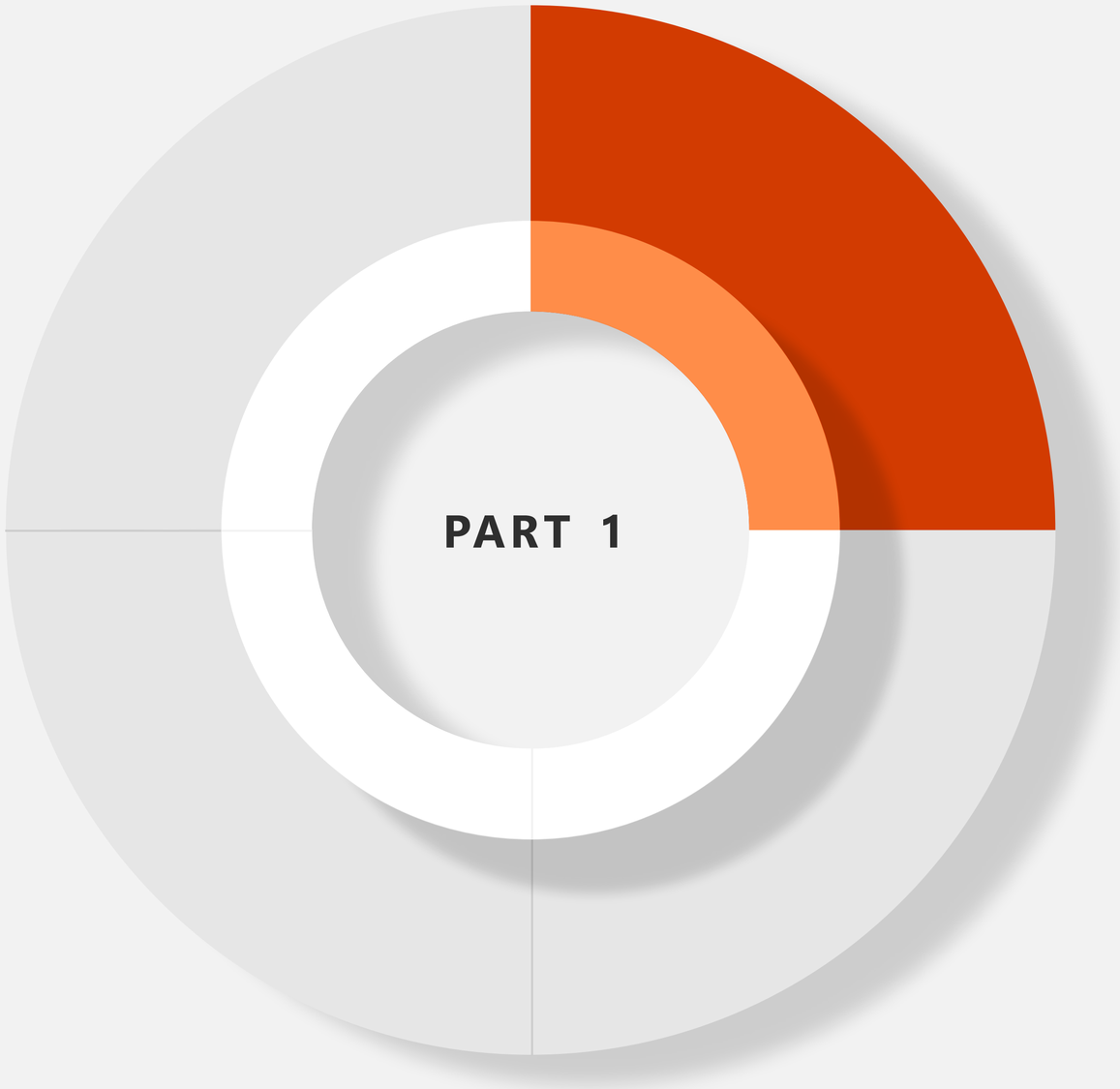
E-book Series

Engaging Customers on Their Terms



A customer service sophistication model

Microsoft Dynamics 365

Contents

Who this is for:
Service leaders responsible for contact center and customer service experiences.

Estimated reading time:
10 minutes

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Definition / Service sophistication model:

A tool to help organizations assess and understand the complex mix of strategies they need to deliver a specific service experience.

Deliver anywhere, anytime service that builds loyalty

Customer expectations are evolving fast. To stay relevant, organizations need to make seamless service look simple and solve customer problems before they happen. When customers engage with you exactly how they want, they expect:

- Support anytime, anywhere, through the channel thatx works best for them.
- Consistent service outcomes and support quality, regardless of channel or service need.
- Agents ready to assist with complete context—engagements, account details, service history, real-time sentiments, and recommendations.
- Engagements that feel personal, with seamless connections to resources.
- Intelligent self-service that's fast, easy, and convenient.

It can be hard to keep up—but your business is worth the effort and investment. After all, consistently excellent service builds the kind of loyalty that turns customers into raving fans. But it doesn't just happen on its own, even with the most advanced, ever-evolving solutions at your fingertips.

To deliver what customers expect on the channel they demand, service leaders need a comprehensive and thorough approach to omnichannel support. We hope this book guides service leaders to assess, plan for, and elevate their customer engagement.

Chart your customer engagement path

Whether you're beginning with standard, basic customer care services or a mature enterprise on the cutting edge, the service sophistication model provides a 4+ level framework to meet customers where they are. By using the model to help plan your transformation, your organization can achieve greater value and ROI with fewer technology investments.

The service sophistication model applies to both customer service and contact center management, and covers the solutions needed to deliver exceptional customer care through end-to-end service operations.

World-class customer service organizations have successfully increased their customer satisfaction, engagement, and experience by implementing these service capabilities—connecting teams, service workflows, and processes across their organizations to provide a more complete view of customer and service engagements.

Service sophistication model



Level 1
Cost centric

Address basic needs with simple, standard processes.

You're set up to handle basic service needs—but complex issues can lead to poorly defined, reactive processes and slow responses.

Level 2
Metric centric

Make measurable improvements by organizing digital capabilities.

You've invested to keep pace with competitors and require less effort from your agents and employees to help customers, but your ability to aggregate and analyze information is limited.

Level 3
Data centric

Enable proactive service and a growth mindset with insights from data.

You're shifting your focus from minimizing costs to fostering opportunities and building relationships with proactive support, self-service, and automation to help resolve customer issues.

Level 4
Profit centric

Use AI insights to clean up inefficiencies and intelligently predict issues.

You're a market leader with a differentiated service platform and customer-obsessed approach.

Level 4+
Future centric

Optimize service support to focus energy on aspirational goals.

You're looking a few years ahead to where capabilities are going—innovating beyond market-leading services.

LEVEL 1

Cost centric

SELF-SERVICE	CHATBOTS	VOICE CHANNEL & IVR	DIGITAL ENGAGEMENT CHANNELS
Static wikis and frequently asked questions (FAQs) for simple problems	None	Human agents only	Connection between channels with shared ecosystem

Level 1 organizations would benefit from the ability to pass historical customer information between channels.

Engaging your customers is limited to solving needs as they arise—perfect for basic issues, but not complex, customer-specific service needs.

What you're able to do:

- Provide products or services with minimal support needs that don't change much between users.
- Deliver customer experiences through reactive channels like call centers, email requests, and FAQ.
- Offer documentation and simple guidance on most service needs—with more detailed information provided to agents when needed.

What holds you back:

Many basic questions still need an agent to resolve, and since agents aren't available around-the-clock, customers must wait to handle complex issues.

How you advance to level 2 (metric-centric service):

- **Empower your customers to solve more issues on their own** with self-service, automated assistance, and access to profiles and requests.
- **Expand live support to around-the-clock coverage** through automated voice channels, online chat, text messaging, and self-service.
- **Equip agents with detailed information on history and issues,** including transcripts and question-based categorization.
- **Focus on efficient resolution of service needs** by removing the repetitive, predictable portions of a human agent's job.

LEVEL 2

Metric centric

SELF-SERVICE	CHATBOTS	VOICE CHANNEL & IVR	DIGITAL ENGAGEMENT CHANNELS
Portal access and detailed guidance for common issues	Simple chatbots route to static resources	Call steering and issue triage and escalation	Digital support and information gathering across all channels

Most large firms are in level 2–3.

You're able to meet more complex customer needs with information from expanded capabilities. Cost and efficiency concerns are addressed with better information and metric-based performance tracking.

What you're able to do:

- Consolidate service need records, track accounts and service history across all channels, and let customers and agents view and reopen past requests.
- Offer expanded access to support resources, including around-the-clock agent support via voice, text, or chat for critical issues.
- Provide expanded self-service options for common support and service needs, including an accessible knowledge base, basic chatbots, and options to escalate requests to a live agent.
- Route complex or uncommon service needs to a human agent with some background on the issue and service history.

What holds you back:

Customers have trouble managing their accounts and struggle to find relevant answers in their service portals.

How you advance to level 3 (data-centric service):

- **Better understand customer needs and streamline support** by gathering detailed information about past needs and previous purchases.
- **Provide opportunities for customers to shape their service and revisit past tickets** to give them more control and improve satisfaction.
- **Eliminate the need for repetitive problem solving** with searchable knowledge resources and moderated discussion boards.

LEVEL 3

Data centric

SELF-SERVICE	CHATBOTS	VOICE CHANNEL & IVR	DIGITAL ENGAGEMENT CHANNELS
Detailed account history and searchable knowledge base	Rules-based chatbots direct to self-service or agent with background	Automated information gathering and handoff	Information and context integration across channels

Virtual agents supplement self-service functions and make transfers seamless and targeted.

You're engaging customers across channels and expanding your product suites to spur high customer satisfaction, strengthen client relationships, and address areas of improvement.

What you're able to do:

- Start to use data gathered from service interactions and across departments to improve and optimize customer experiences.
- Save detailed records of all interactions to enable smooth channel transitions and ease access to ticket info.
- Expand the content in agents' knowledge base and their access to it, with detailed guidance, community boards, and indexed pages agents can update.
- Communicate across channels outside of business hours with virtual agents using rules-based chatbots and interactive voice response.

What holds you back:

Chatbots aren't as simple as they make service look: Creating and maintaining them can be tough and time-consuming.

How you advance to level 4 (profit-centric service):

- **Reduce support from human agents** with improved virtual agents that rapidly tailor guidance.
- **Proactively identify and communicate ways customers can improve their experiences.**
- **Focus attention and effort on process improvements,** prioritizing customer inefficiencies and missing capabilities.
- **Deliver predictive insights and AI-driven suggestions** to solve customer issues and alert them to relevant products and services.

LEVEL 4

Profit centric

SELF-SERVICE	CHATBOTS	VOICE CHANNEL & IVR	DIGITAL ENGAGEMENT CHANNELS
Customer-facing dashboards and service alerts or insights	Customizable and conversational chatbots with NLU	Seamless transition to agents	Seamless transitions between channels

Industry leaders should invest in NLU capabilities to help make automated agents' language more realistic and conversational.

A seamless service experience differentiates your business, which lets you focus more on customer outcomes, long-term partnerships, and uncovering growth opportunities.

What you're able to do:

- Meaningfully analyze data, use predictive analytics, and enable alerts that give insight into service needs.
- Prevent customer issues and identify targets for future product updates, using aggregated intelligent signals and connected data.
- Expedite support with smart virtual assistants, natural language understanding, and similar intelligent capabilities.
- Seamlessly transition service needs between channels and agents.
- Fully resolve common, simple issues using virtual agents.
- Provide customers rapid, relevant information generated from online communities that can be incorporated into the automated support process.

What holds you back:

Transferring customers from automated systems and chatbots to human agents can be troublesome and might not provide adequate background.

How you advance to level 4+ (future-centric service):

- **Gather and communicate background information** as you transfer customers from service entry points to human agents.
- **Adapt quickly and securely to new channels** by validating and authenticating customer profiles.
- **Continuously improve automated agent experiences with AI** by learning from past interactions.

LEVEL 4+

Future centric

SELF-SERVICE	CHATBOTS	VOICE CHANNEL & IVR	DIGITAL ENGAGEMENT CHANNELS
AI-driven proactive service insights	Optimized chatbot conversational abilities and performance	Advanced biometric security and conversational AI	Robust conversational AI agents that move between channels

Today’s customers expect an ongoing conversation, rather than repeat themselves or spend valuable time getting a new agent up to speed.

You’re thinking about what the next three to five years looks like, when interactions move back and forth between virtual agents and humans across any channel, without friction or delay.

What do you strive to do?

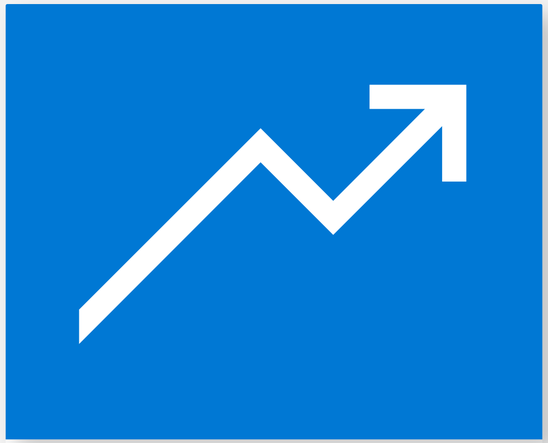
- Provide channel-less engagement with differentiated experiences that respond most effectively to the customer’s needs, in that moment.
- Easily add new channels and touchpoints when a new customer need arises that is not appropriately addressed by other channels.
- Offer new ways to engage—like mixed reality or the metaverse—that push the boundaries of digital sameness.



The following KPIs for level 4 organizations can help you define and establish your own measurements of success.

CUSTOMER KPI	COST KPI	EFFICIENCY KPI
↑ Customer Satisfaction (CSAT)	↓ Cost per Contact	↑ Call Deflection Rate
↓ Repeat Contact Rate	↓ Cost per Conversation	↑ Fulfillment Speed
↑ Net promoter Score (NPS)		↓ Inbound Abandon Rate

Organizations that engage customers on their terms achieve tangible outcomes in service, cost, and efficiency.



25 POINTS

Increase in customer service net promoter score by NatWest Bank with Dynamics 365 Customer Service.

How NatWest engages their bank customers

NatWest is one of the largest banks in the UK, with roots dating back to the 1640s. But meeting the 21st century demands of serving more than a million customers was often hindered by clunky digital platforms not working with the bank's key systems—causing customer service issues and employee frustration alike.

To help stitch their many customer interactions together into a cohesive journey, the banking group moved to Microsoft Dynamics 365, giving them a single view of customer interactions from the beginning of their relationship, all in one place. With more information at their fingertips, empowered relationship managers have embraced the solution.

Now NatWest's business team can quickly identify and respond to customer needs—even complex issues—from a holistic view that reflects their customers' multi-channel experience. And they continue to build on their technology with AI connecting channels and increased transparency to support their transition to a net-zero carbon footprint.

Why you should address omnichannel engagement

As customers engage by steadily adopting cutting-edge technology, their expectations for smooth, seamless experiences are only going to grow.

It's why an omnichannel strategy to customer engagement is so critical. Service organizations must meet customers on the channel they prefer, or risk losing them—voice calls are no longer enough.

That's the reason you see market leaders focused on hyper-personalized, contextual service: to support customers across the evolving digital channel, they're investing in AI, machine learning, predictive analytics, and robotic process automation. Tomorrow's service apps will provide more natural conversations. Users will seamlessly authenticate with voice signature biometrics. And innovations in speech recognition, multi-lingual support, and NLU algorithms will elevate communication.

Whatever your goals for modernizing your service operations, use the guidance in this e-book—and a platform that empowers agents and customers like Microsoft Dynamics 365 Customer Service—to get more out of your technology investments, reduce complexity, and avoid risks.

Then continue your service journey with the next e-book in this series, and learn how to use the service sophistication model to help you understand how to smoothly connect agents with the best person or resource to solve service needs quickly.



Continue the e-book series:
Intelligently Routing Service Requests

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