The New Essential for Brands in 2019

How Digital Customer Service has changed the playing field

The Impact of Customer Service on Companies:

The growing importance of customer service as a differential element for the success of a company

In today's world, a good product at a fair price is not enough for a company to succeed. A saturated marketplace made other elements more relevant, that companies must compete with to achieve success. **Customer service** is without a doubt the first and foremost.

Here are two stats that represent the importance of Customer Service:

- *"97% of global consumers say that customer service is very important or somewhat important in their choice of and loyalty to a brand."* - Microsoft
- *"62% of global consumers have stopped doing business with a brand or organization due to a poor customer service experience."* - Microsoft

Customer service is the key to retaining customers and capitalizing on the value they bring. It can boost customer acquisition and cultivate a loyal customer base that will influence other consumer behaviors. A loyal customer can promote a brand better than any advertising agency could do.

"*Loyal customers, they don't just come back, they don't simply recommend you, they insist that their friends do business with you*", Chip Bell.

Why is customer service a strong asset for companies?

1. Customer service is cheap

There are no excuses: being cost-effective and investing in customer service aren't mutually exclusive. Companies do not need to spend billions on advertising. In the end, if a company is unable to serve or assist its customers effectively, they will end up giving negative reviews and choose a competitor's product or service instead, regardless of its effort in terms of advertising activities.

But how can customer service help a company in an affordable way? Excellent customer service triggers word of mouth marketing. Not advertising. Not online lead generation. Just word of mouth. In today's world, that's the old but gold frontier of credibility and a customer acquisition bottomless pit.

What is the biggest benefit of word-of-mouth? It is free.

2. Good customer service empowers employees and customers and increases profits

What makes a customer satisfied? A great request management from a customer service representative. An excellent customer service gives employees decision-making power.

Sure, bureaucracy and company's guidelines are important, but offering a good customer service means leaving representatives free to do anything in their power to satisfy customers. Traditional customer service was about boring scripts and standard rules, but not anymore. Today that would mean an unsatisfied, unhappy team, which would lead to unsatisfied, unhappy customers. On the contrary, a customer service rep is passionate about figuring out solutions to problems. That's also why companies hire them. That's what they should be free to do. Of course all that comes with trust. If a company trusts its customer service team (after choosing the right candidates), it should leave them the autonomy and the authority to work in an independent way.

An empowered staff will help the company grow.
At the same time, efficient customer service staff will make your customers feel valued.
And when a customer feels like that, he/she will stay loyal to a business. He/she will share that business to co-workers, friends and family and will do free word of mouth marketing, which leads to business growth. Which brings us back to Point 1.

3. **What is happening to customer service?**

How to recognize a good customer service when you see one? A great customer service is the one that helps current customers from a company get the best out of its service and convinces prospects to become customers.

In the past, customer service was about long waits on the phone and multiple verbal interactions between customers and customer care representatives. Today it is more than just picking up the phone: it has become a critical part of a business. Just a few decades ago, customer service departments did not exist. Now they are a large part of any successful business.

Today there are several channels and platforms that customers can get messages across to a company. From email and live chat on official websites to social media pages, customers are able to reach the company on a wide variety of channels, at any time.

More and more people are using social media to get help from companies and the number continues to rise. Companies that embrace the change by deeply understanding the power of social media to improve customer experience will certainly come out ahead of competitors who ignore it.

The Rise of Social Media:

The Innovation and Disruption of Customer Service

Today customers expect to get service at any time of the day (or night) and they assume that the company they are interacting with will keep a complete history of all interactions and information.

What has changed? Accessibility.
The spread of social media networks in addition to the proliferation of smartphones and tablets have risen customers expectations in terms of immediacy and resolutiveness.
Social media has made the voice of customers an extremely powerful weapon that they are willing to use if their expectations are disappointed.

Meeting customer expectations is extremely hard for a lot of reasons. It seems obvious but: every company always needs to answer its customers in need. Social networks made it difficult due to the increasing distress in finding those requests for help.

Customer service is, in fact, experiencing a technological and cultural transformation.
Customers today prioritize a sense of proximity, immediacy and a highly personalized communication.

According to a research conducted in 2018, the most important elements for an overall "good"

customer service experience are:

- Response speed for 90% of respondents;
- Resolution speed of the problem for 87% of respondents.

That, regardless of the digital channel used.

What does all this teach us?
Social media networks made **real-time** the king. By its side, effectiveness and customization. To comply with all that is the great challenge for brands in a highly competitive market.

Every successful business is able to meet their customers where they are and there is a very high probability that they are on social media.
However, social media customer care (SMCC) is often overlooked and neglected.

The worst thing a business can do? Throw their clients in the "I'll-pass-your-request-to-our-customer-service" infernal cycle.

The Consequences of Poor Customer Service:

How one poor customer interaction can affect a company

Today's marketplaces are customer driven, but the global "customer-first" mindset has to be supported by an active connection and a proactive interaction between companies and clients.

Most companies are still not equipped to answer and support their customers on every channel. And multichannel environment is growing fast.

Businesses feel the pressure.
But how hard is it to manage customer service in an optimal way, knowing that it is fundamental not only to succeed but to survive?

Driving good customer experiences comes with several inconveniences:
- Massive amounts of money spending
- Big old waste of time
- Employment of a large CS team

Lastly, the worst of all: the possibility of failing at it.
Bad customer service can have negative side effects in all areas of business. It can kill conversions. Here are a few things that can happen due to poor customer service:

1. **Damaged Reputation**

And remember: "*It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently*", Warren Buffett. Corporate reputations are tricky.* This has already happened to some unlucky businesses. A brands' reputation can be completely shot and potentially unrecoverable within 24 hours. How? What changed? Let's just say that social media can unfold quickly.

Some unfortunate businesses have felt the consequences of a bad reputation, that is to say a damage of the company as a whole.
Today customers amalgamate any business' service and the brand itself. Customer service is the face of a company, the embodiment of a business, a mission and culture statement. That is why poor customer service can be extremely damaging for companies' reputation.

2. **Current customers can leave**

Customers are bombarded with attractive offers all the time. The reasons why they see better deals today are not just price or quality anymore. The factor that causes them to switch from - or

encourage them to stay with - a company is service. Customers rely on their emotional experiences more than any of the traditional factors and they cannot be disappointed about that. Being guilty of poor customer service experience is the number 1 reason why businesses lose customers.

In the words of Doug Warner: *"In the world of Internet Customer Service, it's important to remember your competitor is only one mouse click away"*.

When a customer walks, companies not only lose revenue, but also the potential word of mouth advertising that only a satisfied customer can provide.

3. Customer support employees can also leave

Customer service is important to everyone. It is also important to the employee when the employee is loyal and engaged to the company.

Customer service representatives have a direct impact on the direction of the business. In many instances, customer service is the direct line between a company and a customer.

"Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients", Richard Branson, founder of The Virgin Group.

Employee engagement, empowerment and recognition should be the core of any good business.

4. The Power of Customers

"Recruiting new customers costs five times as much as retaining current customers" (Forbes).

It is scientifically proven that it takes way more effort to attract new customers than it does to retain existing ones. Here we go: word of mouth comes into play again.

Today, new customers seek out businesses based on recommendations from people they know. In fact, people tend to believe first-hand accounts from acquaintances and friends much more than they believe impersonal sources. Consumer behavior is impacted by primary influential groups such as friends and family. Customers have a great effect on the purchasing power of others within the market. Customers analyze their purchasing capacity before making a decision. If the product fails to meet the customers purchasing ability, it will have a high impact on sales and consumer behavior. The market is controlled by consumers. Treat them well and a company will reap the benefits. Which leads to a great assumption: *"One customer well taken care of could be more valuable than $10,000 worth of advertising"*, Jim Rohn.

5. Revenue and profit shrink

One consequence everyone will surely notice: direct loss of revenue. If no effort is made from businesses to improve service and retain customers, the result will be a sinking spiral that could lead to dire consequences.

According to a New Voice Media's report, *"poor customer service is costing business more than $75 billion a year"*. Still not convinced?

Back to the Basics:

How to deliver a positive customer experience through optimal customer service

Given that wise companies will not let poor customer service stand in the way of their success, they need to find a way to be great at it.
Delivering an excellent customer experience is hard, but not impossible. Here are a few measures that, combined, can lead to an overall positive perception of a company's customer service:

1. Provide customers with immediate, real-time answers

Speed is one of the biggest factors in good customer service. Having grown accustomed to platforms and apps like Netflix, Uber and Amazon, there is a ton of pressure for companies to keep up with the speedy pace that customers expect.

Today, the average response time for the top internet companies worldwide is 12 hours.
Does it sound immediate?

When customers write on Facebook, Twitter, Instagram, WhatsApp, Telegram, on a Live chat or an Email channel, they don't want to wait. The reason why they do that is that they do not expect to be put "on hold" or have to wait for a representative search for information.

2. Be available everywhere at anytime

In addition to the need for immediacy, which implies that companies need to know how to value their customers' time, people crave more.
Customers want to access customer service whenever and wherever: on the weekends, in the evenings, whenever it is most convenient for them and on any channel.

They don't want to spend hours of their free time on customer service issues.
That is why a few new tools have taken hold. Self customer service, for example, is a huge trend that derives from customers' need for flexibility. To use a FAQs (Frequently Asked Questions) page is without a doubt an excellent way for companies to skim customers requests while always appearing helpful and caring.

Usually, FAQs pages can meet clients' needs, if they are comprehensive enough. But not all that glitters is gold: a good FAQs page has to always be up to date and provide extremely useful information, therefore it requires intense management and great care.

Furthermore, given the fact that customers can reach a company at any time and on any channel, the best a company could do is to provide assistance on each user's preferred channel. That, without adequate means and technological resources, is not a piece of cake.

3. Never forget the human touch

Customers today expect to be able to reach someone from the company via a website, social media or an email channel, at any time and with any device, and to receive a reply within minutes. For companies, being responsive is critical.

Humanizing customer service is essential especially in situations in which there is a dissatisfied customer. Those are the situations where a company needs to go the extra mile. In general, people want to feel understood and not to be treated like a nuisance or forced to interact with robotic responses, especially when there's money involved.

A human touch is necessary to show customers a brand values them. This can make all the difference in cultivating loyalty and trust which leads to many nice things.

4. Invest in quality talent and relevant tools

For companies today, it is of key importance to be able to rely on an outstanding customer service staff with the skills and training to empathize with customers and build a real relationship with them. Always keeping in mind that a top quality staff will needs the perfect tools to provide consistently excellent service experiences.

The perfect tool to manage customer service relationships is the one that allows to:
- standardize and automate processes, without forgetting the importance of personalization for today's customers
- collect and keep relevant data and information
- offer customer care representatives the technological tools they need to ease their work and make their job more efficient
- help creating a consistent customer experience across all channels
- enhance human interaction

One of the best AI-based tools on the market is called Stip.
The platform that automates social and digital customer support activities helps companies boost their customer experience thanks to AI.

Stip is able to standardize and automate customer service process by:
- **monitoring** all business-related content produced by users on every digital platform (social media, live chat, email);
- **identifying** which of these contents is an assistance or information request from a customer/prospect therefore needs to be managed by an operator;
- **gathering** relevant information to solve each specific case by interacting directly with the customer;
- **creating** a categorized ticket comprehensive of all collected information that are relevant to give the client a resolving, effective answer;
- **redirecting** the ticket to the customer care representative who is responsible for managing that specific request.

This process, associated with the possibility to integrate Stip solution with any CRM and technological tool, helps companies to enrich their databases and to lighten their customer care representatives from mechanical and superficial - but necessary - activities.

That makes it possible for customer care representatives to focus on the only thing that truly matters: enriching and improving customer experience by giving their customers an immediate, satisfactory reply, solving their case in just one interaction.

The prize for doing everything right is building a vast loyal customer base and turning customers into advocates for the brand. Doing that through superior customer service assures proven ROI for the company.

Humanize the brand:

Nothing replaces the Human Touch

Excellent customer service allows companies to earn customer loyalty and it's absolutely critical to the company's success. Customer service has changed dramatically following recent advances in digital and communication technologies; social media interactions between customers and businesses, particularly, have driven engagement to new levels.

Likewise, customers expectations have changed. In a hyper-competitive atmosphere, it is important for companies to understand the consequences of poor customer service and the benefits of an efficient one.

Customer service has an impact on both existing customers and potential ones. A 2018 RightNow Technologies Report found that "73% of U.S. adults said a friendly customer service made them fall in love with the brand". In other words, not only will brands get satisfied, loyal customers, but they will also see increased businesses.

So how can customer service departments capitalize on new technologies while navigating such a complex customer-centric marketplace?

As paradoxical as it may sound: valuing and enhancing the importance of the non-tech side of customer service; humans. As computers, tablets and smartphones take over our daily interactions, the desire to speak to a human being is becoming a novelty.

"There's no substitution for knowledgeable, human service." States Edoardo Vallebella, Co-Founder & CEO of Stip, *"I believe people really enjoy a personal touch and to know companies value them and are willing to invest energies and resources to make their experience unforgettable".* Humanize customers, humanize the conversation between customers and the company, leads to a humanization of the company itself, is absolutely worth it in today's world.

Most research shows that to treat customers with courtesy and respect is as important as fixing their problem. In other words, a friendly customer service staff, who will add valuable human touch to any interaction with clients, is vital for the success of any company.

As new technologies are emerging, the inner dynamics of customer service is changing. These new means **must not be seen as substitutes for real humans**, but as a valuable tool in the hands of people who can make customer experience unforgettable.

Stip technology wants to help firms deliver the best experience possible, finding the right balance between automation and efficiency and human politeness and real conversation. This balance is the key to ensure customer retention.
In a transformation era, Stip's founders asked themselves how customer service will reconfigure itself to fit the internet dynamics. Will the future of customer service be a faceless one?

Assuming that technology will continue to pervade everyone's life, what they think is that it does have limits. Technology, in fact, will not be able to anticipate certain questions that have not yet been answered. There will always be the need for humans for a human-to-human interaction when it comes to motivate, inspire and provide encouragement.

"Technology's role is to serve us", says Edoardo, *"it should be able to make our lives easier for every routine element"*. Applied to customer support, that vision has led them to build a tool that uses technology - especially Artificial Intelligence - to handle the "routine elements" of service in an effective, efficient way, without errors.

The removal of the above routine elements allows human beings to value their individuality and increase their promptness.

The Final Piece to the Puzzle:

Discover Stip

Stip is a platform that uses Artificial Intelligence to boost companies' social and digital customer service performances by automating every simple, first-level activity.

Stip's founders believe AI is a powerful tool in the hands of customer care representatives that is responsible for helping them to enhance the efficiency of their work and the whole business's customer care process.

What Stip aims to do is to **help companies build human-centric customer service through great customer service representatives and smart technologies.**