



Covid-19: accelerating the future of customer service



Introduction

A spoof of a survey on digital transformation was making the rounds on LinkedIn in late March 2020, which looked a bit like this:

Who led the digital transformation of your company?

- CEO
- CTO
- Covid-19**

The humour in this spoof is that it will likely prove to not be too far from the truth – Covid-19 has necessitated that many organizations take digital transformation steps far larger and far faster than they otherwise would have, including moving entire workforces from office-based working to home-based working, transitioning from in-home customer appointments to virtual ones, scaling back resources/opening times of call centres, or closing them entirely.

It is the contact centre example that forms the subject of this white paper, not only because it is interesting to observe how call centres have been affected, but also how this may affect the longer-term future and digital transformation of customer services.

A perfect storm for call centres

Unfortunately, Covid-19 has placed many of the population under significant financial pressure. For example, nearly 1 million people in the UK have signed on for unemployment benefits since the lockdown began on 16 March.¹ Over the same time period in the USA, 9.95 million people signed up for unemployment benefits – more than the total number who had signed up in the previous 10 months.² Furthermore, in many countries governments have put financial support systems in place to prevent organizations laying off workers, but this can mean those workers will receive a lower wage than they otherwise would have.

Such financial pressure necessitates that individuals review their outgoings and expenditure, and for many organizations this has triggered a sudden increase in inbound calls to customer service teams (to terminate contracts, request a package downgrade, apply for a repayment holiday, or other form of help). Yet many customer service teams are having to run at a reduced capacity, adapt to new ways of working, and/or rely more on customer self-service and digital capabilities than before – changes that would have caused problems managing a business as usual level of inbound calls, let alone an unexpected upsurge.



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1. <https://www.ft.com/content/9f3661b9-14cb-472a-9246-d784d436ea52>

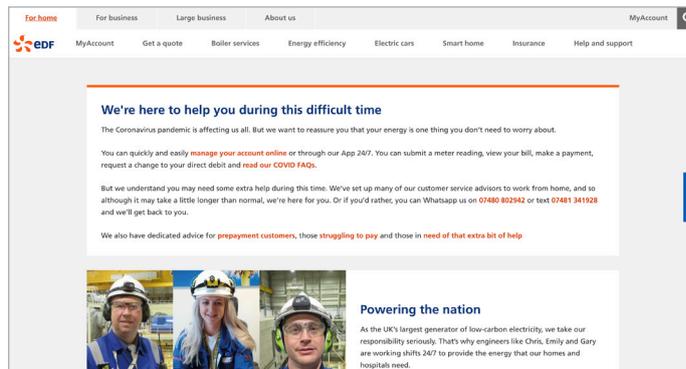
2. <https://www.theguardian.com/business/2020/apr/02/us-unemployment-coronavirus-economy>

Below are a few examples of how organizations are appealing to their customers to help them manage this perfect storm for call centres.

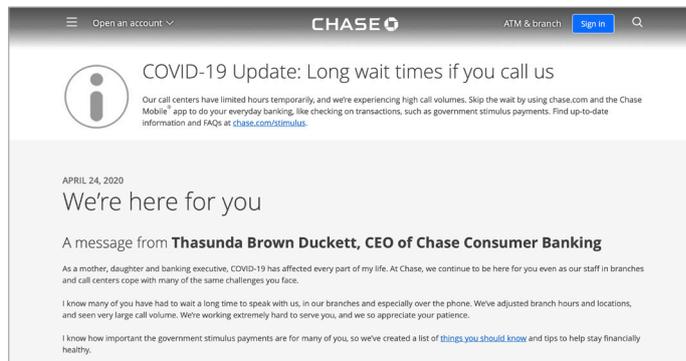
Sky prioritising calls from vulnerable customers, those over 70 and key workers



EDF advising that contact centres have reduced capacity or closed entirely



Chase bank advising customers that customer might experience long wait times



What is notable in each of the above examples, as well as others reviewed for this paper, is that nearly all encourage customers to self-serve through digital channels and the virtual assistants that sit within them. Indeed, this transition to self-service is a primary focus of 'digital transformation' in customer services, primarily because operating call centres is an expensive overhead – the cost of resolving a customer enquiry with a human-led interaction is 80 to 100 times more than a self-service interaction.³

For simplicity, references to self-service in the sections that follow include the use of inbound chatbots, routing of IVR to self-help, knowledge management and other digital channels/tools.

3. <https://www.gartner.com/smarterwithgartner/rethink-customer-service-strategy-drive-self-service/>



Accelerating the drive to self-service

Although the cost benefits of increasing self-service are clear, the costs of poor execution are extremely high; driving customers to self-service channels that do not perform adequately while simultaneously making it harder to speak to a human agent can frustrate customers and increase their effort considerably, and increased customer effort results in disloyal customers – for example, Gartner research found that *“ninety-six percent of customers with a high-effort service interaction become more disloyal”*.⁴ Furthermore, consider that in 2019, Gartner found that *“70% of customers are using self-service channels at some point in their resolution journey. Unfortunately, only 9% can fully resolve their issues via self-service channels”*.⁵ It is for this reason that, prior to Covid-19, organizations had to tread a careful path when introducing self-service, including encouraging use rather than mandating it, and not hiding the human agent entirely.

However, as shown in the examples above, Covid-19 has forced organizations to push the majority of customers to self-service far faster and more abruptly than they otherwise would have. Under normal circumstances this would be highly risky, but these are quite obviously not normal circumstances and so customers may be more understanding and tolerant (as competitors are facing the same issues, so the customer experience is unlikely going to be improved by switching), at least temporarily. In other words, Covid-19 has afforded organizations the opportunity to run an experiment that will allow them to understand how well developed their self-service approach is and expose where the weak points are. It has also enabled organizations to overcome some of the typical blockers of digital transformation and forced the adoption of best practices for digital transformation – a recent Harvard Business Review article noted that *“the process of digital transformation is inherently uncertain: changes need to be made provisionally and then adjusted; decisions need to be made quickly; and groups from all over the organization need to get involved. As a result, traditional hierarchies get in the way.”*⁶

4. <https://www.gartner.com/smarterwithgartner/unveiling-the-new-and-improved-customer-effort-score/>

5. <https://www.gartner.com/smarterwithgartner/rethink-customer-service-strategy-drive-self-service/>

6. <https://hbr.org/2019/03/digital-transformation-is-not-about-technology>

Covid-19 necessitated fast decision making and no time for hierarchies to get in the way. What remains to be seen is the extent to which organizations will adjust and adapt their approaches over the course of the pandemic, for example deploying more competent virtual assistants, enhanced knowledge management, and the adoption of proactive customer service to prevent the need for self-service in the first place. In part this will be the result of the viewpoint of management – not all will view this experiment as an opportunity to learn and improve, but instead something that they need to endure and get through.

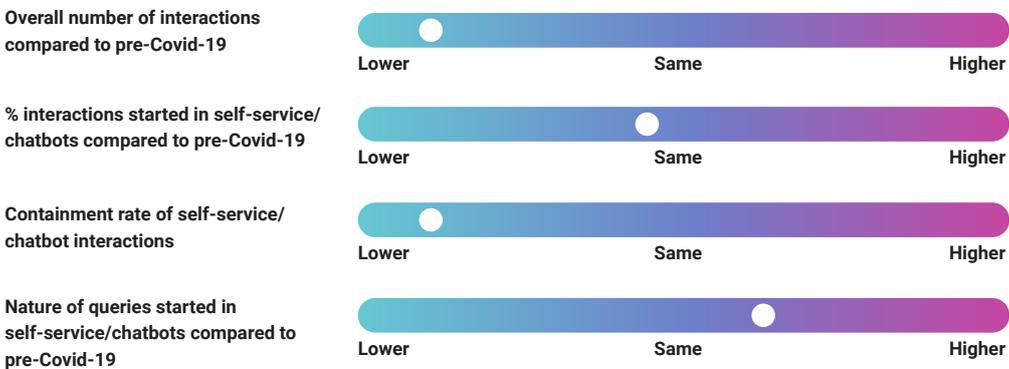
Temporary acceptance, permanent frustration

A Deloitte survey from 2019 found that “42% of organizations reported “Customer Acceptance” as the biggest challenge impacting their ability to use chatbots”.⁷ As noted earlier, customers may be temporarily accepting of having to use chatbots and other self-service tools, but, much like governments, organizations must consider carefully their exit strategy from Covid-19 and avoid turning temporary acceptance into permanent frustration - it would be all too easy to assume that customers have adjusted to a new normal, but when restrictions are lifted, customer expectations will change and acceptance of higher effort customer services will reduce, e.g. tolerance for using challenging/confusing self-service functionality, or partially capable virtual assistants/chatbots.

It is likely that three types of customer service Covid-19 exit strategy will emerge: (i) revert back, (ii) embrace the change and push digital transformation further, and (iii) don't revert, but equally don't push forward. The strategy adopted will depend on how successful self-service capabilities have been, but that success needs to be assessed carefully. Metrics such as ‘containment rate’ (how many self-service interactions did not trigger a need for human intervention) or ‘inbound call reduction’ and ‘overall interactions’ are important. Figure 1 below highlights how these metrics can be used to determine success from a technology point of view.

Figure 1

Technical success metrics for self-service and chatbots



7. <https://www2.deloitte.com/content/dam/Deloitte/de/Documents/financial-services/deloitte-survey-chat-talk-touch.pdf>

Figure 1 (continued)

Example scenarios and their associated considerations are outlined in the table below:

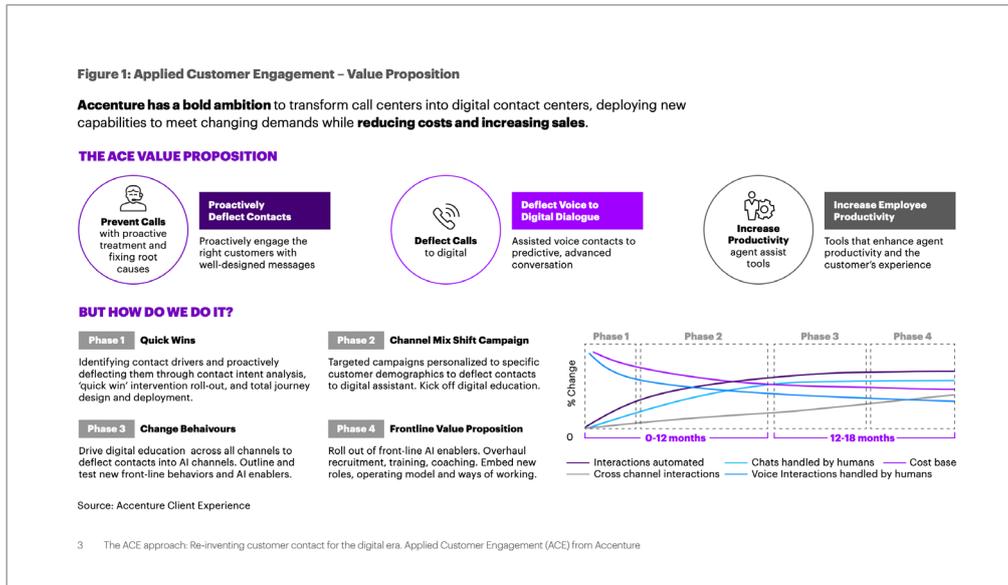
Overall number of interactions compared to pre-Covid-19	% interactions started in self-service compared to pre-Covid-19	Containment rate of self-service interactions	Nature of queries started in self-service compared to pre-Covid-19	Consideration
Same	Higher	Medium	Same	The same overall number of interactions, but with more started in self-service indicates customer willingness to use these channels. Medium containment is also a good result given the higher-than-usual usage. Organizations with this scenario are in a good position to push on with digital transformation.
Lower	Higher	High	Simpler	A higher % of self-service interactions and high containment on the face of it seems good, but a lower overall number of interactions and simpler nature of queries is indicative of customers holding back on complex queries – although a positive result in the near-term, it does not mean that current capabilities will be up to the task in the long run.
Same	Higher	Low	More complex	This is indicative of self-service not being fit for purpose, and likely driving frustration. Organizations in this scenario should evaluate and evolve their self-service capability and should not push customers into self-service channels until the Covid-19 crisis has passed, or capability is significantly enhanced.

However, it is possible that, even if the way in which customer services adapted to Covid-19 was considered a technical success (e.g. a similar number of interactions to pre-Covid-19, but higher self-service with medium/high containment), it is still possible that customers are not happy or satisfied with their experience, i.e. they are accepting it temporarily. A measure that differentiates temporary acceptance from enduring acceptance of the new approaches adopted must also be included in decision-making around exit strategies. The data for such a measure needs to be gathered separately to typical Voice of the Customer post-call surveys (the 'how did we do' or 'rate your experience' type questions), as these will not provide a true indication of enduring acceptance – the customer needs to be asked a question explicitly framed around enduring acceptance or satisfaction with the customer service experience they had during Covid-19.

How the future might look

The future of customer services has and continues to be a drive to self-service. For example, take Accenture’s Applied Customer Engagement (ACE) framework for the transformation of call centres, and Gartner’s recently published top 10 actions for improving digital and self-service effectiveness.

Accenture’s Applied Customer Engagement proposition ⁸



Gartner’s top 10 actions for improving digital & self-service effectiveness ⁹

Top 10 Actions Improving Digital & Self-Service Effectiveness		
		1 Proactive Outbound Messaging
2 Provide Consistent Messaging	3 Prioritize VoC Analytics	4 Showcase Support Content
5 Deploy Chatbots	6 Update IVR Experience	7 Promote Digital Self-Service
8 Simplify Authentication	9 Deploy Robotic Process Automation	10 Audit Service

8. https://www.accenture.com/_acnmedia/pdf-107/accenture-applied-customer-engagement-reinventing-customer-contact-digital-era.pdf

9. http://public2.brighttalk.com/resource/core/264201/apr22jenkinsquaglietta_586450.pdf

The ACE value proposition and approach pre-dated Covid-19, but proactively deflecting contacts, deflecting voice to digital dialogue, and increasing employee productivity are eminently sensible and enduring. Similarly, Gartner's top 10 actions for improving digital & self-service effectiveness, although presented in April 2020, are not driven by Covid-19, but instead intended to help organizations to take advantage of the current focus on digital and self-service to expedite taking the best actions to improve on the current state of these capabilities/channels.

Rather than fundamentally changing the future of customer services, Covid-19 will accelerate that future; it will be seen to have driven digital transformation as opposed to fundamentally changing the goals of that transformation, albeit with one key exception: where human agents work – one of the biggest challenges presented by Covid-19 has been that call centres have had to close for social distancing/employee protection reasons, but many organizations have not been set up to enable those agents to work from home.

Enabling agents to work from home not only makes sense from a business continuity point of view, but it could also open up access to a new and geographically unconstrained workforce with the desired skills and experience to handle complex queries and, with no time wasted on tiresome commuting, likely a more productive one. Enabling agents to work from home while ensuring data security and quality standards are met should be a key addition to digital transformation plans as a result of Covid-19.

Conclusion

Increasing the number of interactions handled through digital channels and self-service has and will continue to be a key objective of the digital transformation of customer services, but Covid-19 has forced organizations to push their customers to use them far more abruptly than would ever be recommended under normal circumstances.

Although the customer service teams of organizations will experience mixed levels of success/discomfort, all will learn valuable lessons that will shape the speed and quality of their post-Covid-19 digital transformation. As noted earlier in this paper, key to making the right decisions is understanding how truly successful self-service has been. This involves asking key questions such as:

- **What was the overall number of interactions compared to pre-Covid-19?**
- **What percentage of interactions started in self-service compared to pre-Covid-19?**
- **What is the containment rate of self-service interactions?**
- **What is the nature of queries started in self-service compared to pre Covid-19?**

- **Will our customers have enduring acceptance of self-service as it currently stands?**
- **How easy is it for our call centre agents to work remotely while maintaining data security and quality standards?**

The organizations that manage to assess both success from a technological point of view as well as enduring customer acceptance will adopt the best and most successful digital transformation strategies – for some organizations it will be a case of ‘onwards and upwards’, whereas for other it may be ‘we need to go back to the drawing board’.

However, no matter how capable self-service becomes, there will always be a need for human agents. Yes, the better and more widely adopted/accepted self-service becomes, the fewer the number of human agents that will be needed, but those agents will need to be highly-skilled to deal with the complex queries that cannot be handled by even the best self-service technologies, and maybe, just maybe, these agents will all work productively from home.



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