2015
Customer Service Trends to Watch
Introduction

“For tomorrow belongs to the people who prepare for it today.”

Customer service delivery channels are now increasing and evolving at a dizzying pace. In parallel, customer expectations are also changing and increasing. This means customer-centric brands must operate in a constant state of awareness and adaptation while maintaining a focus on serving the customer’s immediate needs.

This e-book from Parature, from Microsoft focuses on five top customer service trends all brands and organizations should be taking note of in 2015. Some of these trends are notably not new, but like customer-centric brands, are evolving to better fit the future needs of the customer.

Other trends, such as the Internet of Things (IoT), are the next big challenge for customer service and support. If you think there are too many customer service channels today, just wait until more than 25 billion network or internet-enabled devices are connected in a brave new world of customer engagement...

We hope you’ll find this look at top trends shaping the future of customer service useful, as well as the expert opinions that are featured within. Customer service and engagement is becoming increasingly complex. Here’s to putting the right foundation in place to prepare for the future.

All the best,

Bill Patterson
Sr. Director, Customer Self-service Solutions, Microsoft
Knowledge Management is Dead; Long Live Knowledge Management

Esteban Kolsky, Founder and Principal, ThinkJar
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There is one trend that has been bubbling for a few years that is slowly but surely becoming a key topic of customer service in 2015 and going forward: Knowledge Management. Now, before you shut me down and tell me I am crazy – hear me out.

Knowledge management as a store-and-search function is dead. We can no longer afford to create and maintain knowledge bases that continue to increase in size and don’t address the need of users and the organization. While there are 40 - 60% of questions and problems that can be solved by using a traditional knowledge base, the biggest issue is the remainder of the questions or issues. It is not that the answer does not exist; it is just that it does not exist in the traditional knowledge base (and it shouldn’t, given the flexible nature of the answer and ever-changing environment that surrounds it).

The evolution of social networks, the incredible growth of online communities, and the fact that products are becoming more flexible, more dynamic (and that customers are making use of this flexibility to adapt it to a myriad of different uses) makes the traditional knowledge base obsolete.

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According to my research in the past year, a stored answer decays quite rapidly to become obsolete anywhere between a few days and a few months in the case of more than two-thirds of new knowledge created.

Indeed, knowledge in storage (that which is created, put into a knowledge base, and later – hopefully – found) is the old model; knowledge in use (leveraging subject matter experts, communities and social networks for knowledge generation and maintenance) is becoming the go-to solution for KM going forward. Communities, social networks and private networks for subject matter experts are the “infrastructure” that supports this, and agents need interfaces to leverage them.

We will see initial investments in this area in 2015 from a small number (less than 15%) of organizations, but it will be the early adopters that will begin to show the way. These case studies, and lessons learned, will yield to mainstream (more than 30% of organizations) adoption in 2017, and adoption will continue to grow at a 10 - 15% rate for the next two to three years until it becomes commonplace.

This is not a prediction; this is my understanding and analysis of a trend that matters. If you understand your comfort level with risk (early adopter, mainstream, laggard) you can use this trend to strategically plan how you will embrace the new world of knowledge management.
3 Best Practices for Using Knowledge for Customer Service

1. **Deliver Consistent Knowledge Across Channels.**
   From one knowledge base (KB), deliver your customer service content across channels via your corporate website, social media properties, virtual agents and email responses. Index content for the search engines. Direct customers calling for information on trending issues (for example, service outages) to online answers using IVR messaging.

2. **Empower Employees with Information They Need.**
   Give employees and agents access to an internal knowledgebase or your customer-facing KB to deliver consistent, current answers and information on first contact, so customers don’t have to be passed around to multiple customer service representatives or reconnect at a later date for more or better information.

3. **Never Be Content with Your Content.**
   Utilize feedback and reporting tools to know which content works for your customers and that which needs improvement. Use knowledgebase configurations to organize your content by subject, most-viewed, most-popular or latest updates. Always be adding and updating to improve the customer’s self-service experience (and also to reduce the number of FAQ calls and emails being handled by your customer service team).

98% of U.S. consumers say getting a satisfactory answer or being connected to someone knowledgeable are the important pre-requisites to great customer experiences.

~ American Express Global Customer Service Barometer

[Click here](#) to watch the Knowledge Management for Customer Service Webinar featuring analyst Esteban Kolsky, Ask.com’s Eric McKirdy and Microsoft’s Bill Patterson.
2 Predictive Analytics
Giving Customers What They Want: Predictive Analytics, Self-Service

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I actually think most people don't want Google to answer their questions. They want Google to tell them what they should be doing next.” ~ Eric Schmidt, 2010

When Eric Schmidt offered this quote, it was a bit controversial. But yet now, any search bar without autocomplete seems archaic. The confluence of multiple simultaneous technology advancements is changing the face of customer service. The world of powerful sensors and devices has created an explosion of data, processing power, and storage capability, which are enabling new possibilities.

While channel explosion, and richer digital media encroaches on traditional interactions, it is the engines that increasingly power these interactions that will continue to gain ground in 2015. The biggest and most important things in customer service in 2015 will be the continued advancement of self-service, predictive analytics, and recommendation engines.

Importantly, the next incarnation of what has traditionally been known as knowledge management is a critical core to enabling customers to get the answers they need - fast, accurately, and in the context of what they’re trying to accomplish. But if Eric Schmidt was right from a search perspective, I believe he was also right from a customer service perspective. Excellent customer service goes beyond providing the customer with an answer to the question they’re asking now.

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While more customer service interactions will continue their transition to digital channels, machine learning will begin to make its presence felt in small ways that not only provide a direct answer to the query, but will likely also provide recommendations for additional content, products, and services that are relevant to what the user is trying to accomplish. Ask a question about a ripped raincoat; answers and queries from previous conversations and knowledge bases will surface with better accuracy. But we’ll also see new raincoats for sale, raincoat patch kits, windshield wipers, and perhaps a link to the RMA process in context, as well.

These recommendation engines will also be available to customer service reps governed by organizational guidelines, priorities and security access. Done right, the mish-mash of data and capabilities will be properly architected to help company and customer achieve the optimum shared value outcome.

New capabilities are continually pushing the envelope to stretch the boundaries of customer expectations. In 2015, we’ll see an extension of these as leading organizations attempt to continue to leverage technology to create better experiences for their customers (undoubtedly with failed experiments along the way).
3 Best Practices for Proactive Customer Service and Engagement

1. **Provide Alerts and Updates.**
   Use channels such as mobile, social, IVR messaging and knowledgebase/FAQ updates to provide reactively proactive (great) or proactive (even better) information and updates about service and product statuses. For example, utilities companies can use the above-mentioned channels to proactively alert and update customers on outages and estimated service restoration times.

2. **Make Money or Time-Saving Suggestions.**
   Historic analytics can be used to save customers money, which typically results in greater brand satisfaction. Whether it’s an adjustment in utilities charges based on the customer’s usage history, or notifying a customer who has placed and then removed a pricey electronics device from their online shopping cart three times that it is now on sale, proactive customer communication can foster enhanced customer satisfaction and loyalty.

3. **Reach Out with a Random Act of Kindness.**
   Where brands can truly impact the individual customer experience and deliver delight is through acts of kindness. Provide customer service representatives with a 15 to 30 minute window each day to reach out to at least one customer whether that’s by phone, email, social media or what have you, just to say thanks for being a customer, happy birthday, hope your day’s going well, or to even present them with a discount or small thank you.
3 Customer-Centric Collaboration
Sales and Service Become a Dynamic Duo

Sumair Dutta, Chief Customer Officer, The Service Council
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While there has been a great focus on collaboration within business functions (e.g., service agents collaborating to enable better support outcomes, or sales agents collaborating to drive sales results) there has been very little done to increase and improve collaboration between business functions.

I believe, that in the next 12 months, we will see an increasing focus on collaboration between customer-facing business functions, especially between service and sales. The focus of this would be to support better account management and to drive improved customer commitment, thereby leading to better business results.

Currently, collaboration between service and sales is ad hoc at best and we will see a greater emphasis by organizations to put in place processes and tools that enhance a collaborative focus on customer management.

“Customers who are fully engaged with a brand represent an average 23% premium in share of wallet, profitability, revenue and relationship growth compared to the average customer.”

~ State of the American Consumer Report
3 Ways Sales & Service Work Together

1. **Customer Service and Sales Combine on Chat.**
   Live chat is a staple of customer service, but it’s also a helpful sales tool. May I help you find something? Are you having trouble with checkout? Might I suggest this for you instead, or these to go along with your current purchase? Proactive customer service and engagement via live chat serve as sales’ best friend.

2. **Happy Customers Lead to New Customers.**
   According to the American Express 2014 Global Customer Service Barometer, more than two-thirds of American consumers say they’re willing to spend 14% more with a company they believe delivers excellent service; 46% say they always tell others about good service interactions.

3. **Engagement Brings Increased Spending.**
   Providing service on the channel of the customer’s choice or convenience brings sales rewards. According to a Bain & Company report, when companies engage and respond to customer service requests over social media, those customers end up spending 20% to 40% more with the company.

[Click here](#) to watch the Aligning Customer Engagement from Brand Promise to Post-Sales Service Webinar featuring analyst Michael Krisgman, Quark Software’s Mark Lawler and Microsoft’s Bill Patterson.
5 Habits of Customer-Centric Companies

Customer service is no longer a job for one department. It’s a job for everyone, from the top down, across every department. How do brands and organizations become more customer centric? In Hooked on Customers: The Five Habits of Legendary Customer-Centric Companies, CustomerThink CEO Bob Thompson notes:

1. **They Listen.** For example, they ask about the drivers of their customers’ loyalty. They use both solicited and unsolicited feedback. They follow their customers’ digital behavior. They don’t just listen; they take action of what they’ve heard from customers.

2. **They Think.** They employ business leaders who have the skills to interpret analytics and make decisions. They take advantage of unstructured information. They track both past-performance perspective, real-time and predictive metrics.

3. **They Empower.** They give employees real authority to invest in customer relationships. They have a customer culture that puts both customers and employees first. They use technologies to improve access to information, support and resources.

4. **They Create.** They make innovation part of the corporate culture. They make creating value a habit.

5. **They Delight.** They train, empower and reward employees for delighting customers. They understand what delights, and they use innovation to keep delighting.

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60% of U.S. customers stopped an intended transaction in 2014 due to a poor customer experience.

~ American Express 2014 Global Customer Service Barometer
4 Mobile-First Focus
Mobile Experience is Key, But Customers Need More than Apps

Colin Shaw, CEO, Beyond Philosophy
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Mobility. The world is going mobile and many companies are scrambling to catch up. Too many are trying to create their apps, and they aren’t always practical. For example, I watched an ad the other day for an auto insurance app that allows you to take a photo of the accident and then send it to the company automatically.

My issue is, how many times will I use this app? According to Forbes.com, we average an accident every 17.9 years. Now I have an app on my phone, taking up storage, and I will likely never use it (for the life of that phone anyway). If or when I do have an accident, I have to work out how to use it. Sending an email to the company with attachments is far simpler.

The question is not, “What App can we create for our Customers?” Companies need to ask, “What’s the best experience we can provide Customers?” The answer is not always, “Let’s produce an app!”

Apps and their creation process remind me of what happens to websites. The large multinational companies allow all their subsidiaries to develop their pages for their individual part of the business. Then, they link the websites before realizing they have different types of websites with different operations and user experiences. They can spend years untangling the knot created by this kind of development strategy.

By 2015…

there will be more people accessing the web using a mobile device than a wireless computer.

~ IDC Worldwide New Media Market Model Forecast
3 Best Practices for Serving Customers Holding the Phone

1. **Offer a Mobile-Responsive Support Portal.**
   Before creating a separate app for customer service, consider instead making your support portal mobile-responsive. This lends to a more consistent and seamless customer experience across major channels.

2. **Put Important Information Front & Center.**
   Survey your customers to see what features would be most useful to them in a mobile app or mobile-responsive support portal, but some across-the-board suggestions include contact information, FAQs, click-to-call, and a search function to access self-service content.

3. **Keep Content Simple.**
   If your organization’s knowledgebase content is comprised of pdfs or pages of text devoted to one subject, you’ll lose your connection with your mobile customers seeking self-serve information. Simplify or repurpose content to make it mobile-friendly, and if you must present a great deal of content, use bolding to highlight the text that will be most useful to the customer.

62%
of companies think mobile customer service is a competitive differentiator.

~ ICMI Mobile Customer Service Strategy Report
5 Internet of Things
Preparing for a Paradigm Shift: The Internet of Things

Duke Chung, Director of Product Marketing, Parature, from Microsoft  
@paraduke

When Parature was founded at the start of this millennium, it was a customer service solution born in the cloud at a time when the cloud (especially for enterprise use) was being looked at mostly as a trend. In fact, the name Parature is a portmanteau “paradigm of the future.” We weren’t sure of the future of the cloud then, but we prepared for what we saw as the next big thing - a paradigm shift - and we developed our business around it.

Today, the cloud is where business is at, and today, Parature is Parature, from Microsoft. Watching the trends and preparing for those that are likely to cause a paradigm shift can pay off in a big way, and the Internet of Things (IoT) is one of those trends.

According to ABI Research, by 2020, there will be more than 30 billion wirelessly-connected devices — TVs, smart offices, smart cars, wearables, smart homes and appliances, the list goes on and on.

As the Internet of Things becomes the standard, and connected devices become more prevalent and get smarter, customer service must follow the customers’ devices, needs, questions and data. Consumers are expecting faster and more personalized service for every product they own, across every channel available - an expectation that will only increase as the world, and the devices we use every day, become smarter and more connected.

$ 53% of millennials plan to buy an in-home IoT device in the next five years.

~Acquity Group 2014 State of the Internet of Things Study
4 Tips to Prepare for Customer Service in the Internet of Things

1. **Begin Making Knowledge Accessible via More Devices.** Be sure the content from your organization’s customer service knowledgebase can be conveyed or accessed from all devices, thinking a smartphone today, but a smart appliance or smart office tomorrow.

2. **Begin Contextualizing Content and Next Best Steps.** Incorporate capabilities to provide common resolution advice or next steps based on contextual information from the customer’s actions or questions.

3. **Begin Using Data to Predict and Proactively Head Off or Solve Issues.** With the Internet of Things will come faster and greater access to data, and with the proper analytics platform in place, businesses can use this to begin to understand when, where and why issues are happening to resolve them faster and predict and prevent future ones.

4. **Begin Hiring and Training Your Team.** Tomorrow’s support representatives will face more complicated inquiries from customers who have already exhausted their self-service options. Prepare your team for the toughest questions delivered with the human-to-human connection that no device can yet match.

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By 2020... there will be more than 30 billion connected devices.

~ ABI Research
Conclusion: Looking Forward

As time and technology advances, customer service delivery is becoming increasingly more complex. Yet, from the customer’s viewpoint, service should appear seamless. Those brands and organizations that make the complex look easy for the customer will benefit from a competitive differentiator that begins with preparation for future trends such as multi-channel care, predictive analytics and knowledge management.

As we look forward in preparing for the next big thing, and the next ten or 100 customer service channels, we must also stay grounded in the day-to-day delivery of customer service and satisfaction. An investment in many of the trends discussed here will allow brands and organizations to continue doing just that while adapting to a near-future of even greater possibilities and customer expectations by:

1. Using and managing knowledge to deliver consistent and correct self and assisted service.
2. Using predictive analytics to suggest a resolution, related content or a next best step.
3. Developing a customer-centric company culture where every employee is a customer service representative.
4. Putting better service, support and information in the hands of customers.
5. Expanding service and support delivery one channel or device at a time.

There has never been a more important time to be involved in customer service and engagement.

Here’s to the customer-centric future!
About Parature

As customer service expectations and the number of customer service delivery channels continue to grow, employees are increasingly challenged by the ability to deliver real-time answers and information, along with consistent care across channels.

Parature, from Microsoft is a cloud-based solution that creates amazing customer experiences through a combination of knowledge management, self-service and multi-channel interactions:

1. **Leverage Knowledge**: Boost employee productivity with quick access to consistent and organized information.

2. **Empower Your Customers**: Empower consumers with intelligent and guided self-service, accessible 24/7.

3. **Provide Care Everywhere**: Provide consistent engagement across channels for precise, personalized support.

For more information, visit www.parature.com or email sales@parature.com.