

# Customers' lives are digital—but is your customer care still analog?

Operations June 2017

Digital customer care is still new territory for many companies. They can learn a lot from the natives.

**Today's customers expect** digital service. More and more are getting it, too, across sectors from telecommunications to banking and from utilities to retail. For example, telco customers conduct roughly 70 percent of their purchases either partly or wholly online—and 90 percent of their service requests as well.

The rapid shift to digital customer care (or e-care) should be good for everyone. Automation and self-service cuts transaction costs for providers. When e-care is done well, customers prefer it, too. Our research among telecommunications customers shows that customers who use digital channels for service transactions are one-third more satisfied, on average, than those who rely on traditional channels. And since companies that excel in customer satisfaction also tend to create more value for their shareholders, there is even more incentive to get e-care right.

Despite e-care's advantages, however, many companies struggle to give their customers a consistently good digital experience. The same research revealed that while more than two-fifths of service interactions with telecommunications companies begin on an e-care platform, only 15 percent are digital from start to finish. We've also found that use of digital service channels lags a long way behind awareness. In Europe, for example, 98 percent of mobile phone users in one survey knew their provider offered a service website, but only 37 percent made use of it. In the United States, meanwhile, only 18 percent of mobile users said they used their providers' online service platforms.

And e-care is getting more complex to implement. Not only do customers now want access to a fully comprehensive range of online service offerings—they also want to access these offerings using a variety of platforms, including both conventional web browsers and a growing pool of mobile devices and dedicated apps. Customers expect their experience to be continuous and consistent as they migrate from one platform to another, but they also want service options that make sense in the context in which they are asking for help.

Finally, customers are getting harder to impress. The rapid rise of “digital native” companies, such as Spotify or Uber, exposes customers to simple, streamlined user experiences designed

from the ground up for digital delivery. Established companies that build their e-care offerings and processes on top of, or alongside, more traditional channels often find it hard to meet the same standards.

That comparison is becoming increasingly important. When customers think about the e-care service they receive from their bank or phone company, they don't compare it with its competitors in the same industry but with the other digital services they use every day. When the online experience doesn't meet their expectations, customers go back to the phone. As a result, some telecoms companies have seen call-center volumes—and costs—rise as they attempt to move to a digital service model.

### **Making e-care work**

Companies that have been able to move more customer-care services to online channels and articulate strong e-care offerings excel across seven dimensions:

*Simplicity* starts with a clean, clear, and intuitive design that requires few mouse clicks or screen touches to achieve the desired task. The main functionalities are easy to find and well explained. The language is concise, simple, and easy to understand. Apple offers a wide range of products aimed at very different customers, for example, but its product information and support websites use the same clean, pared-down design, with key information presented clearly and more detail available with a minimum of clicks. In financial services, companies such as PayPal have dramatically simplified online payments, in many cases requiring only the recipient's email address or mobile-phone number as identification.

*Convenience* means customers are offered a wide variety of services and a choice of support channels. User interfaces are easy to navigate and critical information is not hidden within long pages or complex menu hierarchies. Even better are sites that use data intelligence to tailor page content dynamically based on who is accessing it. Similarly, biometric identification techniques using fingerprint or voiceprint technologies accelerate authentication steps and reduce the mental burden on users without comprising security. One telecom company has developed a dynamic FAQ system that suggests possible support articles as soon as a customer begins to type a query and that loads the most relevant content automatically without requiring a page refresh.

*Interactivity* reflects the fact that customers now expect their online experiences to be dynamic and interactive, with blogs, social-media feeds, user reviews, and customer forums all playing important roles in modern e-care. These are especially important for millennial consumers, who have grown up steeped in social media and online interactions. Accordingly, an active user community is central to UK-mobile-phone-network giffgaff's strategy. Users receive account credit for helping others with their queries, and individual community members are regularly highlighted on giffgaff's support website. One of the company's core product offerings—a bundle of text messages, voice minutes, and data known as a "goodybag"—was introduced

as a direct result of suggestions on user forums. Moreover, through interactive games and a cocreation system that lets users build new services for other community members, customers now help set giffgaff's direction.

*Consistency* is essential: customers require that the appearance, functionality, and information available in e-care services be consistent regardless of which device or software they use. Amazon, for example, shows customers essentially the same menus, the same links, and the same tone and language across all of its mobile and website channels, giving customers the same experience as they move from one channel to the next. This commitment significantly reduces any need for relearning after each switch—and any attendant digital friction.

*Value* results only if e-care works for the customer. Services must be designed to reflect the user's individual needs, rather than the company's internal processes, and must evolve as those needs change. One insurance company, for example, uses real-time rendering technology to create a customized video presentation of the coverage included in the customer's quotation. The video combines professionally scripted and presented content with customer-specific data drawn from multiple sources, and its content is adjusted based on the customer's choices and responses during the presentation.

*Desirability* is a product not only of a consistently appealing visual design but also of the tone and presentation of the site's content. Both usually require adaption to suit local tastes, which may require dramatically different choices depending on the specific context. For instance, Chinese websites are typically very crowded, with lots of information available, while sites in the United States and Western Europe tend toward a more streamlined aesthetic.

*Brand* is not just a label: it is how customers experience a company's products and services. Given that e-care has become one of the primary ways customers interact with a business, brand reinforcement should be a primary e-care goal rather than an afterthought. The best companies therefore integrate their brand values deeply into the design of their e-care offerings.

To buttress its message of providing exactly the services its customers need, one mobile-phone company has tailored its service experience to support unique "moments of truth" in the customer journey. Once a customer logs in, the website's navigation changes dynamically based not only on what the customer is doing but also on behavioral insights based on previous interactions with the company.

A customer who's usually pressed for time may see just three simple plan alternatives, cutting through the clutter, while one who wants to be assured of getting the best deal will see more detail on plan options, so she can feel in control. The site then guides the customer through activation steps, offers clear instructions on how to get the most from the service, and anticipates the most common questions with detailed answers.

### Measuring up

To understand how leading players measure up under this harsh scrutiny, we evaluated the e-care offerings of more than 20 major telecommunications companies across the world, covering both online services and dedicated apps. We tested half a dozen common service activities, including access to billing and consumption information, technical-support queries, and sales or upgrade queries.

Our approach looked at the way e-care platforms were designed and presented to the user, the functionalities on offer, and the information available within each of our target service activities. Under each of those three main concepts, we rated the offerings across the seven dimensions described above.

### Are you ahead of the pack?

Overall, our analysis should be sobering reading in all sectors for incumbents that are digitizing their customer-service offerings. We found only one area—the presentation of information using simple, jargon-free language—where most of the companies surveyed are demonstrating best practices. Elsewhere, we did find examples of best practices, but they have not been adopted by every company, and they are not always consistently applied even when they have been adopted.

The best websites and apps in our survey sample, for example, offer a wide range of services using a clear, easily understandable architecture that requires few clicks to access relevant content. Several, but by no means all, companies provide a convenient search function to help customers access technical support. Only a few make “search” the core navigation method for technical-support information.

Indeed, not many of the surveyed companies are taking full advantage of digital platforms’ unique capabilities. Interactive features such as support wizards or explanatory videos were rare. Only the very best-performing companies managed to integrate their e-care offerings seamlessly with live channels (such as e-calling or traditional telephone support) to create a truly multichannel experience. And just a handful have deployed the most advanced e-care technologies, such as artificial intelligence or chatbots.

For many of the services we evaluated, customer experience was inconsistent between web and app platforms. Apps sometimes offered less functionality and frequently provided less information than their web counterparts, which companies tended to position as the full-service option. On further examination, differences in look and function between apps and web often arose because of the relatively recent introduction of app offerings, or the use of different design and development teams.

### Best practice is not enough

As they move further into the digital world, many incumbents clearly have work to do to give their customers the best e-care experience. But that’s no reason to set their sights too low. Leading companies not only make their digital channels highly useful and consistent at every customer touchpoint—they also make them fun and emotionally appealing. They personalize

the experience and keep it relevant across the entire customer life cycle. For these top digital players, e-care doesn't just work, it builds a brand that engages and delights customers.



That's the standard, and it's lifting customer expectations for everyone else. To keep up, traditional companies must measure their own performance against the best of the best of best—and embrace a culture of rapid, continuous evolution and improvement. There's no time to lose. □

**Jorge Amar** is an associate partner in McKinsey's Stamford office, and **Hyo Yeon** is a partner in the New York office.

This article originally appeared on the McKinsey Operations Extranet.