Elevating customer satisfaction and growth through service to solutions

To generate more value from customer-care channels, companies must look beyond a focus on sales alone. A comprehensive approach to omnichannel engagement can point the way.

Eric Buesing, Becca Kleinstein, and Joshua Wolff

In the shifting customer-care landscape, where every interaction has the potential to cement or sever a customer relationship, the need to transition to a more holistic approach to customer engagement is critical. However, over the past decade, companies have struggled to calibrate their strategy for customer engagement through service channels. Some organizations have taken a "sales at all costs" approach, ultimately resulting in discontent customers and unethical selling behavior, while others focused solely on customer service and satisfaction, thus missing out on opportunities to foster relationships and growth.

McKinsey defines the comprehensive approach to omnichannel customer engagement as service to solutions—in effect going from reactive, siloed customer care to a proactive, consultative approach to customer engagement. At its core, this approach involves identifying customers' needs and offering solutions to provide better customer experiences. Collectively, service to solutions enables companies to improve customer satisfaction via tailored solutions, hence boosting customer lifetime value and increasing consumption of existing and new services.

Making this transition to a proactive omnichannel view of the customer relationship can pay huge dividends, but companies must overcome a range of significant barriers by focusing on three primary areas—frontline management and skills, customers and offers, and technology. A closer examination of these areas can assist companies in developing and honing their road maps to more effective customer care and the additional value it can create.

Why service to solutions matters—to both companies and customers

It is not newsworthy that digital-care channels are proliferating, company-customer interactions are increasing in volume, and the pace of these changes is accelerating. The smartphone in your hand or a glance at social media reinforces these trends. What is more notable is that over the past 15 years, companies have been struggling to calibrate their approach to sales through service channels. More recently, the customer-care landscape has been shaped by several trends.

Elevating engagement at every touch point

Digital leaders such as Amazon and Apple, with their ability to personalize and tailor customer engagement across touch points, have raised the bar not just in their industries, but for all industries. Their impact has been amplified by the fact that the advent of same-day delivery, Apple's Genius Bars, and analytics-generated recommendations of products and services are all part of a rich customer experience that extends across physical and online channels, including the contact center. As a result, consumers now expect personalized interactions and emotional connectivity across channels, including with service-center agents. Organizations that aren't thinking about ways to improve loyalty and customer experience at every touch point are ceding ground to the competition.

This challenge to personalize is made all the more daunting because companies are also facing increased pressure to cut overall costs while maintaining service levels and enhancing experience. For example, some US banks and telecommunication companies are engaged in branch consolidation efforts—a strategy that places an added burden on the contact center as the primary customer touch point and potential revenue generator. A strategy that enhances customer care and deepens engagement, effectively shifting customer care from a cost center to a profit center, is essential.

The rise of the machines (remote care)

Customers are increasingly comfortable with remote service and advice and as such expect the remote channel experience to provide more than simple services or transactions. Meanwhile, technological advancements have enabled companies to offer more powerful solutions through online channels. For example, Betterment, an online investment adviser, provides financial planning and advisory through online channels with features such as unlimited, around-the-clock expert advice. Whereas a generation ago consumers may have been reluctant to entrust remote advisers with their financial decisions, customers today are not only more comfortable with online channels but also expect engagement levels similar to that of physical channels.

Supporting the customer journey

Two years ago—an eternity in customer care—the customer journey was not a guiding factor in service and engagement strategies. Companies sought to optimize contact in individual channels, but these activities were typically undertaken in isolation. Two years from now, agents will use the entire customer journey—initial contact, purchases, other channel touch points, pain points, and any other relevant information—as the foundation for engagement. The omnichannel environment enables companies to construct a complete, detailed view of each customer to inform seamless and consistent customer interactions. Technological advances will also enable better integration across customer relationship management (CRM) systems and platforms, assisted agent tools, and live sentiment analysis.

Companies will also have to consider how they draw on this information to empower agents when they are on the verge of obtaining this end-to-end customer view. Without proper training and support, agents won't be able to harness this wealth of information to provide better customer care.

Barriers to excellence in service to solutions

Adapting to this increasingly complex care landscape will require companies to reexamine their current approach and adopt new mind-sets. In many cases, the strategies that were so effective in the past will hinder the transition to a service-to-solutions approach. Companies should be aware of five pitfalls to achieving a tailored customer-care strategy:

A focus on efficiency at the expense of effectiveness. Historically, service channels were managed for cost and customer satisfaction rather than growth through customer engagement. Many companies are still emphasizing efficient service rather than rich conversations with customers and addressing their needs beyond the immediate issue that triggered outreach. The focus on key performance indicators (KPIs) such as average handle times, service-level agreements (SLAs), attendance, shrinkage, and utilization can obscure opportunities for engagement and growth; meanwhile, first-call resolution has become more critical than ever.

A one-size-fits-all mentality. With customers increasingly expecting product offers tailored to their tastes and immediate needs, a blanket approach to customer care falls short. Often, the service channel includes insufficiently robust and diverse offers, caused in part by poor communication between marketing and the service center. If offers do exist in the channel, they are often "pushed" to existing customers regardless of fit, resulting in poor customer experience and low acceptance and activation rates.

A siloed view of the customer. More effective customer care will require a comprehensive view of the customer journey. Companies that approach service and CRM as separate from other facets of customer engagement will miss out on customer engagement and growth opportunities.

Sales at all costs. From a risk mitigation and compliance standpoint, it is critical in today's environment (particularly for financial institutions) to protect against ethical lapses in the pursuit of sales-based compensation. Previously, such incentive structures weren't well aligned with the desired behavior, and bad selling practices by agents who weren't trained for these tasks led to several high-profile scandals.

Insufficient training for agents. Companies that want to accelerate growth through their customer interactions must build new capabilities to do so effectively. Most organizations shortchange investments in coaching and talent management of frontline staff, leaving service-oriented agents to engage with customers in ways that are a poor fit. For example, if training emphasizes efficiency or pushing offers rather than having meaningful conversations, then agent interactions will likely undermine customer satisfaction.

How great organizations are preparing for the new frontier in service to solutions

Overcoming the five barriers isn't an incremental exercise. Instead, companies must reimagine their approach to customer care—from defining what success looks like to implementing new processes and investing in new capabilities. Executives can take a page from companies that have already begun the journey to improved customer care. These businesses demonstrate that a focus on three areas can smooth the transition to a service-to-solutions approach.

Frontline management and skills

Despite the greater reliance on technology and the potential of advanced analytics, executives must still prioritize the fundamentals. Stellar management and "up-skilling" may not garner headlines or generate buzz, but companies must get these components right. Indeed, an agent's ability to forge a connection with customers in a service channel remains the linchpin for solutions. The customer increasingly expects to be able to purchase products or receive service in any channel, so agents must be equally "omni" in their skills and capabilities. By engaging the customer in a natural dialogue to uncover stated or unstated needs within a household or business, agents can provide a better overall experience and perception of the company. Achieving this shift in mind-set will fall on customer-care supervisors, who must manage performance and promote the right agent behavior at the right frequency.

At the same time, ethics and integrity are also at the core of a full-scale evolution: managers must scrutinize incentive programs and ensure agents don't follow their blind ambition to pursue revenue or other goals at the expense of service. The priority

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for agents must be to provide the best solutions and experiences for customers while monitoring customer satisfaction.

Meeting this new bar will require investments in training to give agents the skills to recognize and uncover value in customer interactions. One US credit card company demonstrates the payback on such investments. The company created a pilot program to demonstrate to agents that a needs-based approach to customer care could improve both conversations and outcomes by using its service channels to boost revenues. The company then rolled out a curriculum focused on up-skilling 500 agents and 50 supervisors. The impact was immediate and significant: over a three-month span, cross-sell offers increased sevenfold and the conversion rate rose to 25 percent. Customer satisfaction held steady thanks to the training, which reinforced that a solutions approach could increase sales without adversely affecting interactions.

Customers and offers

The broad trend in B2C sales toward greater personalization aided by customer segmentation and analytics has also reached customer care. The one-size-fits-all approach has been replaced with the aspiration to provide customers with solutions that address their specific needs, while enabling engagement consistent with digital channels where predictive analytics, next-best recommendations, guided-selling tools, and other cutting-edge applications have set a high bar. Engaging customers in the care channel with analytics-driven, personalized offers is a worthy goal, but two relatively simple steps can improve outcomes for most companies. First, even without personalizing every offer, companies should create relevant offers and specific benefits for each channel that can adequately meet customer needs and address trigger events—in effect giving agents what they need to "personalize" offers live with customers.

The next step is to ensure care channel offers are at least as rich as those available through other channels, with the potential to tailor offers to the distinctive needs of customers.

For example, one US regional bank that was experiencing a decline in branch visits sought to increase revenues by targeting customers for cross-selling opportunities more effectively. This bank began by evaluating its major products and services (general account servicing, credit card, mortgage) through site visits, agent and supervisor panels, and data analysis. These insights were used to develop a curriculum attuned to call types and common customer needs. The bank then rolled out a training program on needs-based engagement and cross-selling to 400 service agents in four call centers. With this approach, the bank increased qualified leads by more than 60 percent and revenues per call by 96 percent in the six weeks after administering the training.

Best-in-class players take the added step of creating a feedback loop between the care channel and marketing to cocreate the offer portfolio. In this way, marketing can learn directly from the conversations that service-center agents have with customers to improve offers and benefit statements. Such collaboration can also build care agent confidence that they have the right offers for their customers.

Technology enablers

Customer care is on the cusp of a technology explosion that will greatly enhance frontline capabilities. A better understanding of how to harness CRM systems and tools such as live sentiment analysis can provide agents with suggestions on how to improve the customer experience in real time. Other solutions have moved beyond net promoter or customer satisfaction scores to rate every single call and then inform agents on customer sentiment and personalized offers. Cogito, for example, offers real-time customer intelligence software that can analyze every single customer call and provide agents with cues for how to interact—from showing empathy and asking questions to when the best opportunities might be to expand a conversation and offer new solutions or sales. Companies now have the power to identify their best agents, highlight winning attributes in their customer interactions, and then coach other agents accordingly. In the coming years, contact centers will also increasingly automate back-office activities to reduce cycle times and manual activities.

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For most customer-care functions, adopting a service-to-solutions approach represents a clear departure from business as usual. And as with any major strategic shift that touches every facet of operations, unlocking the full potential of service to solutions will require a sustained effort by leadership, managers, and frontline employees. Yet companies can take immediate steps that will illustrate the substantial value that can be captured. In our experience, customer-care teams can develop curriculums and conduct pilots that lay the groundwork for an enterprise-wide rollout in just three to four months. More important, the results, in the form of more satisfied customers and higher revenues from care channels, make this journey a critical one. ■

Eric Buesing is a partner in McKinsey's Stamford office where **Becca Kleinstein** is a consultant; **Joshua Wolff** is a partner at McKinsey's New York office. He works with clients across a variety of marketing and sales projects.