

Customer Care Practice

The future of customer experience: Personalized, white-glove service for all

The next horizon of customer service will be built on individual customer profiles, enabling companies to quickly resolve issues and even prevent them from occurring.

by Rohit Agarwal, Raelyn Jacobson, Paul Kline, and Maurice Obeid



The future of customer service is already here. Laptops silently report impending performance issues, triggering a remote fix before the user even realizes there might be a problem. Vehicles send proactive maintenance notifications and communicate directly with manufacturers to speed up repair response when a problem occurs. The next horizon is for customer service to be completely customized to each individual: when a customer calls a contact center, the agent can pull up a profile detailing the customer's every interaction with the company, from previous service calls to payment schedules to marketing segmentation.

Such personalized service can be compared to the "white-glove service" long associated with high-value customers and transactions. Characterized by attention to detail, convenience, speed, and emotional fulfillment, this high standard of service offers solutions, products, and services that are tailored to each customer's specific and unique needs. It is central to a customer-first mindset and made possible by the availability of data and advanced analytics to track a customer's individual journey in real time.

Yet very few organizations are providing this level of service today. There are two primary reasons for this. First, many believe it to be prohibitively expensive. Second, building a comprehensive customer profile requires a high level of cross-departmental visibility, which in turn necessitates enablers such as organizational structure changes and IT investments. To offer high-touch service to everyone, customer service can no longer be an isolated department; it must be tied into every business unit that interacts with the customer, including sales, marketing, product design, collections, and the front line.

The good news is that white-glove services offer a high return on investment. In fact, they present an opportunity for significant cost savings because they accelerate the resolution of contact center issues (or prevent issues altogether) and deepen

customer trust and loyalty, thereby supporting retention and tailored cross-selling. And, while such services require technology investments and shifts in organizational structure, these investments and shifts will soon become mandatory as companies compete to meet customer expectations. All functions will benefit from the enterprise-wide visibility required to build comprehensive profiles of individual customers.

The modern reality: White-glove service is both inevitable and economical

Modern customers increasingly expect highly personalized service. Providing such service offers several benefits to the organization:

- **Deeper customer trust and loyalty.** Companies can win lifelong customers by creating a seamless experience across all touchpoints and providing the right service or product to meet individuals' needs.
- **Reduced need to call.** Proactively resolving issues or contacting the customer can significantly decrease the volume of calls that reach the contact center. Improved prediction of intent and first-call resolution will also reduce repeat calls and average handle time. Digital channels can also reduce customers' need to call—and the move toward digital service capabilities has accelerated in recent weeks and months as the COVID-19 pandemic has led to physical-distancing and shelter-in-place requirements.¹
- **Reduced costs.** Traditional customer service is the same for all customers—for example, businesses typically create standard solutions for all disgruntled customers. Companies that know customers individually can tailor solutions to meet individual customer needs, possibly at lower cost to the organization—for example, offering a simple apology rather than a gift card.

¹ For more, see Jorge Amar, Raelyn Jacobson, Becca Kleinstein, and Allison Shi, "Redefine the omnichannel approach: Focus on what matters" in this compendium.

White-glove services offer a high return on investment.

- **Increased revenue.** Individual customer profiles also enable companies to take a needs-based approach to selling, replacing the standard one-size-fits-all approach—such as walking the airplane aisle with a credit-card offer—with tailored outreach with higher acceptance rates. In our experience, some organizations have seen a revenue increase of 30 percent or more from adoption of a needs-based approach and proactively reaching out to customers at the right time with the right offering.

These benefits can far outweigh the cost of the investment required. Historically, white-glove service was costly because it required companies to hire highly trained, premium agents and expensive concessions, but today it involves investments in IT, data management, and advanced analytics as well as change management and training. A systematic analytics capability enables organizations to analyze the whole population of customers—after which adding a new person comes at almost negligible cost. Once a company has developed a methodology to identify needs, execution is far simpler and the service is ultimately cheaper to deliver. This is increasingly true as digital capabilities become more ubiquitous and less expensive.

What must change

In our experience, the vast majority of customer service operations are reactive, with a primary focus on resolving customer queries—which is just

one small piece of the customer journey. This is because most customer service units are currently siloed. They lack transparency into, and integration with, all the various departments that interact with customers, including back-office functions such as marketing and sales as well as frontline employees in stores and branches. Put simply, the right hand needs to know what the left hand is doing. A company can have all the data in the world on an individual customer, but to be useful the data must be structured to enable insights and shared with the right functions. There are two primary components to building a highly sophisticated and cutting-edge customer service function: understanding and anticipating customer needs, and implementing enablers to facilitate the development of comprehensive individual profiles of customers.

Understand and anticipate customer needs

Based on customer awareness of an issue and the organization's ability to respond either reactively or proactively, customer needs can be broadly categorized into three major archetypes:

- **Preventing issues.** Proactive customer service can endear a company to its customers by preventing issues before they occur. For example, a global help desk uses back-end analytics to track computer performance and notices that certain systems are experiencing slower-than-average performance due to pending software updates and so forth. The help desk silently dispatches a fix to all

computers that meet similar parameters to prevent them from having a similar slowdown.

- ***Solving problems before customers raise them.*** Busy customers experience white-glove treatment when they know they have an issue but the company raises it first—and solves it. For example, a customer stuck in traffic on her way to the airport gets a proactive alert from the airline, telling her she's likely to miss the flight given her current location and offering alternative flight options. Early detection of financial fraud is another example, but many companies have only scratched the surface of such proactive problem solving.
- ***Personalizing responses when customers reach out.*** When a customer does request help, companies can still provide exemplary service by predicting her needs based on her individual profile and providing a personalized response. For example, a utility's interactive voice response (IVR) system determines that a customer is calling about a bill that is higher than usual. The IVR runs analytics on the back end to review the bill and link it with data on recent temperatures and bills from similar customers in the area, quickly equipping the customer service agent to explain and provide a detailed report for the customer.

Implement organizational enablers

Building a mature customer service capability means building well-informed individual customer profiles—which, in turn, requires the customer service function to have visibility into the end-to-end customer journey and play a vital role in managing the customer relationship beyond simply resolving issues. To create the necessary transparency and capabilities, companies need a set of overarching, foundational interventions. Organizations can consider all these interventions from the start and pursue them at their own pace.

Facilitate cross-functional collaboration on customer data. Most organizations are unlikely to be able to meet the needs of customers in each of these three archetypes without increased

collaboration and integration among the service, sales, and marketing functions, as well as significant IT support. To enable this collaboration, companies need to create feedback loops and break down silos in an effort to facilitate the transparency required to build comprehensive individual customer profiles and shepherd customers through touchpoints with the organization. For example, if customer service knows when a customer placed an order thanks to collaboration with sales, the company can reach out proactively to confirm order status and avoid shipping issues.

Build robust data and analytics capabilities. A major hurdle to building comprehensive customer profiles is establishing clean customer data. Historically, customer data is duplicated, conflicted, and fragmented across the systems and functions at most organizations. Data “sources of truth” are not always clear, and multiple systems may be able to update the same customer record. Furthermore, much customer data is unstructured and, thus, difficult to glean insight.

Building a customer-focused organization means not just implementing one system but stringing together an ecosystem of capabilities and integrating them with business processes. It requires closing the loop on the end-to-end customer journey using advanced customer relationship management (CRM) systems and continuous data curation. The maturity of the available technology, data integration, and organizational setup determines the level of personalization that an organization can provide as a starting point. And companies should establish continuous technology adoption, data-integration initiatives, and organizational restructuring to improve personalized services to customers.

When an issue does arise, functions can work together to determine the root cause of the issue and address it through process transformation and automation to ensure that the issue does not recur. For example, an insurance company was experiencing high call volumes from customers asking simple questions about account details. It

used an analytics-driven root-cause analysis to determine the cause of the issue: the company was using a third-party vendor to handle its welcome packages, and customers were not receiving their welcome packets on time.

Proactive issue identification is not possible without data and analytics. Companies can use advanced analytics on available customer data to offer services or products based on the customer's recent behavior. For example, a credit-card company may be able to use the shopping data of a customer who bought a plane ticket to provide need-based offers such as a lower foreign exchange rate on purchases in certain countries.

Implement change management. Driving company-wide change is never easy, so a change-management effort that is built around a shared purpose is crucial. Companies can start by identifying the right stakeholders, categorizing them by their level of influence and the change in their remit, and mapping them on a change-influence matrix to determine who to involve, who to engage, and who to keep in the loop. Companies need to understand the underlying mindsets that drive employee behavior to determine the right interventions, such as role-modeling and targeted capability development, and to reinforce desired

behaviors. The goal is to go beyond compliance and engender true commitment to the customer experience and the organization's ability to provide white-glove service to all.

A crucial component of change management is empowering frontline employees to resolve issues by making an appropriate offer or presenting a personalized solution. When frontline employees have the proper authority to take action based on an individual customer's attributes, needs, and situation, they can take ownership of the interaction, determine the root cause of the issue, and equip customers with self-service tools to resolve similar issues in the future.

Customers increasingly expect every service organization to work tirelessly in the background, preventing issues before they arise; knowing when, where, and how to get in touch; and proactively reaching out where necessary. Mounting such a customer service function requires an understanding of customer needs and organizational enablers that facilitate data collection, analysis, and sharing. Organizations that get it right will continue to set the pace for peers across industries.

Rohit Agarwal is an expert in McKinsey's Boston office, **Raelyn Jacobson** is an associate partner in the Seattle office, **Paul Kline** is a senior expert in the Dallas office, and **Maurice Obeid** is a partner in the New York office.

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