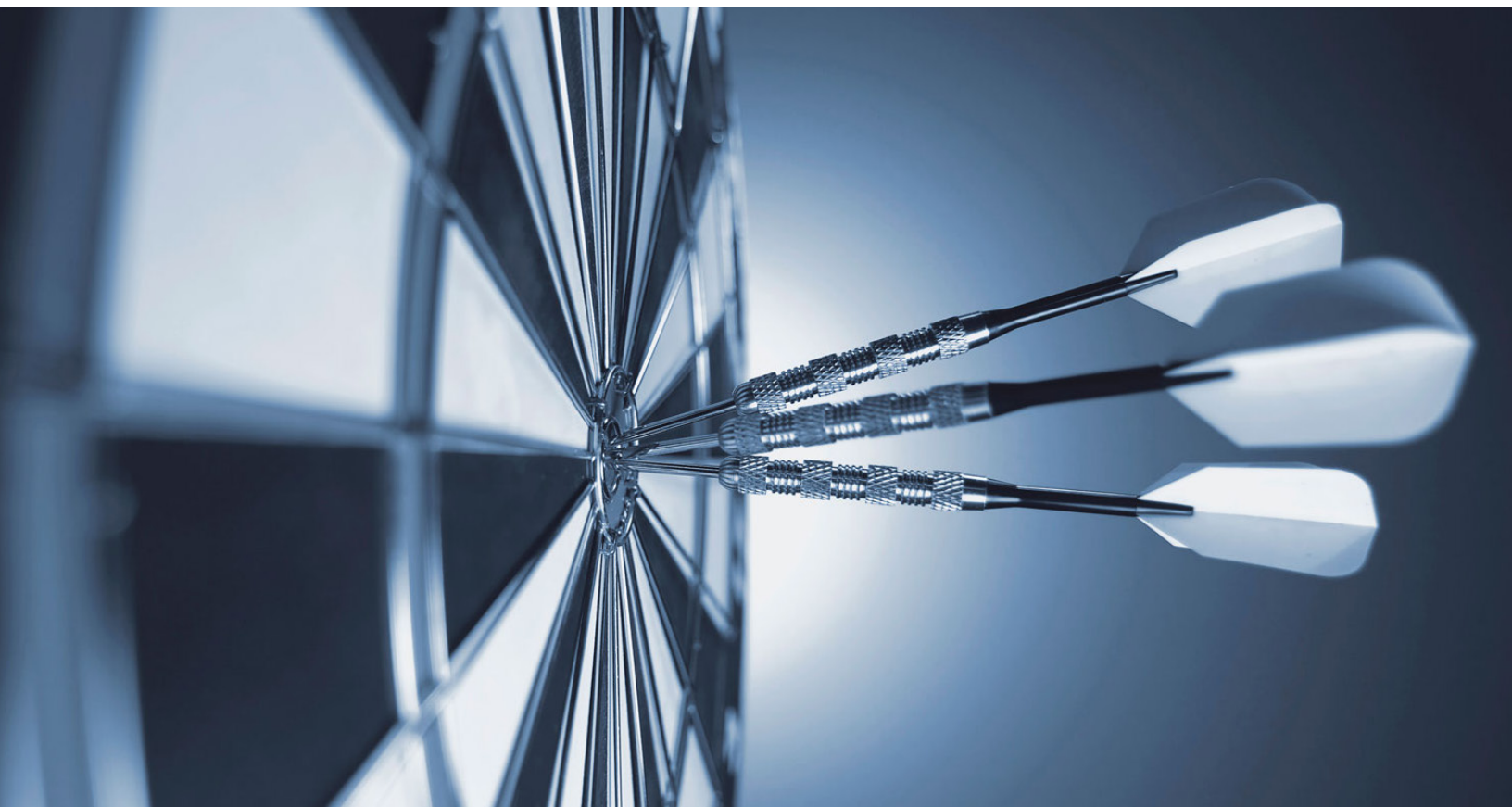


Customer Care Practice

Redefine the omnichannel approach: Focus on what truly matters

Many companies try but fail to build an omnichannel experience for every channel and customer. Leaders should instead limit their focus to the top two or three cross-channel customer interactions.

by Jorge Amar, Raelyn Jacobson, Becca Kleinstein, and Allison Shi



The idea of an omnichannel experience—in which companies aspire to provide a set of seamlessly integrated channels that caters to customers' preferences and actively steers them toward the most efficient resolution—has been around for years. Customer expectations have changed, however; customers increasingly expect consistent information to be at their fingertips, regardless of the channel they choose to engage with. Our research shows that more than half of customers engage with three to five channels during each journey they take toward making a purchase or resolving a request. We also found that the average customer attempting to book a single reservation for accommodations online switched nearly six times between websites and mobile channels.

Although many companies have tried to implement an omnichannel strategy, few have truly succeeded in building a comprehensive experience for the customer. The perception that the effort would require an unsurmountable amount of time and resources has been daunting enough to keep some companies from ever making the attempt.

Others have tried to do the impossible and meet the potential omnichannel needs of every customer and every possible touchpoint. These companies have stumbled owing to their lack of focus, competing priorities, slow progress, and huge costs—and ultimately had only a disjointed experience to offer their customers. What most leaders fail to realize is that a perfect omnichannel solution rarely, if ever, exists. It is impossible to be all things to all customers, especially in an ever increasingly paced world.

It is possible, however, for a company to design an exceptional omnichannel experience for a large majority of its customers, by focusing on the two or three cross-channel customer journeys that are most important to that majority. Getting the omnichannel design right for these targeted journeys requires a customer-centric mindset that's infused throughout the organization.

The importance of a new omnichannel strategy

Companies that successfully adopt a more customer-centric stance and focus on the two or three most important cross-channel customer journeys can create significant value. An omnichannel effort targeted to the top interaction models can dramatically increase the extent to which customers are able to use self-service options. In our experience, some use cases have shown nearly a 20 percent boost in containment—that is, the share of customers who engage with an automated system such as an interactive voice response (IVR) system, a website, or a chatbot, and have their needs met without assistance from a live agent.

The approach also can reduce the time it takes to handle calls that do reach an agent, because an efficient omnichannel system alerts the agent to customers' intentions and the actions they took prior to the conversation, enabling a faster time to resolution. It can improve customer satisfaction by providing a more personalized experience and even create “moments of delight” for the customer during interactions that truly matter to them. Focusing on only the top two or three journeys can also make frontline employees more impactful and successful, since, as containment rates rise, employees are able to focus on spending their time with customers who truly need individualized attention.

How to build the new strategy

To reap these sizable rewards, leaders must identify and prioritize the most important cross-channel journeys, design custom omnichannel experiences for those journeys, and embed a customer-centric mindset throughout the organization.

Find the right cross-channel journeys to prioritize

The first step for an organization embarking on a targeted omnichannel effort is to select the cross-channel journeys to focus on.

Advanced analytics can help organizations make full use of their rich customer-interaction data and truly understand customer intentions and behaviors across channels. A deep understanding of the customer will help the company determine which cross-channel experiences truly matter the most. Often organizations discover that what is most important to their customers is very different from what they had expected.

When sorting out these data-driven insights, the company should consider two core dimensions of each type of customer journey:

1. Customers' propensity to use multiple channels
2. The importance of the journey to customers (which could be a function of customers' emotion levels, the journey's complexity and urgency, and the number of customers who take the journey)

To find out which omnichannel customer journeys to prioritize, a company should lay out the

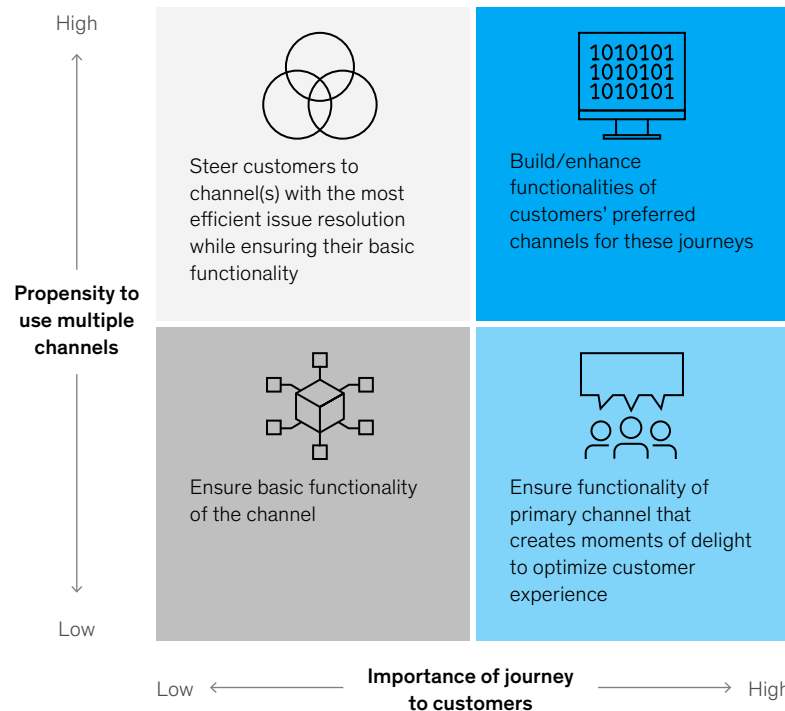
considerations for the two dimensions in a matrix so that the best candidates fall in the top-right quadrant (exhibit). The journeys in that quadrant become the company's top priorities.

An organization can tailor its omnichannel approach by mapping each customer journey to a quadrant of the matrix and focusing on only two or three in the top-right corner.

The telecom industry provides one example of a journey that falls into the upper-right quadrant of the matrix. Because a typical customer doesn't purchase a new device or change internet and phone packages frequently, the decision to make a change can be complex or emotional to the customer. Such a customer often starts the purchase journey by researching products or services online or in apps before making a switch to the channel—most likely a live chat, a phone call, or in the store—that provides the best offer or the best rate or is most trusted by the customer. The combination of the journey's importance to the

Exhibit

An organization can tailor its omnichannel approach by mapping each customer journey to a quadrant of the matrix and focusing on only two or three in the top-right corner.



customer and his or her propensity to use multiple channels makes this omnichannel journey a prime experience for the company to get right.

A “fix my internet” journey also tends to be extremely important to customers and has a low propensity to require multiple channels, thus falling into the lower-right quadrant of the matrix. It is important because a sudden internet outage can disrupt customers’ lives and cause them undue distress. And these customers are unlikely to use multiple channels because, having lost access to the internet, they often move straight to phoning the company.

Organizations should deprioritize the cross-channel functionality of low-importance journeys such as a “check my data usage” journey, when customers often quickly check their data usage using an app without crossing over to an additional channel. This journey falls in the lower-left quadrant, as it has low importance and customers taking the journey are not inclined to use multiple channels.

Design for the channels that matter

Once organizations have determined where important interactions intersect with a high propensity to use multiple channels, they can shift their focus to building out functionalities in line with the channels of customer choice, making sure information flows freely across those channels to enable a personalized omnichannel experience.

Our experience shows that—whether a company is in the travel, retail, financial services, or other industry—there are often patterns in how customers interact with different channels as they embark on

specific journeys with a company. By prioritizing the most common paths and the channels that customers on those paths use first, companies can quickly increase their chances of creating impactful experiences where they matter most and make the experience feel personalized to the customer.

For example, one telecom company found that the “dispute my bill” journey fell into the upper-right quadrant—a key journey to get right. The company tracked customers’ digital engagement behaviors—including activities on the company’s website and app, chats, and inbound calls—and found that more than 70 percent of those who called to ask about their bills spent 10 to 15 minutes on the website three to four days before making the call. With this in mind, the company equipped its contact center agents with customer-specific information from their customers’ previous online interactions and the history of customer bill changes. As a result, the next time these customers called, agents could jump directly to the bill in question and address critical questions. This approach created a personalized experience for the customers.

In some cases, companies may purposefully choose to engage the customer across multiple channels. Upon analyzing its cancellation journey, one telecom found that many customers spent time reviewing their contract and cancellation terms online a few weeks before calling to cancel. Instead of passively waiting for a customer’s call, the company proactively implemented a pop-up chat function on its contract and cancellation-terms webpage that connected customers directly to the retention team. If the customer still chose to call, he or she was

By prioritizing the most common paths and the channels that customers use first, companies can create impactful experiences where they matter most.

routed directly to a retention agent equipped with the customer's browsing history. This purposeful engagement ensured timely intervention, reduced customer attrition, and provided a meaningful boost to both customer and employee satisfaction.

Embed a customer-centric mindset

Internal limitations—such as legacy technology platforms or a lack of automation in the back office—should not determine what kind of omnichannel experience a company builds. Rather, companies should focus completely on understanding what customers want and need by segment (such as age, geography, and income) and taking an omnichannel approach that puts customer needs at the very center of its functionality.

Recognizing that buying a car can evoke strong customer emotions and that many customers use multiple channels along the way, car companies, for example, should take great pains to understand the journey a customer is likely to take and then build omnichannel functionality based on that path. With a deep understanding of the customer journey, car manufacturers might, say, make sure that agents and dealerships have the right set of information at their fingertips—such as customers' online or mobile-app search history and saved searches—to provide a more personalized experience.

For an organization to deliver truly individualized service and maintain superior omnichannel experiences, the journey-focused and customer-centric view needs to permeate throughout the organization, from the C-suite down to the agent level. Some organizations have started to organize teams around journeys to cut through business

silos and adopt an agile mindset that quickly brings customers' concerns to the surface.¹ In companies with successful omnichannel efforts, customer satisfaction measurements cascade upward, from the front line to management scorecards, and employees are held accountable for the promises they make to customers.

The behavior of the leaders at such organizations provides a role model. For example, C-suite leaders at one North American bank gain a greater understanding of what's important to customers—as well as boost employee morale—by regularly visiting the call center and sharing customer feedback with employees across the organization. Employees are recognized and celebrated publicly for outstanding customer service.

Without being thoroughly customer-centric and focused on customer journeys, companies are likely to expend their resources in the wrong places and inevitably fall behind the competition.

Companies that get the omnichannel experience right can stay ahead of the curve by being among the first to adapt to an increasingly digital world. The earlier organizations can start using a customer-centric and journey-focused approach to their omnichannel strategy, the sooner they will reap the benefits. Omnichannel success no longer needs to be a daunting or seemingly unachievable aspiration. By focusing resources on the multichannel journeys that customers truly value, organizations can provide personalized attention and provide the best customer service in the moments that matter most.

¹ For more on an agile mindset, see Carolyn Dewar, Sherina Ebrahim, and Michael Lurie, "Agility: Mindset makeovers are critical," McKinsey Organization Blog, April 30, 2018, on McKinsey.com.

Jorge Amar is a partner in McKinsey's Stamford office, **Raelyn Jacobson** is an associate partner in the Seattle office, **Becca Kleinstein** is an associate partner in the New York office, and **Allison Shi** is a consultant in the Los Angeles office.

The authors wish to thank Paul Kline, Subhrajyoti Mukhopadhyay, Maurice Obeid, and Grant Riewe for their contributions to this article.

Copyright © 2020 McKinsey & Company. All rights reserved.