

The Digital Tipping Point: How Are Organisations Balancing the Demands for Digital and Human Customer Service?

“It is both exciting and unnerving to participate in today’s business climate – a climate marked by changing customers, rapidly evolving technology and business model disruptions. The opportunity is at hand for leaders to consider the culture of customer engagement, how they will execute on it and what it means to their competitive differentiation. As the survey results indicate, there is a need to look past the top-line results of preference for the voice channel and ask “why?” What is deficient in the current offerings and how can an organisation bridge to the customer’s expectations?”

– Mary Wardley, Vice President, Enterprise Applications and CRM Software, IDC

There is no doubt that digital disruption is changing business. Smartphones and the mobile web have helped organisations reach customers and audience segments they never thought possible. It has also empowered customers to resolve service problems for themselves, enabling organisations to implement more cost-effective solutions and even automate elements of service. However, digital customer service poses a new challenge for organisations – how to strike the balance right between digital and more human customer service.

We set out to answer this question, polling more than 24,000 consumers and businesses across 12 countries as part of a study to compare and contrast how organisations’ investments match today’s customer expectations.*

Understanding Customer Preferences

Ultimately, a human element remains crucial to the customer experience. In fact, 79 percent of all consumers polled say that they want direct personal contact to remain part of customer service.

When given the choice of how to interact with organisations, picking up the phone or going in store are the most popular options. That said, consumers like to be given the ability to manage their accounts online. Email is the next most popular digital channel. When asked which communication channel consumers would prefer brands to offer, the most common responses are in store, online for account management and the telephone.

In contrast, when we asked businesses what channels they are planning to invest in, live chat and mobile apps ranked highest. And, in contrast to consumers’ preferred options, businesses



reported they are investing least in traditional channels – that is in branch and phone contact – demonstrating a desire to lead customers to a digital experience.

Looking Deeper at Customer Service and Behaviour

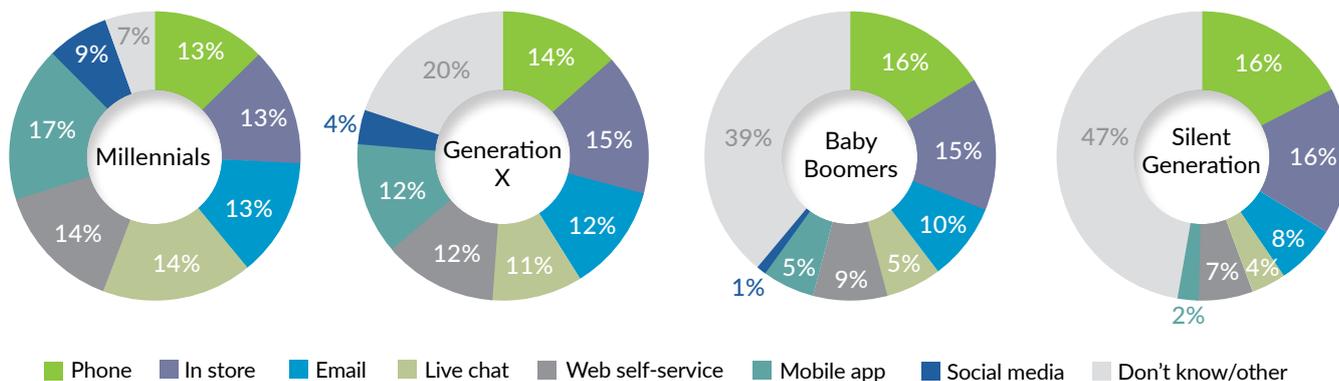
As we look into more specific customer service scenarios, we find a clear relationship between the complexity of the customer service situation and the demand for human interaction. For example, to investigate products or services, web self-service is the most popular channel. To give feedback, most will send an email, and to change account details, consumers are happy to manage their accounts themselves. When asking questions about bills, seeking technical assistance, registering a complaint or seeking a refund, consumers prefer to phone their service providers. And when it comes to closing accounts, the preferred channel is face-to-face in a store or branch.

What's Driving Digital Engagement?

The use of digital channels is largely being driven by two key factors: organisations trying to move customers onto new channels to reduce costs, and some customer segments looking to engage on new channels.

Following are channel preferences as shown from our research, distinguished by generation:

Service Channel Wanted Across Generation



What's Holding Digital Back?

Overall experiences need to improve before more consumers fully embrace the digital journey with organisations. When asked, 67 percent believe that customer service online and via mobile devices should be faster, more intuitive and better able to serve their needs. Meanwhile, only 44 percent of consumers say that digital and self-service customer service options provide a better overall experience.

Conclusions

There is no doubt that consumers want and expect a human element of customer service to remain in the future, as evidenced by our research. However, there also is an increasing appetite for digital services, which is only expected to increase as the spending power of Millennials and other younger generations continues to grow. The challenge for today's organisations is finding ways to improve the digital experience, while bringing in more human elements.

That said, there isn't a single "tipping point" in which digital or automated service will overtake human customer service. Rather, there is a need for a joined up and integrated customer journey that encompasses choice, trust, security, transparency and personalisation.

To learn more about this research – including further insights on the global findings, human versus digital channel preferences, and the role of data privacy, security and personalisation – visit verint.com/digital-tipping-point to download the full report.

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