



# Essential Strategies for Digital Customer Service

---



AN ELEVEN-MINUTE READ

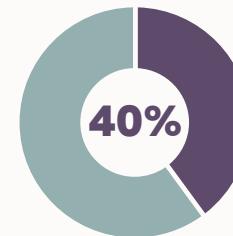


# Give customers choice and convenience with digital customer service

Ask someone to recall a recent customer service experience, and there's a good chance you'll get an emotional response—either love or hate. Some companies are notorious for poor customer service, inspiring stinging viral hashtags. Other companies earn fanatical devotion due to their outstanding customer service. Service experiences are critical to both short-term customer satisfaction and long-term customer loyalty. And with most now occurring online, there's never been a better time to perfect your digital customer service strategy.

Done correctly, digital customer service experiences can help companies adjust to shifting business circumstances, meeting customer needs even when traditional service channels are disrupted. Your customers appreciate the convenience and flexibility of engaging on the channels—and at the times—they choose.

Intuitive, modern digital service processes empower service agents, too, increasing their job satisfaction and reducing costly employee turnover. Still, service and customer care leaders feeling the pressure to innovate must do so while keeping costs under control.



**Forrester predicts that the volume of digital customer service interactions will increase by 40% in 2021.<sup>1</sup>**

This guide outlines factors to consider when crafting a digital customer service strategy that can deliver on customers' rising expectations—while also making service processes more efficient and profitable.



## What's inside?

Digital customer service, defined	3
Build your foundational strategy	5
Five steps to get started with digital customer service	7
Reap the benefits of digital customer service	9
Deliver a modern digital service experience with Oracle	10

# Digital customer service, defined

Digital customer service is exactly what it sounds like: providing service experiences through digital channels such as a website or mobile application. Those experiences generally fit into two classes:

**In assisted service, human agents deliver customer service using digital channels** like chat or online video conferencing. While the modes of communication used are different, these experiences are very similar to their traditional counterparts.

**Digital self-service makes it possible for customers to serve themselves** without a live agent's assistance—but there's much more to it than an online help center. Advanced features such as process automation, natural language processing (NLP), and artificial intelligence (AI) can be used to

- Troubleshoot problems
- Explain contract and warranty terms
- Automatically reset login credentials
- Demonstrate proper assembly and usage
- Connect customers with expert advice—and more

## Common digital customer service channels

**Digital assistant:** Usually appearing in a pop-up window or box on a website, a digital assistant can be voice- or chat-activated and utilizes AI and NLP to answer common customer questions.

**Web portal:** A web portal is a self-service website that allows customers to search a knowledge base or a customer community for answers. Many also invite customers to submit help request forms or contact AI- or human-assisted customer support via a chat window.

**SMS text messaging:** An increasingly popular channel, many companies and customers are now sending and receiving service queries and notifications via text. 84% of consumers have received a text message from a business. And of those, 55% received a service notification.<sup>3</sup>

**Social media:** Many customers now turn to companies' official social media accounts to engage with their customer service departments.

**35.4%**

**48.2%**

**32.8%**

of companies can **provide full-service support** through social media.<sup>2</sup>

prefer to **redirect service requests** from social media to other channels.<sup>2</sup>

leverage social channels to proactively **inform customers of downtime and other issues**, reducing related inbound service requests.<sup>2</sup>

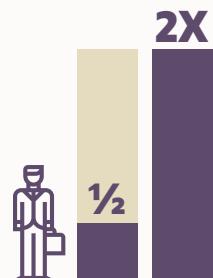


## Digital customer service, defined

Together, digital assisted service and self-service can help companies overcome persistent challenges and transform customer service from a cost center to a source of increased customer and company value.



**Automating repetitive processes**, decreasing inbound call volume, and curbing agent turnover reduces service costs by 20–40%.<sup>4</sup>



**The cost of replacing an employee can range from one-half to two times that employee's annual salary.**<sup>5</sup>

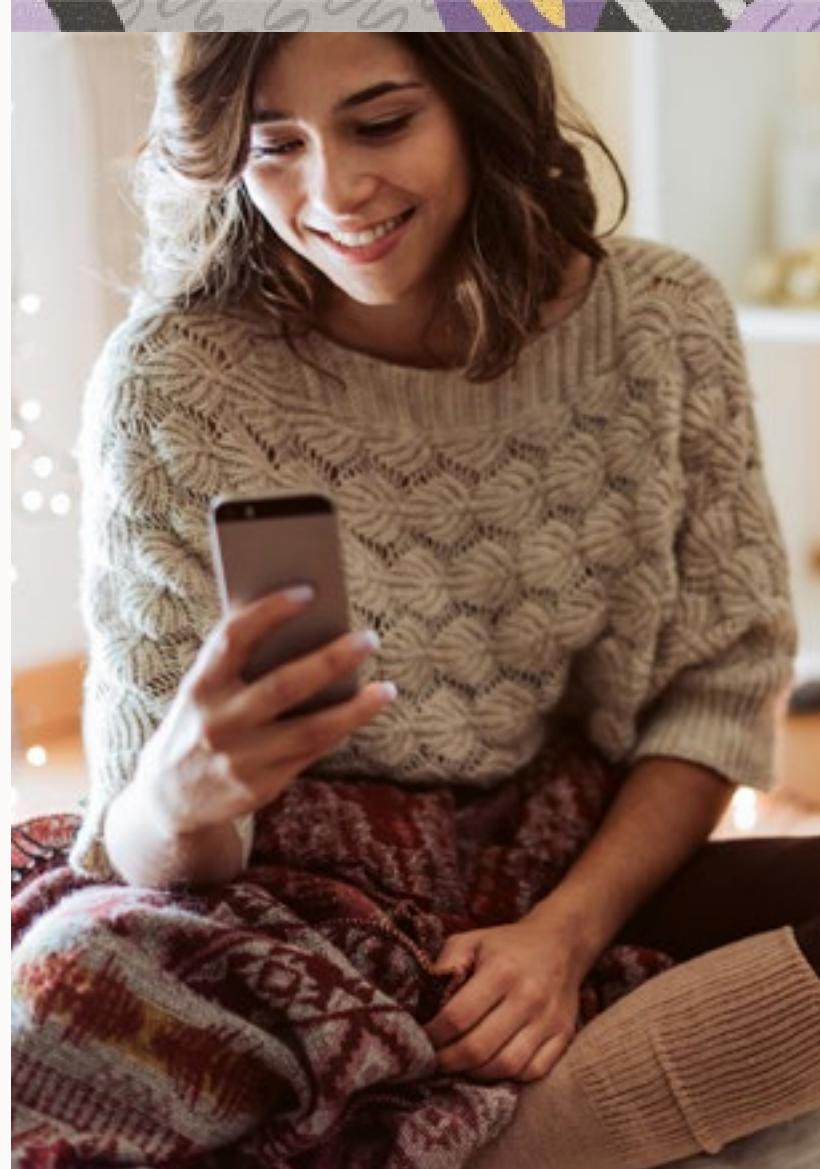


**Overburdened agents** are free to focus on service interactions that provide unique value, such as offering advice on new products, helping customers upgrade, or working through particularly complex resolutions.



**Companies offering service experiences** through digital channels have more loyal customers and can increase their customer satisfaction by 15–20%.<sup>4</sup>

Let's start building your strategy for digital customer service.



# Build your foundational strategy

Conventional industry wisdom recommends offering customers multiple channels for service. However, failing to connect those channels creates a disjointed experience and increases reliance on IT.

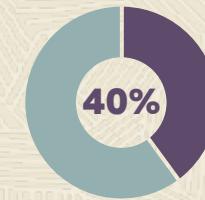
Current customers may be slow to adopt digital channels for any number of reasons, lack the means and technology they require, or feel uncomfortable sharing data digitally due to privacy concerns. And decision-makers in risk-averse companies may be hesitant to adopt digital customer service and doubt its ROI potential.

Siloed or incomplete information presents obstacles as well. For instance, agents without access to account information that's locked in financial and supply chain systems can't get a complete picture of each customer. And in companies that sell to other companies, sales and service teams using different management systems and data don't have a complete understanding of customer needs and history.

With these challenges in mind, here are important factors in formulating the right digital customer service strategy for your business.

## 1. Your customers

Digital customer service is not a one-size-fits-all solution, so it's essential to carefully consider customer profiles as you build them. For example, while digital assistants are popular among Gen Z customers, less tech-savvy generations may not be so eager to adopt them. Or, customers in heavily regulated industries like finance may prefer not to provide sensitive information through a chat window or web form. To encourage more customers to use digital channels, provide options that reflect their needs and preferences.



**Most service leaders agree that up to 40% of live service requests could be resolved through self-service.<sup>6</sup>**

## 2. The human-to-robot balance

Most businesses will benefit from a combination of human-assisted service and AI-powered self-service. To make the best use of your resources, establish a threshold to govern when customers can escalate requests from a bot to a human agent. Many businesses prefer self-service for handling simple, recurring requests such as checking the status of an order or canceling a subscription. More nuanced tasks, like determining eligibility for an upgrade or replacing a complex piece of machinery, likely require a human hand. Find the right blend that satisfies customers and supports agents.



## Build your foundational strategy

### 3. Channel mix and complexity

Modern customers like having options when they need to contact customer service. However, there is such a thing as too many channels. A Gartner survey found that companies offering more service channels saw an increased volume of requests in their service centers. The same survey found that 61% of customers will use both assisted and self-service channels to resolve a single service request—a practice known as channel switching, which can complicate resolution journeys and duplicate costs by engaging human agents and AI.<sup>6</sup> To mitigate this, select digital service channels carefully and define distinct use cases for each.

**Self-service channels like web portals cost about \$.10 per contact, vs. \$8.01 per contact for live channels such as phone, email, and live chat.<sup>6</sup>**

### 4. Channel and data silos

Every channel generates transactional, customer, and/or behavioral data. But, if that data is siloed and disconnected, its value is limited. Agents and customers will struggle to connect the dots, manually piecing together interactions and records from different systems—and likely noticing gaps in the process. It is inefficient and frustrating for both parties when customers have to provide the same information repeatedly. To prevent lapses in customer understanding, a digital service strategy should integrate channels so accompanying data is connected and complete.

### 5. Existing channel performance

Think of digital service channels as something to augment—rather than replace—existing channels. 56% of service leaders are adding new channels or features within their existing channels, but customers still call for live support.<sup>7</sup> To give customers choice, optimize and augment the channels you have as you build out their digital counterparts.

With a thoughtful strategy in place, you'll be able to deliver digital customer service that satisfies customer expectations while utilizing resources efficiently.



# Five steps to get started with digital customer service

01

## Audit your competition

Knowing how competitors deliver digital service can help you understand customers' expectations. Find out which channels your competitors are using, and how. Consult public customer reviews, analyst reports, and other market analyses. If possible, go undercover as a competitor's "customer" and walk through the digital service experience yourself.

02

## Regularly analyze digital channel performance

Ask yourself the following questions:

- **Adoption:** How consistently is each channel used?
- **Customer satisfaction:** How do customers rate their experience with each channel? What is the resolution rate and average resolution time associated with each channel? Are customers switching channels during an engagement, and if so, why?
- **Efficiency:** How often are self-service interactions escalated to human agents? Are these interactions truly so complex that a human is needed, or could you optimize the self-service experience to make resolution easier?

03

## Consult your top-performing agents

Digital processes should benefit both sides of the service experience—your customers and your employees. Your star agents have seen it all, and many would jump at the opportunity to help shape new processes according to their experience. Strongly consider their input as you enact your strategy.



## Five steps to get started with digital customer service

### 04 **Meet with your IT team**

Dive into your company's technical roadmap to understand the business pressures IT faces, because you'll likely face them, too. Ask your team what it costs to maintain and integrate current service channels, learn about planned upgrades to the technical infrastructure, and gauge their comfort level with emerging technology such as digital assistants and artificial intelligence.

### 05 **Talk things through with your marketing leadership**

Ask for research and insights on current market conditions and your brand perception. Make sure you're aligned on who your customers are, what they expect, and what they think about your company.



# Reap the benefits of a successful digital customer service strategy

Strategic digital channels help you meet the increasing demand for assisted and self-service anytime, anywhere, to elevate your brand in the minds of your customers.



## 1. Customer satisfaction

An efficient mix of traditional and digital channels makes it quicker and easier for customers to get the assistance they need.



## 2. Agent fulfillment

Skilled agents can focus on unique service requests that give them the opportunity to deliver more value to customers, driving job satisfaction and retention.



## 3. Reduced costs

Deploying AI and automation to resolve simple service queries speeds time-to-resolution and contains costs.



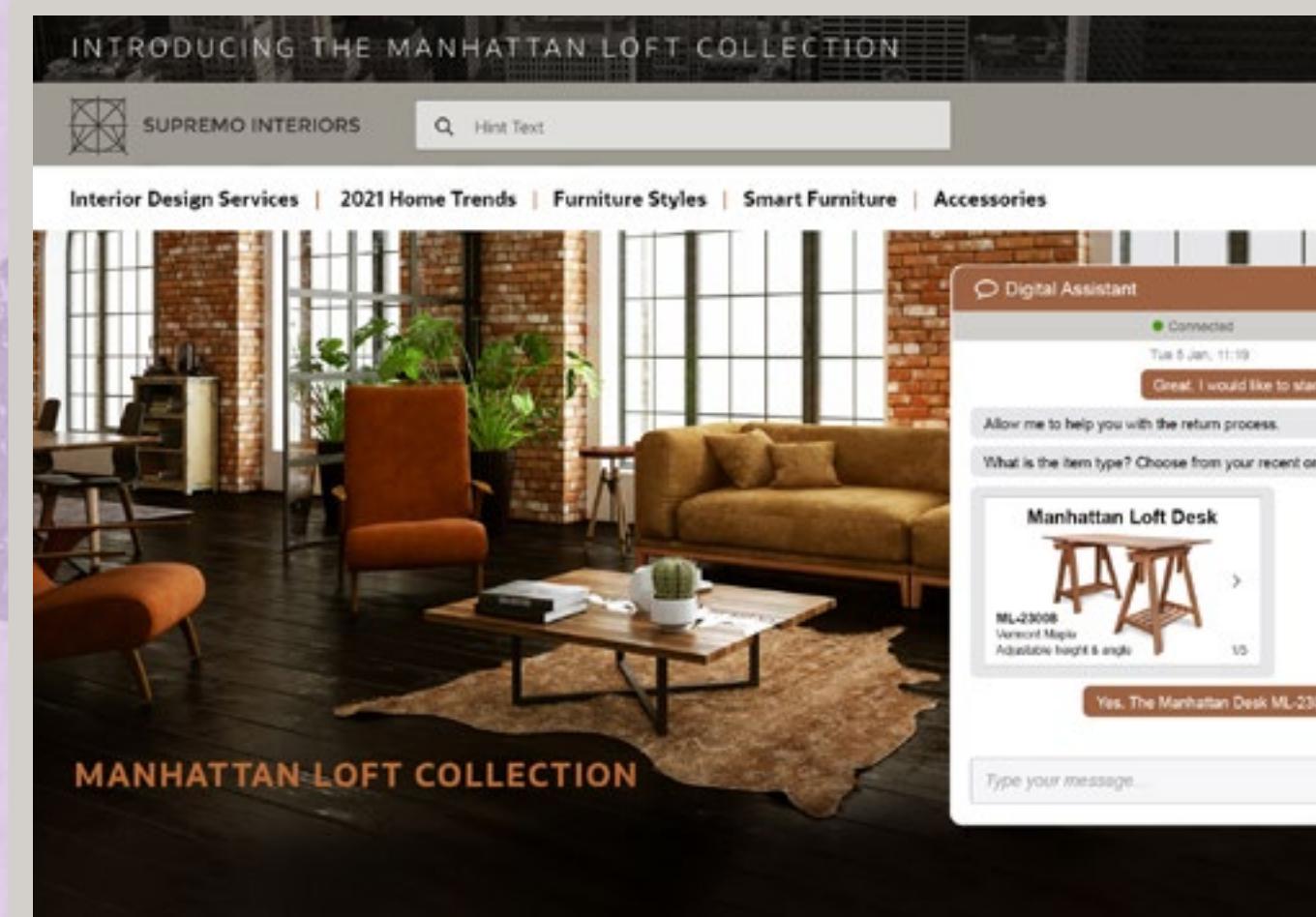
## 4. Stronger revenue generation

Without the additional burden of having to resolve repetitive service requests, top-performing agents can focus their talents on helping make service a revenue-generator.

# Deliver a modern digital service experience with Oracle

Resolve issues faster and enhance the service experience for customers and agents with features like digital cobrowsing, streamlined agent productivity tools, service A/B testing, and more with Oracle Digital Customer Service.

[Want to know \*\*more\*\*?](#)



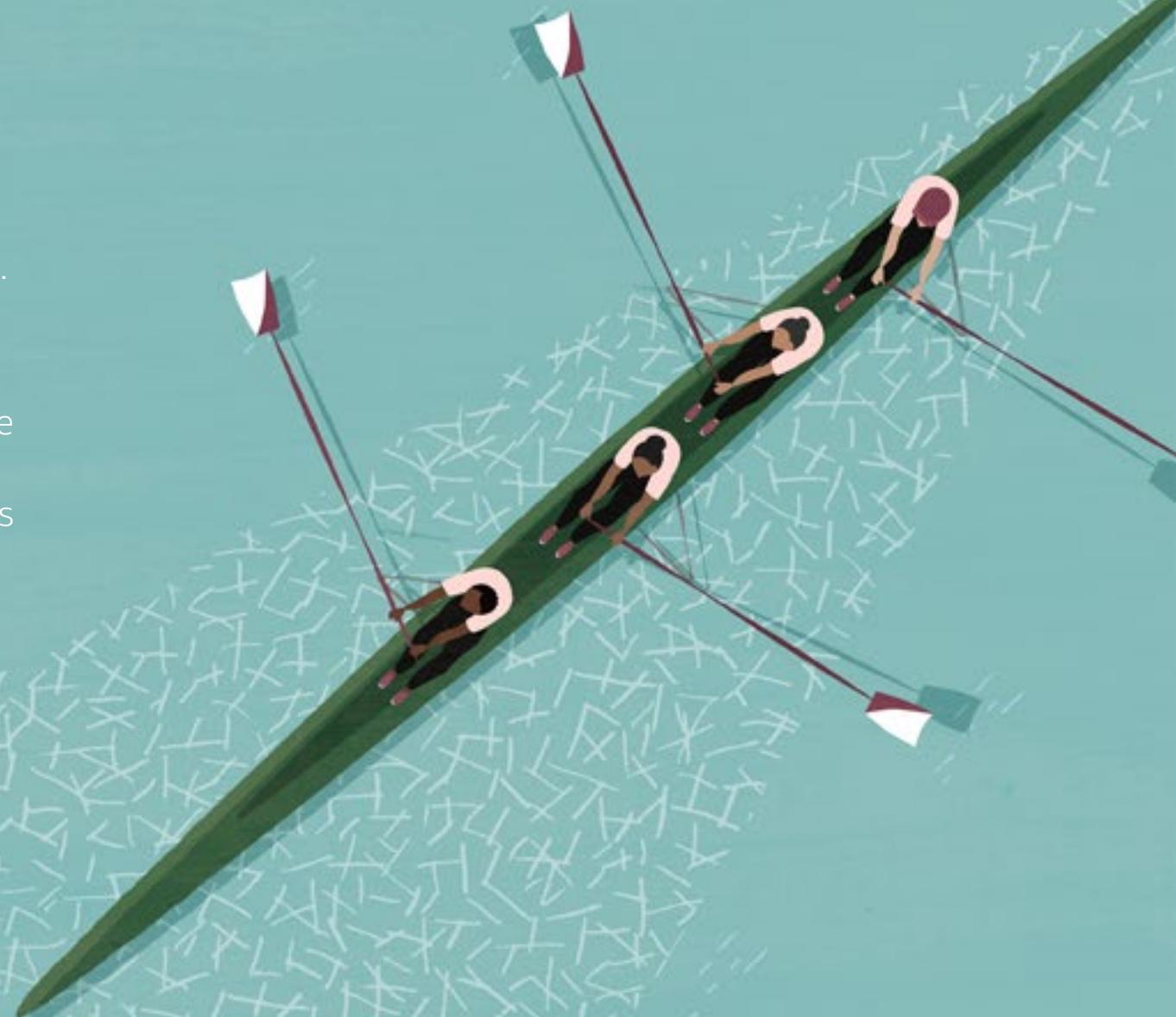
# To the experience-maker who's always moving forward

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 digital 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?

- [Blog: How to Blend Automated Service and Human Interaction for Frictionless Customer Experience](#)
- [Infographic: 6 Ways to Meet Your Customers' Digital Expectations](#)
- [Replay: Leading energy provider Exelon delivers great service with a mix of digital channels](#)



## About Oracle Advertising and CX

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 customer and every interaction, 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

1. ["Predictions 2021: Customer Service," Forrester Research, 2020](#)
2. ["2020 Global Customer Experience Benchmarking Report," NTT Data, last modified 2020](#)
3. ["Text Communication: The Next Generation of Business Communication 2019 Report," EZTexting, 2019](#)
4. ["Service Industries Can Fuel Growth by Making Digital Customer Experiences a Priority," McKinsey Digital, last updated April 2020](#)
5. ["This Fixable Problem Costs U.S. Businesses \\$1 Trillion," Gallup, last updated March 13, 2019](#)
6. ["Does Your Digital Customer Service Strategy Deliver?" Gartner, 2019](#)
7. ["Rethink Your Customer Service Strategy to Drive Self-Service," Gartner, 2019](#)

