

3-Step Guide to Modern Customer Service

—
Support the Critical Role Service
Plays in Your CX Strategy





Here are some interesting statistics to chew on:

- 82% of customers are disappointed by brands¹
- \$75 billion was lost due to poor customer service in 2019¹
- Only 15% of consumers actually expect companies to deliver personalized experiences¹
- 51% of Gen Zers and Millennials admit to online shopping while at church, at a wedding, in the shower, on a date, at a funeral, etc.¹

Customer service teams are on the front lines when it comes to delivering a winning customer experience. But what is “a winning customer experience?” Well, it is one that delights—not disappoints—customers. Whether it’s answering common questions, trying to make something right for a frustrated customer, or resolving an issue that has spun out of the control, it’s important that customer service strategies, technologies, and teams can deliver on high expectations.

So how does a customer-centric company become more customer-centric? The roadmap for improvement consists of technologies needed to scale great service across a wide swath of channels and the ability to harness data to fully understand customers' current needs.

Here’s a closer look at key trends that are shaping the future of customer service, and what steps businesses can take to provide better service in today’s experience economy.

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^{1,8} Jeanne Bliss, “One Size Doesn’t Fit All,” 2019, go.oracle.com.



PART 1: Customer Service vs. Customer Experience: What's the Difference?

It is no secret that customers have expectations, and that there's an increasing demand for brands to deliver at every level of the organization.²

But deliver what? Great customer service or a great customer experience (CX)? Can you do one without the other? Do you need to focus on both? What's the difference between the two anyway?

Let's dig into the last question first. Here is a quick introduction.

Customer experience is the new battleground

Brands are paying more attention to the customer experience than ever before. In fact, more than two-thirds of marketers reported in 2017 that their companies competed mostly on CX. That number is only expected to grow.³

So how can you frame customer service vs. customer experience within your organization so that the terms are not used interchangeably, because they are not the same thing?

CUSTOMER SERVICE is a critical function, focusing on the resolution of customer issues, answering questions, and shaping brand perceptions. However, customer service is the focus of a specific group of employees (customer service reps or account managers, etc.) and is just one part of customer experience.

CUSTOMER EXPERIENCE is the sum of all touchpoints⁴ that a customer has with your company, including sales, marketing, digital commerce, after-sale service, field technicians, training, customer service, and more. Customer experience is the responsibility of every single employee who interacts (either directly or indirectly) with the customer.

The quality of support a customer receives fundamentally affects customers' perceptions of brands. Customers evaluate the overall value proposition of service providers on an ongoing basis, especially as they are presented with competing offers. Given these realities, customer service leaders must focus on and demonstrably improve their part in customer experience.³

² Liz Alton, "Customer Service vs. Customer Experience: What's the Difference?" *SmarterCX*, March 13, 2019, smartercx.com.

³ Jordan Bryan, "Know the Difference Between Customer Experience and Customer Service," *Smarter With Gartner* (February 14, 2018). *Gartner*, gartner.com.

⁴ Erin Ollila, "CX 101: What is Customer Experience, Anyway?" *SmarterCX*, January 17, 2019, smartercx.com.



CX has changed the way leading companies approach customer service

CX is the sum of every customer interaction with your brand, and that has thrown customer service into a new spotlight. As a component of CX, customer service works on the front lines to build your CX.

Mindsets around customer service are changing. Companies can no longer look at customer service as a cost center. The pendulum has swung away from a focus on reducing labor costs and implementing lean practices. Instead, service is a source of competitive advantage, necessitating flexibility, scalability, and agility.³

CX is now the lens that executives view the business, and that puts the customer in the driver's seat within the context of the larger CX journey.

Designing the customer service experience

If your goal is to improve CX, then focusing on quality customer service is an integral part of the equation. In fact, organizations that are designing their CX can benefit from paying close attention to customer service.⁵

Offering a customer the best CX means improving delivery on every front. For many organizations, that journey begins with mapping customer service vs. customer experience. While CX encompasses all aspects of your business, a focus on customer service can go a long way to improving customer relations and maybe even delight customers.

³ Jeff Berg and Julian Raabe. "[Charting the Future of Customer Care Through a Core Optimization Philosophy](https://www.mckinsey.com/insights/operations/Charting-the-Future-of-Customer-Care-Through-a-Core-Optimization-Philosophy)," *McKinsey & Company* (March 2018). www.mckinsey.com.



PART 2: Expert Insights and 3 Tips to Create a Well-Received Customer Service Experience

If designing your customer service experience is critical to delivering your CX, where can you start?

Customer service expert [Shep Hyken](#), who is also Chief Amazement Officer at Shepard Presentations, shares three tips⁶ for delivering an amazing customer experience:

Tip #1: Treat service as a major differentiator

Hyken noted that customer service might be even more important than the product itself, as it makes or breaks the customer experience. Hyken went on to say:

You can have the greatest product in the world, but if you don't back it up with a good experience, especially the people experience and the support experience, it doesn't matter how good the product is. Your customer will go somewhere else to find something comparable, because they like to be treated better. Customers are getting smarter than ever, and when they don't get the service they want from a company, they switch to another.

Takeaway: Customers are no longer comparing you to those you consider your competitor, but to the best service they ever had from anyone...anywhere. Companies can't afford poor customer service.

Tip #2: Reduce friction

Someone once said, 'You better Uber your business before it gets Kodak-ed.' What [Uber](#) did is a great example of reducing friction...You open [the app], and you can see how many drivers are around and how far away they are...No anxiety. You get in the car; the driver says, 'Hello Daniel or Hello Shep,' doesn't even have to ask where you're going because they know where you're going, and when you get there, you don't have to pay them.

Takeaway: When reducing friction and anxiety, companies create a fantastic experience every customer wants to have.

⁶ ["3 Ways to Create an Amazing Customer Experience Through Service, with Shep Hyken \[Video\]" SmarterCX](#), June 4, 2019, smartercx.com



Tip #3: Act like an owner

To illustrate this point, Hyken brings up a conversation he had with an 18-year-old server. He told Hyken that one day a customer mistakenly thought he was the owner because he was working so hard (and obviously enjoying his job). Once corrected, the customer, “You’re taking so much pride in the job that you’re doing to take care of us and the other people you’re serving. We thought if you’re not the owner, then you’re certainly the owner’s son.” The server beamed with pride as he related his story to Hyken.

Takeaway: The restaurant’s owner had empowered the staff to do what it takes to take care of the customer, and this can apply to any customer-facing role. When customer service agents have a feeling of ownership and pride in their work, they can create amazing customer experiences.





PART 3: Getting Today's Customer Service Essentials Right

If you're inspired to create unforgettable customer service experiences but don't know where to begin, here are five fundamentals that can help you focus on improvements to customer service.⁷

Fundamental #1: Really listen to what customers want

Most people “listen” to what's said while trying to create a response mentally. Active listening, on the other hand, is about paying attention to the person who is speaking so that you can truly understand the point they are trying to make.

With active listening, customer service professionals can quickly identify the customer's actual question or problem, and then take steps to improve their experience. A different type of listening merely involves allowing the customer to feel heard, in part out of respect, and in part to deescalate the situation.

Fundamental #2: Speak kindly

The expression, “Treat others how you wish to be treated,” is an excellent summation of this point. Interacting with others with a sense of empathy and kindness creates an atmosphere that supports active listening and communication and helps diffuse any issues that may arise.

Fundamental #3: Honor your word

What you communicate to the customer must be done. Period. This is the one customer service basic that all CSRs must internalize. When front-line employees commit to something, they represent the brand. Honor the commitment.

A simple example would be opening a store on time and not 10 minutes later. Another, more detailed example could be the refunding of a portion of an order while discounting another part to make amends for an error made by the business. When brands honor their word, customers come back time and again.

⁷ Erin Ollila, “5 Customer Experience Basics to Avoid a Customer Service Nightmare,” *SmarterCX*, May 29, 2019, smartercx.com.

Fundamental #4: Clear communication

Clear, concise, comprehensive communication is a top priority. When both parties fully understand each other, expectations are set appropriately, and issues are managed effectively through to completion, the customer experience is a positive one. By taking steps to make sure that customers have a clear understanding of what's happening, why, and when any issues will be resolved, it's possible to maintain strong relationships.

Fundamental #5: Take responsibility

Did your business mess up? Own up to it. One of the simplest customer service experience tactics is knowing how to take responsibility when mistakes occur. Mistakes happen, and customers understand that. Develop policies that help your customer service team deliver any bad news clearly and immediately. That helps form a strong impression that you competently, honestly, and quickly address mistakes or issues that occur.

Once these fundamental elements are in place, customer service teams can focus on higher-level strategic investments to deliver long-term customer satisfaction.





PART 4: Strategic Technology Investments That Improve Customer Service Experiences

The customer service journey isn't the same for all. Over half (51 percent) of Baby Boomers call a company directly when they have a customer service issue, but that doesn't necessarily mean they like to do it. One-third equate contacting customer service to "stubbing their toe" or "going to the dentist".⁸

Meanwhile, Gen Zers are most likely to search online for answers, yet when they do contact a company directly for service, 44 percent say the experience is akin to "getting expert advice," and they feel rewarded after their interactions.⁸

Despite seemingly fickle desires, today's consumers have basically the same needs. They want answers. They want problems solved. They want to be heard. They want speed. How they go about meeting those needs differs. In addition, consumers (no matter their age) have their non-negotiables that brands are smart to accommodate. Personalization, fast delivery, and omnichannel experiences – including human interaction – top the list.⁸


The key to accommodating those needs and non-negotiables is the right CX technology; it is the key to taking improving customer satisfaction to the next level.⁹

Expectation #1: Personalized experiences

Three-quarters of shoppers are more likely to buy from brands that recognize them by name, recommend options based on prior purchases, or recall their previous purchase history.⁹ With machine learning (ML) and AI, companies can tailor shopping opportunities to their customer base. But retailers need to recognize the fine line between personalized recommendations and over-invasive or creepy interactions.

⁸ Jeanne Bliss, "One Size Doesn't Fit All," 2019, go.oracle.com.

⁹ Jay Baer, "42 Percent of Consumer Complaining in Social Media Expect 60 Minute Response Time," *Jay Says (blog)*, Convince and Convert, convinceandconvert.com.



Expectation #2: Quick responses

Customer service satisfaction depends on brands being on the channel of the customer's choosing. Therefore, customer-centric brands often support multiple channels of communication just to meet minimum expectations, let alone deliver service that stands out from competitors.

For example, 32 percent of customers who contact a brand for support via social media expect a response within 30 minutes; 42 percent expect a response within an hour.¹⁰ Chatbots can immediately assist customers in looking for answers. FAQs and customer-facing knowledge bases offer self-service support when a customer service representative is unavailable.

Expectation #3: Omnichannel experiences

No longer are all transactions taking place in either a store or online. Customers interact with brands in many different ways across many different channels before they even plan to buy something. Then once they start the buying process, they add even more touchpoints to the process. The result? Many more opportunities to delight and many more opportunities to drive them away.

It should not be a big secret which way you would want to steer your customers. Delighted shoppers are more brand loyal and spend more. A study of 46,000 shoppers proves that happy omnichannel customers are more valuable, as they spend four percent more when in a store, and 10% more online when compared to single-channel shoppers. The results also indicate that omnichannel shoppers make 23 percent more repeat purchases than their counterparts who shop in a single channel.¹¹

¹⁰ Ritika Puri, "These Chatbot Examples are Pioneering the Future of CX," *SmarterCX*, June 29, 2018, smartercx.com.

¹¹ Emma Sopadjieva, Utpal M. Dholakia, and Beth Benjamin. "A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works," *Harvard Business Review*, January 3, 2017, hbr.org.



Getting It Right with Modern Customer Service Technology

Improving customer service means investing in the right technology. Critical strategic technology investments tend to fall into two core areas:

Cloud-based customer service solutions

Today's service technologies go far beyond basic customer relationship management (CRM) solutions. Cloud-based service application suites help tie together customer data across channels and weave that information into a 360-degree customer profile.

The ability to successfully serve customers relies on access to data. In the past, customer data was lost in siloes, and it was difficult, if not impossible, to connect those insights. An integrated service cloud has decoupled data from the siloes, creating a richer customer knowledge base, and provides customer service representatives with a full picture of past customer interactions.

With these deeper customer insights, customer service teams can more effectively personalize service, quickly find needed information to improve first-touch resolutions, and keep all interactions relevant for the customer. The result? Faster, more targeted customer experiences.

Emerging technologies for customer service

Many innovative brands are augmenting customer service with AI, machine learning, advanced analytics, chatbots, and device-based data points (i.e., IoT). In fact, two-thirds of companies have implemented at least one of these technologies.¹²

Chatbots are helping to migrate and scale real-time customer experience to digital channels, saving non-routine and complicated issues for customer service teams. AI and machine learning are powering smarter personalization, going way beyond a first-name greeting on an email. Virtual reality and augmented reality are being used to train customers on how complex products or services work.

These technologies offer customer service organizations several benefits. Not only does their use help those brands stand out and offer more distinctive experiences, but they also provide tangible outcomes. Brands can improve customer satisfaction levels, increase spend per customer, and create a higher likelihood of exceeding customer retention targets.

Taking customer service to the next level requires multiple types of investment. For example, [Oracle CX Service](#) makes it easier for brands to translate data into action. Pairing a powerful customer service platform with embedded emerging technologies lets brands scale their service delivery and find creative ways to stand out in today's competitive, experience-focused environment.

¹² "The Impact of Emerging Technology on CX Excellence." Oracle and ESG, May 2019, go.oracle.com.

Get Started.

Customer service teams remain in the spotlight as companies strive to deliver winning customer experiences. If you aren't sure if your service initiatives are up to expectations, the good news is that there are more options than ever before to take your service strategies, technologies, and processes to the next level—quickly.


From getting the basics right to going all-in on cutting-edge customer service technologies, making the commitment to CX lays the foundation for long-term customer success.

For more resources, check out go.oracle.com/unforgettableservice

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Integrated Cloud Applications & Platform Services

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