



Everything you need to know about customer service in the digital world

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If there is one department that has undergone significant changes with the rise of technology, it's customer service. While a few decades ago you mainly had personal 1:1 contact through shops and offices, customer service has rapidly become digitalized.

In this comprehensive article, you'll discover everything you need to know about customer service in today's digital world:

- What is customer service?
 - What role does customer service play in the digital world?
 - The importance of customer service
 - What do you need for good customer service?
 - The impact of customer satisfaction on business success
- Trends and developments in customer service
 - Rise of self-service options
 - Customer service personalization
 - Influence of social media and digitalization on customer service
 - The rise of AI in customer service

In brief

Customer service is the first point of contact for (potential) customers at companies and organizations. The way of working has changed rapidly in recent decades due to the increasing influence of technology. Developments in the field of social media, self-service, omnichannel platforms and AI have a major influence on this. On the one hand, they help employees to do their work more efficiently and spend less time on simple and repetitive tasks and questions. On the other hand, it is important to carefully monitor the balance between automation and personal attention. Because the influence of customer service on customer satisfaction and brand experience is significant.

What is customer service?

The name of the department already indicates it; here you can ask all questions regarding the purchasing process of services and/or products. Before, during and after the purchase. Because customer service is a point of contact for both existing customers and potential customers.

From personal contact

Before customer service became a real department, customer contact was mainly personal through shops and offices. Subsequently, channels such as post, telephone and fax were added. Channels that have largely disappeared due to the rise of technology. Shops and offices increasingly sell their products and services online and customer contact changed subsequently.

To remote contact

You can still go to stores or service offices with certain questions about products and/or services. But nowadays customer contact often takes place remotely. For example, via telephone, video calling, (chat)bots, social media and messaging channels. And it is expected that this digitalization will only increase further.

What role does customer service play in the digital world?

In today's digital world, customer service plays a crucial role in creating a positive brand experience and maintaining customer loyalty. It is the first point of contact for (potential) customers and often functions as a front office. This also makes it a department that partly determines the reputation of a company, brand or organization.

More than answering questions

Customer service does more than answer questions and solve problems. This department plays a crucial role in several areas:

- **Customer satisfaction and customer retention:** Effective customer service contributes to positive customer experiences, which leads to higher customer satisfaction and customer retention. Satisfied customers are more likely to return and can even generate positive word-of-mouth referrals, strengthening your company's reputation.
- **Troubleshooting and conflict management:** Customer service is responsible for resolving issues and managing conflicts that may arise during interactions between customers and the company. By responding quickly and effectively to complaints and concerns, your customer service can minimize any negative impact and restore the relationship with the customer.
- **Customer retention and revenue:** Customer service plays a crucial role in retaining existing customers and creating long-term value for your business. By proactively responding to customer needs and expectations, and providing valuable support and services, customer service helps build long-term relationships with your customers and encourage repeat purchases.
- **Feedback collection:** Customer service often serves as an important channel for collecting customer feedback about products, services, and the overall customer experience. They are the eyes and ears of your company. This feedback provides valuable insights into customer needs, expectations and pain points, which can lead to improvements and innovations.

Shift from simple to complex

Due to the emergence of new technologies, you see a shift in the processes and activities in this department. Simple questions, such as opening hours, address changes, delivery times or availability, are increasingly answered by technology (or bots). This makes the work of agents more varied, as they handle the more complex and urgent questions.

Education and knowledge level is increasing

In the coming years you will therefore see that the education and knowledge level of agents increases. Customer service employees are increasingly becoming the eyes and ears of an organization. As the first point of contact, they gain valuable insights about customers and their expectations. They have an increasingly complete picture of what is going on and can respond efficiently. This also increases the service level.

Customer focus and culture

That development is highly dependent on the customer focus and culture of your company. As a company, do you indeed see the added value of customer service for long-term success and are you willing to invest in it or do you view customer service as a necessary evil that should cost as little as possible?

Service as an integral part of your business

By emphasizing customer centricity and the importance of positive customer experiences within your company, you promote a culture of customer centricity that permeates all aspects of the organization, from product development to marketing and sales. In this way, it is an indispensable aspect of your business that is not just limited to customer service.

The importance of customer service

Customers often see customer service as an important indicator of a company's overall quality and its willingness to meet their needs. A positive customer service experience can therefore lead to higher customer satisfaction, repeat purchases and positive recommendations to others, while a negative experience can have the opposite effect and even lead to customer loss.

Distinguish from competitors

It is therefore important to take customer service seriously and see it as added value to your company and turnover, rather than a cost item. In an age where products and services are increasingly interchangeable, providing high-quality customer service can set you apart from your competitors who don't.

Influence of social and online media

The influence of social and online media is huge. Going viral unexpectedly due to a negative experience can have a major impact on the reputation of your company. How different can things be if you think of customer service employees as an important asset to your company and give them the opportunity and freedom to make a difference. Just think of experiences that are shared online when, for example, someone is positively surprised by a company. This enables you to turn around any negative atmosphere around your company.

Need the right tools

To do this well, your employees need the right tools. Consider, among other things, an omnichannel platform in which they can easily and quickly access all information about customers and contact history. As well as monitor the sentiment on the various channels and be quickly informed through notifications of matters that may require extra attention.

Balance between automation and personal contact

Ideally, the customer contact mix therefore consists of a combination of automated, digital and personal channels. By automating where possible and being personal where necessary, you create an optimal customer experience that is crucial for customer satisfaction and reputation. Good customer service entices and contributes to more sales and loyal customers.

What do you need for good customer service?

To provide good customer service, it is important that your customer service can work effectively and efficiently. Nowadays, as a company you have constant and rapid contact with customers through various channels. Both personal and digital. How do you manage this so that your employees can easily provide good customer service?

The characteristics of good customer service

Before we dive into managing all those interactions, what exactly is good customer service? Good customer service is characterized by several factors, such as:

- **Reachability:** Customers should be able to easily reach the company through multiple channels, such as phone, email, social media, and live chat.
- **Responsiveness:** Fast response times are crucial. Customers expect their questions and problems to be addressed within a reasonable period of time.
- **Expertise:** Customer service representatives must be knowledgeable about the company's products and services to provide effective assistance.
- **Empathy:** Showing understanding and compassion for the customer's situation is essential for a positive experience.
- **Personal approach:** Customers appreciate a personal approach. This means that the service must be tailored to their individual needs.
- **Proactive support:** Preferably, problems are prevented before they arise, for example by making frequently asked questions or manuals available and proactively informing customers.

Streamline and manage interactions

To meet those characteristics, it's important that customer service agents have access to the right systems and can easily streamline and manage interactions. While customer service once started with personal service in a store and telephony, the number of channels has grown exponentially in recent years. Email, messaging, social media, live chat, chatbots, video chat. More and more organizations want to be available on the channels that their (potential) customers like to use. And that doesn't happen automatically.

From multichannel to omnichannel

In recent years, more and more customer services have therefore made the switch to working with an omnichannel platform. No more different tools to manage those channels and interactions, but all in one. And that comes with a lot of advantages:

- More overview and insight because all data is available in one place
- Saves time because employees no longer have to switch between different systems and because supervisors have overview and insight at all times
- Significant cost savings because fewer tools are required
- It makes it easier to add new channels

And because these tools are cloud-based, it doesn't matter where and when your employees are working

Effortless integrations

In addition, many omnichannel customer contact packages have integrations with CRM and ticketing software such as Salesforce, Zoho CRM, SugarCRM, Zendesk, Microsoft Dynamics 365, Hubspot and more. This makes the work of your employees and supervisors even easier. Customer contact details, interactions and history are easily and directly available, allowing employees to work more effectively and efficiently and customers to receive optimal service.

Implement step-by-step

An omnichannel platform sounds like a lot of hassle and a significant investment, but it doesn't have to be. You don't have to switch completely in one go. A new platform can also be implemented step-by-step: per channel, product group, location or external integration. This way you gain experience, while everyone can get used to the platform. During this switchover, the other tools can be shut down one by one, including additional software that you use, for example, to collect and manage the data from other tools. This ultimately saves a lot of time and money.

The impact of customer satisfaction on business success

In recent years, more and more customer services have made the switch from reactive to proactive working. No longer waiting for questions or problems to arise, but rather preventing them. This saves a lot of frustration and complaints and therefore has a positive influence on customer satisfaction and the success of your company.

The risk of reactive working

Traditionally, many customer service departments worked mainly reactively. They solve problems as they arise and only meet customer needs after the customer has made them clear. Customers prefer to solve their problem themselves and if that doesn't work, they don't want to be sent from pillar to post or have to wait a long time.

Prevention is better than cure

Due to all the data collected using new tools and techniques, customer services and organizations are increasingly better informed about the needs and wishes of customers. This enables them to anticipate them, even before customers are aware of it. Clear information provision and smartly deployed automation then play an important role in creating the positive experience that customers expect from organizations today. Surprise instead of frustration.

What are the benefits of a proactive customer approach?

As you can imagine, this approach offers several advantages:

- Improving important customer service KPIs such as NPS/customer satisfaction, CX/customer experience and customer lifetime value
- Reduction of the number of interactions and the pressure on customer service and employees by proactively solving questions and problems
- Cost savings through shorter waiting and calling times and reduction of tickets
- Increasing conversion and sales because customer service can respond more quickly to problems during these processes

Put the customer first

Proactive customer approach is mainly about understanding and insight. Knowing and understanding what is going on with (potential) customers and responding accordingly. To do this well, it is important that the customer comes first in everything the company does. This is also called the customer first strategy. Companies that use this strategy use customer wishes and experiences as input for actions and decisions. Because they influence the customer experience. This strategy, if properly implemented, improves customer satisfaction, ensures that customers stay longer and/or return more often and leads to growth.

Customer first strategy

To build that customer first strategy, 4 steps are essential. It starts with a customer-first element in your complete business strategy. This means the customer comes first in everything you do in your company and in every decision you make. In addition, you ensure that an omnichannel customer contact platform is the basis of your tech stack for more overview and insight because all data from all channels is available in one place.

Keep improving

There are many metrics that you can manage within customer service. Don't just use these as an indicator, but also continuously analyze them from an improvement perspective. If you improve the information provision, does the number of tickets really decrease? And also use the technology of an omnichannel platform to collect feedback and learn from it.

From customers to fans

Ultimately, it's all about creating a positive customer experience. The better you know what is going on and what may arise, the better you can respond to it. Companies like the Dutch Coolblue are so successful for good reason. They are on top of that experience, in everything they do. Surprise instead of frustrate. Empathy over speed, especially when it is complicated or urgent. This is how you turn customers into fans who remain customers.

Trends and developments in customer service

Customer service is a rapidly developing industry in which trends and new developments arise one after the other quickly. And in which, despite the rapid rise of automation, a channel such as telephony still remains popular. Especially for urgent and/or complicated questions.

Balance between personal and automated contact

It is therefore important to keep a close eye on the balance between personal and automated contact. And to make smart choices and combinations, also from a financial point of view. Otherwise you will scare your customers away and run the risk of spending a lot of money on tools that you do not need or that cannot be integrated.

What trends and developments are we currently seeing in the market and what can you do with them?

The rise of self-service

If it were up to your (potential) customer, they would sort out everything themselves and not need customer service at all. But unfortunately that's not always possible. What can you do as a company to facilitate this as much as possible and thus relieve the pressure on your customer service?

Self-service provides many advantages

In addition to relieving that pressure, self-service also saves you time (and therefore money). Self-service has a positive influence on customer satisfaction and provides various opportunities for continuous improvement. And it also makes your customers happy. They prefer to solve their problems easily and quickly themselves, rather than contacting customer service. This way they are never dependent on opening hours, etc. and they have everything in their own hands.

What options are there?

There are several different options to facilitate self-service. And yet we see that these are not always used. Not even the most basic as a frequently asked questions section. You can choose between letting your customers do everything themselves or combining it smartly with automation.

Do It Yourself: knowledge bases, FAQs (Frequently Asked Questions) and self-service portals

Tools like knowledge bases, FAQs and self-service portals are all quick, easy and efficient ways for customers to find answers to their questions and solve problems. Here they find information, manuals, tutorials, answers to frequently asked questions, forms, etc. And in a portal they can adjust their data, view history, track orders and service requests and much more. By using such tools you can easily increase customer satisfaction, improve efficiency and reduce the pressure on your customer service.

Do it yourself combined with automation: (chat)bots and conversational AI

Knowledge bases and the like are of course very useful, but customers sometimes have difficulty solving their questions, especially with extensive knowledge bases. What category does this fall under? Where can I change my details? You probably know the questions yourself.

If you get a lot of these types of questions, it is more effective and efficient to combine such options with automation. For example, use a chatbot that looks up the answers for your customers in those knowledge bases, etc. And refers them to the correct manual, form, place to adjust their data, by indicating the correct link or path in the chat.

This can also be done via speech. Your customer thinks he is having a telephone conversation with an employee, but is it actually a bot. This conversational AI also offers an easy way to replace those hated IVRs. Your customer asks the bot the question (without them realizing it) and they are transferred to the right department/employee. In that case, the bot can even request relevant information from the caller, so the employee has that information directly on his or her screen. This saves the employee time and the customer has the feeling that he/she is being assisted faster.

Ensure continuous improvement

There is only one but; such tools are only effective and efficient if they are properly managed and maintained. If the information is not relevant and up to date, it will cause more complaints and problems than benefits. If you want to use such options effectively, make sure that management and maintenance are properly arranged. And that continuous improvements are made based on insights you gain by analyzing the use of self-service.

And combine it with human support

In addition to keeping things up to date, it is also important that human support can be called in at any point in the digital customer journey. If the bot cannot resolve the customer question satisfactorily, you ensure that you can switch to a conversation with a person. Both digitally and by telephone. If the waiting times are too long or it takes place outside opening hours, provide the option of a call back the next day. This way you keep the balance between automation and personal contact, while alleviating the pressure on customer service.

Customer service personalization

Personalization is becoming increasingly important in customer service. With personalization, you tailor the customer service experience to the customer's needs, preferences and characteristics. It is a way to make the interactions between your company and your customers more relevant, efficient and better suited to your customer's expectations.

Customized experience

With personalization, you use customer data and AI to make personalized recommendations, provide tailor-made support and deliver relevant communication that meets the individual needs and preferences of customers. You can do this in different ways:

- **Consistent experience:** Customers expect a consistent experience across all channels, whether they reach out via phone, email, chat or social media. By working with an omnichannel customer contact platform, customer interactions are seamlessly integrated, ensuring a consistent and personalized customer experience.
- **Personalized communication:** Your customers have names and are not numbers. During interactions, refer to your customers by name, mention previous purchase history or interactions, make relevant additional offers or recommendations based on their interests and preferences, and provide assistance with related issues.
- **Adaptation to preferred channels:** Customers often prefer specific communication channels. So provide customers the opportunity to contact you via their preferred channels and also respond via the customer's preferred channel.
- **Predictive personalization:** Data analysis and predictive modeling allow you to anticipate customer needs and behaviors. This way you can provide personalized service before the customer even asks for it. For example by making recommendations for products or services based on previous purchases or by proactively providing support for possible problems.

Which tools do you use for this?

There are various tools that can support you with personalization. By working with an omnichannel customer contact platform, employees manage all interactions via the various channels easily and efficiently. You can also easily add new channels. By integrating such a platform with your CRM (relationship management), your employees also immediately have customer history and background information at hand. Such an omnichannel platform often comes with extensive data analysis options and insight into what customers have already searched for via self-service.

Improves important KPIs

These types of personalizations improve the service experience, increase customer satisfaction and improve the overall feeling of a company. Which of course has a positive influence on repeat purchases and loyalty. It also saves a lot of frustration for both employees and customers. Win win.

Influence of social media and digitalization on customer service

The influence and reach of social media has grown considerably in recent decades. This has an impact on the way you provide customer service and how you interact with your customers. And increasing digitalization also contributes to this. In what ways does this influence customer service?

Communication channel

Customer service deals with social media in different ways. You probably use one or more social media channels for customer contact and this way (potential) customers can contact you with questions, problems and complaints. Easy and fast because they regularly use these channels in their daily lives.

Share experiences

Customers can also use those same channels to share their experiences. Both positive and negative and visible to everyone active on those channels. Monitoring these types of experiences is therefore important, so customer service can respond quickly and adequately to prevent reputational damage and maintain confidence in your company.

Continuous feedback

All these experiences also provide your company with a continuous stream of feedback. You monitor not only to prevent reputational damage, but also for feedback about your company, products and/or services. This provides valuable insights that you can use for possible improvements.

Customer engagement

Social media also provides you the opportunity to build a strong bond with your customers through engagement, interaction and sharing relevant content. Active listening, responding to questions and comments and sharing valuable content contributes to a positive brand experience and customer loyalty.

Transformation through digitalization

Customer service has changed considerably in recent decades, due to both social media and increasing digitalization. Digitalization has led to a multitude of communication channels and various new tools to manage interactions via these channels. And it also enables companies to be available 24/7 via automated channels and chatbots, for example.

Improving efficiency

Digitalization enables you to automate several routine customer service tasks, such as answering frequently asked questions, routing calls, and handling simple requests. This improves the efficiency of various customer service processes, reduces waiting times and gives employees more time for urgent and complex requests.

Improved customer experience

These types of improvements provide customers more convenience, speed and personalization. This enables them to easily find answers to their questions, receive help faster and benefit from personalized recommendations and support. And that, in turn, has a positive impact on the customer experience. Provided that the balance between automated and personal contact is properly monitored.

The rise of AI in customer service

Nowadays, AI is being used in more and more places, including customer service. This significantly changes the way companies provide customer service. We wrote an extensive blog about this before. Below you can read a short summary of this.

Benefits of AI

More and more customer services are using conversational AI. Consider techniques such as speech-to-text routing, chatbots (speech-to-text and text-to-speech) and authentication via speech instead of keying. What are the advantages of this?

- Improves efficiency and scalability as AI systems can handle thousands of customer queries simultaneously without getting tired
- Saves costs because AI takes over tasks from employees
- Increases availability because your tools such as bots can be available 24/7
- Provides various options for advanced personalization
- Leads to faster problem resolution because customers don't have to wait as long and bots can also help with self-service, for example
- Proactively implement improvements because AI analysis provides valuable insights into trends, customer satisfaction and possible problems

Disadvantages and risks of AI

The use of AI in customer service is also not without risks.

Implementing these tools is something that must be done carefully and deliberately. What risks and disadvantages should you be alert to?

- Lack of human contact, so pay close attention to the balance between automated and personal contact
- Complexity of implementation, both technically and the way of working. Don't be too quick to think that you can do this yourself, but seek professional guidance to prevent problems
- Risk of errors and malfunctions, it is technology so human supervision remains necessary
- To prevent privacy concerns and ethical questions, strict privacy and security measures are also necessary

The developments continue

As we have seen in recent decades, there are constantly new technological developments being applied within customer service. On the one hand to improve the experience of consumers and agents, on the other hand to make work more efficient and save costs. These technological developments will not stop. Developments in AI are still in their infancy stage and expectations are high. The speed at which these innovations come to fruition and play a significant role in improving experience and increasing productivity is unprecedented. At Sound of Data we keep a close eye on these developments and ensure that we move along so that we continue to deliver on our promise: optimal accessibility of your customer service, anywhere in the world, via any channel.

What suits your customer service?

Every company is different, and so is the contact with the customer. Would you like to know more about the solutions mentioned? Or do you have another problem within your contact center? Contact us! We are happy to advise and support you as your independent partner in customer contact solutions.



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