



*a thinkJar position paper*

# ***Six Transformational Customer Service Trends***

*six trends that will shape customer  
service over the next few years, and  
how you can benefit from them*

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You should never have to rip and replace a customer service solution that is working. The future of customer service, as well as its past, is always evolutionary. Even in these times where everything is transforming, evolution is how we move forward.

We are seeing the evolution of customer service from single-channel or nonintegrated multichannel to a dynamic platform for customer experience delivery where channels are irrelevant, and effectiveness takes over efficiency. During our last research project, we explored this evolution with many different practitioners. This is what they told us.

## Six Transformational Trends for Customer Service

As business and digital transformation initiatives take over the enterprise, customer service practitioners try to align their strategies to those ongoing initiatives. There are six trends that are driving a new evolution for customer service and helping it align with transformation efforts:

1. **Budgeting.** Growing budgets are shifting from maintenance to improvement aided by digital transformation initiatives bringing customer service in alignment with the rest of the enterprise.
2. **Spending priorities.** There are three areas where customer service will be spending over the next two years: customer experience and customer engagement; automation and self-service; and a new operational excellence model aligning these needs with corporate digital and business transformation.
3. **Technology adoption.** Technology is slowly deployed in customer service, usually following lengthy and painful pilots. We are seeing a slight shift in this model supported by the comfort of customer service practitioners with platform-based operations and artificial intelligence following years of use. There is also an increase in the use of technology to train better agents.
4. **Data.** Data-based decision making is rising. Virtually all customer service practitioners we talked to are investing in data analytics and predictive operational enhancements and are less concerned with cost savings. Expect to see an effectiveness-focused metrics model emerge.
5. **Channels.** Disconnected channels became cumbersome to support and impossible to tend to separate from everything else. Channels are becoming the communication medium for customer service operations, irrelevant as separate entities. And with platforms becoming the prevalent solution in customer service, channel management is now commoditized.
6. **Cloud and platforms and ecosystems.** Large service organizations are still running on-premises for critical functions, but virtually all organizations are being forced to consider cloud-adoption strategies. Smaller and modern organizations have taken to the cloud quite well, showcasing the realities of this transition; expect larger cloud adoption to happen soon.

## A New Model Emerges

The trends above represent the evolution we have seen in customer service over the last few years. These, combined with the enterprise shift to becoming a digital business, led us to design a “new” (evolved) model for customer service. A deeper focus on operational excellence changes it from cost-saving and company-centric to customer-centric and effectiveness-focused. This new model moves away from customer service as a cost center only, focused on cost savings and improved operations alone.

The new model has shifted from being as efficient and cheap as possible to be more customer-centric. Customers are not seeking efficiency for its own sake—no customer is solely concerned with how easy or cheap or fast things are for the company to carry out. They want accurate, fast, and simple answers (resolutions) to their questions (problems).

The new operational excellence is built around five tenets: outcomes-first, customer-centricity, data-driven, automation-focused, and ecosystem-based. The recent rapid and successful adoptions of chatbots, self-service, and AI are deeply aligned with these trends. The focus on customers and outcomes, leveraging cloud and ecosystems, and a deeper understanding of how data improves customer service are all aligned with the corporate initiatives for digital and business transformation.

In addition to these five areas there is one underlying concept: work collaboratively with customers (and other stakeholders) to co-create value at each interaction, with the long-term goal of achieving engagement as the ultimate outcome. The goal for this new model of customer service is to shift from doing more with less (company-centric efficiency and cost-cutting) to doing better with more (customer-centric effectiveness and value co-creation). As budgets shift and grow, customer service practitioners will be empowered to support digital transformation.

## What Should You Do Now?

Talk to your peers and colleagues

The first step to successfully embracing and adopting these trends is to understand that while they do affect customer service, they also must follow corporate strategies. Among the investment priorities detailed in our latest study for 2019–2021 we have end-to-end experiences, customer engagement, and a better use of data. Customer service must align with these investment priorities before setting out to build a new model.

Finding other people in the organization who are undergoing similar transformations is crucial for leveraging the effort. We don't foresee a rip-and-replace strategy; we do see a comingling of efforts and resources between departments. Actions that were formerly privy to sales or marketing or even accounting are no longer isolated from customer service given the focus on end-to-end experiences.

If your organization has a chief customer officer, or someone who oversees experiences and engagement, that is the first person you need to reach out to and align your initiatives with what they are doing. If there is no one like that, or no group is in charge, make the case to bring it to customer service. In the last three years, more than half of such initiatives moved successfully to customer service operations.

Conversations with operations, IT, marketing, and even sales are crucial. Customers will require more than what customer service can provide. Your automation focus means you will end moving over 60 percent, and maybe up to 90 percent, of your interactions to be automated. When you do that, the remainder will be exceptions, one-off cases, and previously unknown issues. These will need to be resolved along the entire customer continuum—with help from other departments and subject matter experts—and not just for that simple interaction with service. Of course, later they should also be automated.

Personalized, ad hoc experiences are what customers are after, and to do that you will need to have access to more IT resources than ever before. Not just access to other departments and their processes, but also access to data and information that were not available before to customer service. Talking to IT and architecture teams about making this simpler is also essential.

Finally, understand the enterprise's cloud strategy. While customer service continues to lag in cloud adoption for their operations, solutions that are ecosystem-based must be run from a cloud infrastructure to be effective. Whoever oversees cloud-migration and adoption in the organization must understand this new service model. They can plan the necessary integration points, technology needs, and how to better leverage data tools existing in the enterprise, as well as what customer service brings to the table and how that can be used to improve operations in other areas of the enterprise.

Ecosystems are about leveraging cloud properties and components to create innovative solutions for the enterprise. Working together, collaboratively, is the essence of this model.

Talk to your peers, colleagues, and other people in the organization. Create your strategies for the next two years aligned with this model and talk to your providers and partners about how to better achieve an effective customer service platform for everyone, not just customers, to have better experiences.

## About thinkJar

*We are an independent customer strategies research house and think tank.*

*We spent the past 20 years understanding what the best way for vendors and their clients is to work together to select, adopt, and implement customer strategies tools (most common is CRM tools, but we also spent time working with data management, analytics, and even infrastructure) and understanding the best way to use them.*

*We produce research reports that dive deep into the why and how to adopt tools—from early adopters to late adopters—based on primary research (both quantitative and qualitative) and cross-reference that with third-party research to derive models for effective interactions—today and into the future.*

*We work with select vendors to help them adopt our independent findings and to use that information to help educate their clients and prospects better. We work with practitioners to help them understand these concepts and create their strategies for dealing with clients better.*

*Our goal is to have better informed, happier organizations that partner with sensible, successful vendors to co-create value.*

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