the move from call-takers to experts?

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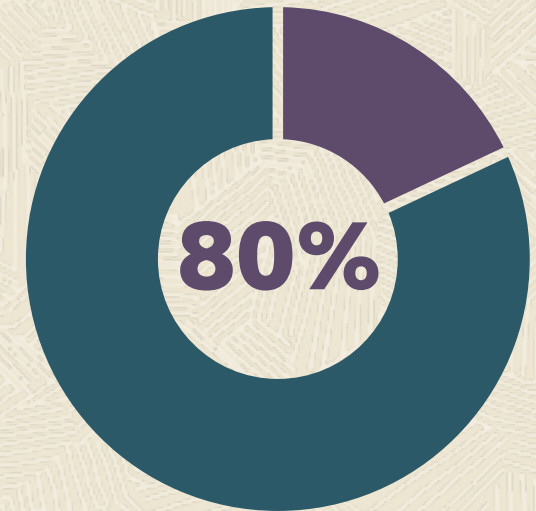
According to Gartner, more than 80% of organizations use IoT, but less than one-third of chief information security officers feel confident in their ability to assess and mitigate the associated risks.[4]

Build your foundation

3. Business and financial goals

Some organizations have been asked to transform their service operations from a cost center to a profit center. Others have been told they need to improve operational efficiency to reduce staffing needs. And for some, it's both. To inform your strategy, consider allthe ways proactive service can benefit your bottom line and ask yourself if the pressure to cut costs and increase revenue is likely to stay the same, increase, or decrease over time.

4. Innovation

For some businesses, building a proactive service model may require investment in technology, especially if your customers want more automation and channel support such as text or social media. It's also important to consider what technology and process innovations will increase productivity for your agents. Do you need to connect customer account information currently stored in separate systems such as financial and supply chain? And what about IoT? These questions are critical to improving customer experience and boosting your competitive edge.

5. Leadership champions

While some proactive service changes will just involve agents and line of business managers reporting on customer interaction trends, you may need data analytics to identify particular patterns or areas of friction along the customer journey that erode customer loyalty and increase churn. Depending on your current technologies, this could require a financial investment. Identify leadership "champions" to advocate for you across the organization and designate the funding you need.

Five steps to get started with proactive customer service

01 Find out when your customers want proactive service and when they don't

Ask your customers for feedback. Collect data on how often your current proactive tools are used. Monitor social media to see what customers are saying about your service model. And regularly review and analyze service tickets for proactive service opportunities. These insights will enhance your level of service, and the insights gained can help you streamline issue resolution to prevent customers from reactively making contact through more expensive channels.[5]

02 Identify your technology silos

Is your commerce system connected to your service system? If so, an agent or digital assistant could proactively initiate a chat with a customer who's abandoned a high-value item in their cart, for example. If you have disconnected systems, work with your IT team to integrate your systems and channels to provide better customer service and also drive profit through more personalized cross-sell and upsell offers that demonstrate alignment of service and marketing efforts.

03 Consider investing in proactive service technologies

IoT and connected-device remote monitoring can reduce repair costs, improve efficiency, and boost customer retention. However, to get the full benefit from these technologies, you'll need to integrate data from all your service applications. Work with your IT team to explore machine learning (ML) and artificial intelligence (AI). In the world of field service routing and scheduling, machine-learning–based algorithms can improve customer satisfaction with on-time arrivals, increased job completion rates, and fewer job cancellations.

Five steps to get started with
proactive customer service

04 Improve your self-service options

To move away from reactive self-service, you'll need to address the reasons why customers use self-service in the first place. Often, they're looking for things such as delivery status, product information, or technician arrival times—and they'll contact your customer service department if they aren't able to find what they need. Give your customers self-service options such as easy-to-navigate knowledge articles or intelligent chat and advice automation solutions so they can resolve their issues without ever contacting an agent.

05 Implement proactive communications

Even if you don't have the resources for sophisticated tech innovations, you can still proactively communicate with customers. Whether they're looking for order status updates or help in emergency situations, sending emails, texts, or mailed information can put customers' minds at ease and relieve them from having to contact your customer service center.

Transform your customer relationships with proactive service

Proactive service is a powerful way to show your customers that you understand and appreciate them. It also helps them get the most benefit out of your business, fostering strong, loyal customer relationships that are built on value. As you continue your journey with proactive service, consider these key takeaways.

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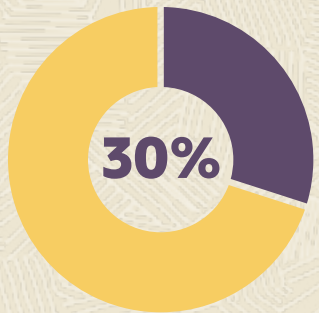
By 2023, 30% of customer service organizations will deliver proactive customer services by using AI-enabled process orchestration and continuous intelligence.[6]

1. It pays to be proactive about your proactive service model

Proactive service is widely considered to be the next step in the evolution of customer service, and companies who make the shift first will have more of an opportunity to reap competitive benefits. Get ahead of the trend before your competitors become the disruptor.

2. Be strategic and tread lightly

Find out what kind of proactive communications your customers appreciate and how they feel about you using their data to deliver them. Transparency and communication with your customers will keep you on the right track.

3. Use the right technology and the right safeguards

Data is powerful, but it can also pose a risk—for companies and customers alike. If the pillars of your proactive service are IoT and AI, protecting that data is critical. Take extra security measures to safeguard your customers' trust and your reputation.

# Transform your customer relationships with proactive service

4. Connect for success

Data insights from IoT devices and connected systems are the key to successful proactive service. Even if you're not using IoT, integrating your service and nonservice systems will give you a complete view of customer data so you can better understand when and where to deliver proactive service across the entire customer journey.

5. Deliver the right service at the right time

Whether you provide preventive maintenance to avoid downtime, send reassuring crisis communications, or offer self-service tools that work in the middle of the night—it's all about helping your customers before they need to reach out. Put yourself in their situation to create proactive solutions that build trust and loyalty to your brand.

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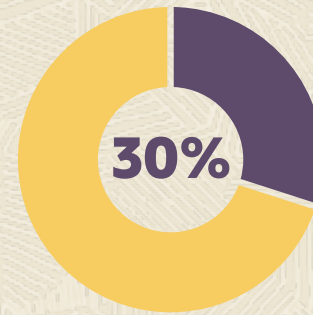
According to McKinsey, organizations that have adopted a needs-based approach and are proactively reaching out to customers in a timely manner have seen a revenue increase of 30 percent or more.[7]

Stay one step ahead with Oracle Service

Elevate your customer experience and build their trust and loyalty with proactive service.

Learn about our IoT Asset Monitoring and Digital Customer Service.
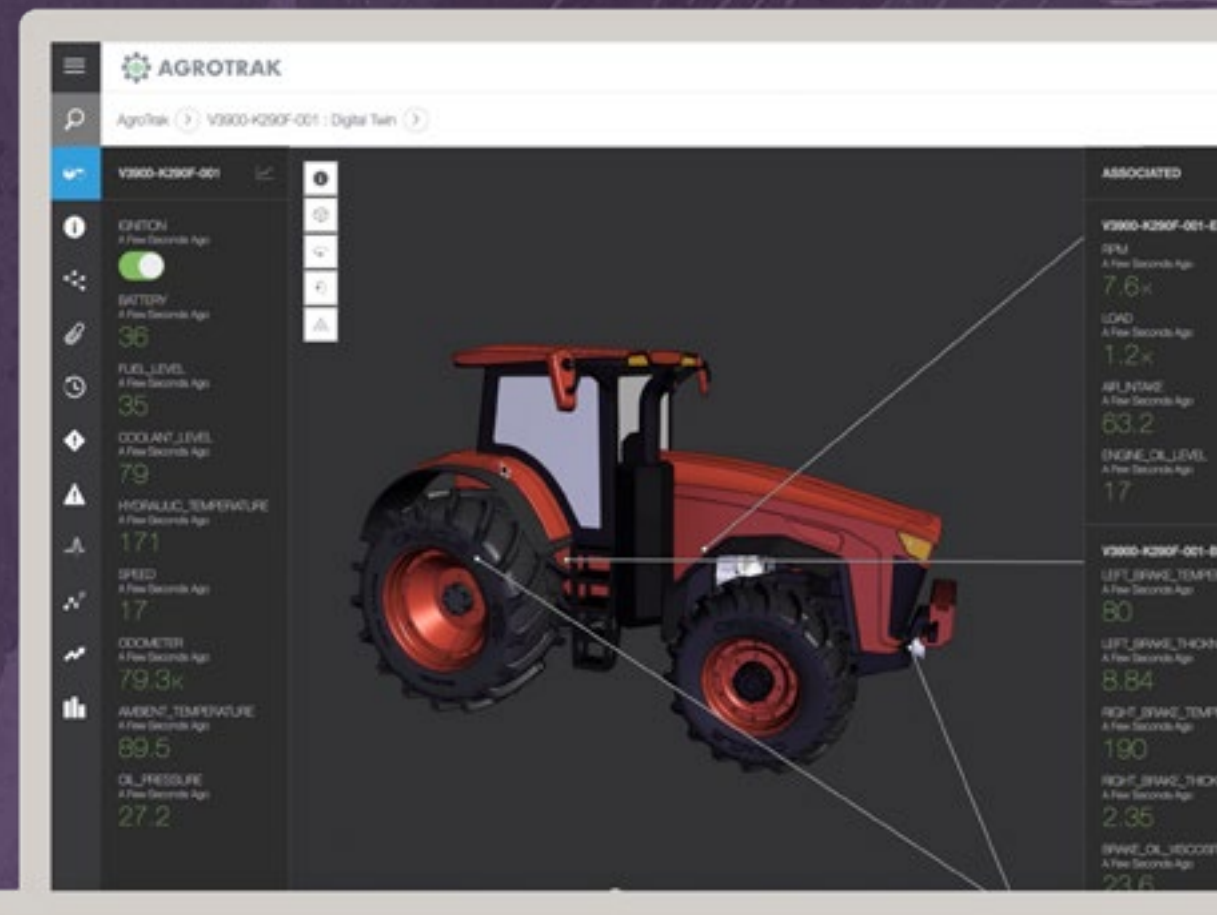
To the experience-maker who's always moving forward

As modern customers seem to shape-shift from one moment to the next, it's critical to maintain pace with their expectations. To help, we created the Ignite series to fuel your continuous pursuit of customer experiences that always hit the mark.

Guides like this one on proactive customer service aim to advance your expertise and help you craft foundational strategies in less time. So you can get back out there to captivate customers and drive revenue.

What will you discover next?

• eBook: Essential Strategies for Digital Customer Service

• Product Info: Simplifying the Agent Experience

• eBook: Making Sense of Visual Engagement
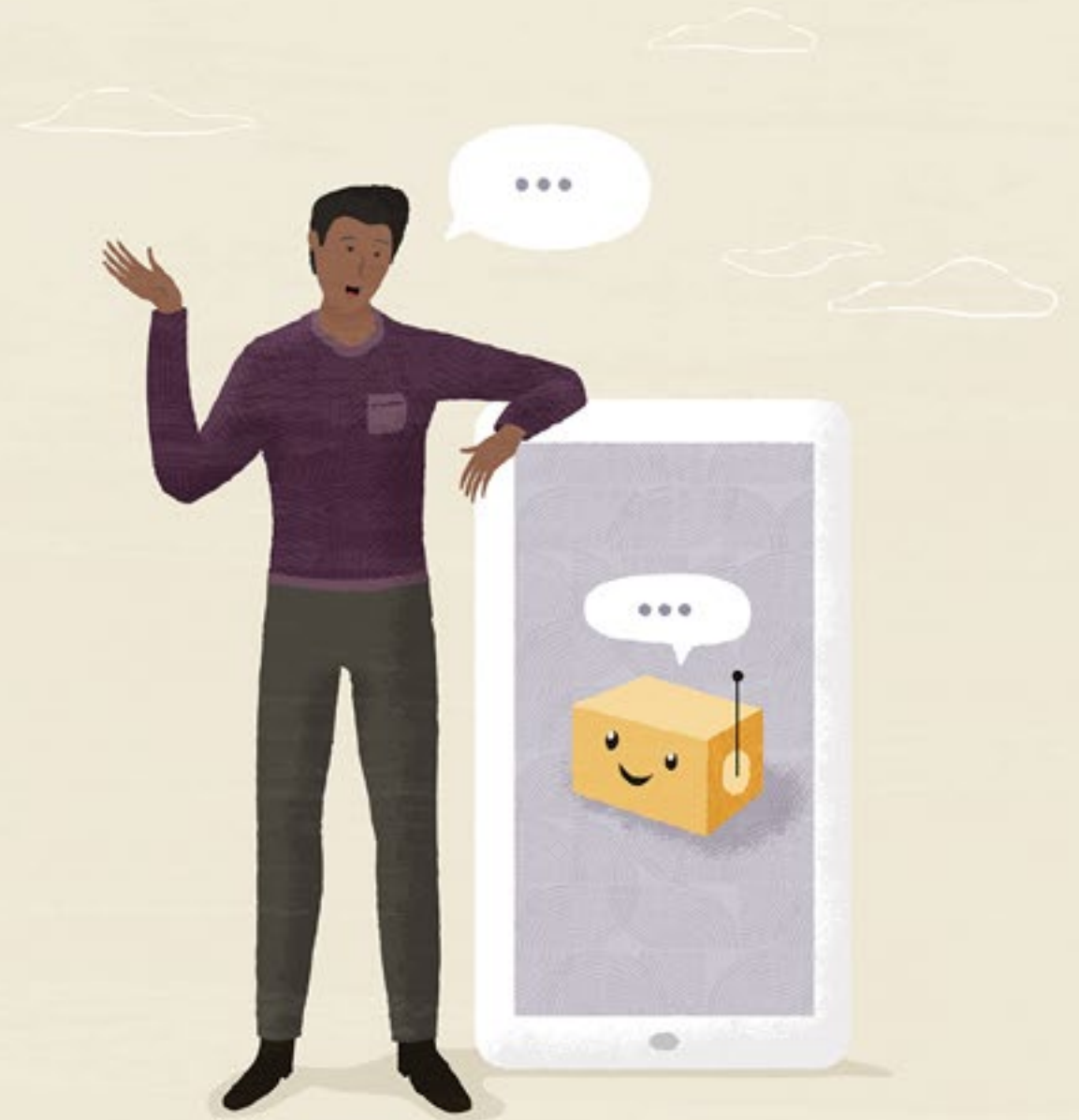
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Make every customer interaction matter by connecting all your business data across advertising, marketing, sales, commerce, and service. Oracle Advertising and Customer Experience (CX) is a connected suite of applications that goes beyond traditional CRM to help you create and nurture lasting customer relationships. Build a complete view of every interaction and every customer, no matter how and when they engage. Empower your entire business to deliver exceptional customer experiences—from acquisition to retention—and everything in between.

Sources

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4. "IoT Security Primer: Challenges and Emerging Practices," Gartner Information Risk Research Team, last modified January 6, 2020

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