

Delivering services that are compelling, personal and human

How a clear service concept can enable an organization to use the right mix of channels to interact effectively with different customers

The service concept

To remain relevant, organizations have to effectively serve a diverse group of customers, including: those who aren't digitally savvy, those who like to do everything digitally, those who prefer personal contact, and those who like to act quickly and independently.

In other words: service delivery has to meet the different needs of different customers and cannot take a 'one size fits all' approach. To meet the challenge presented by this human dimension, organizations need to find the right combination of channels that are both affordable and technically feasible.

This requires a constant loop of measuring success, learning and adapting and building on existing or new client interactions and services.

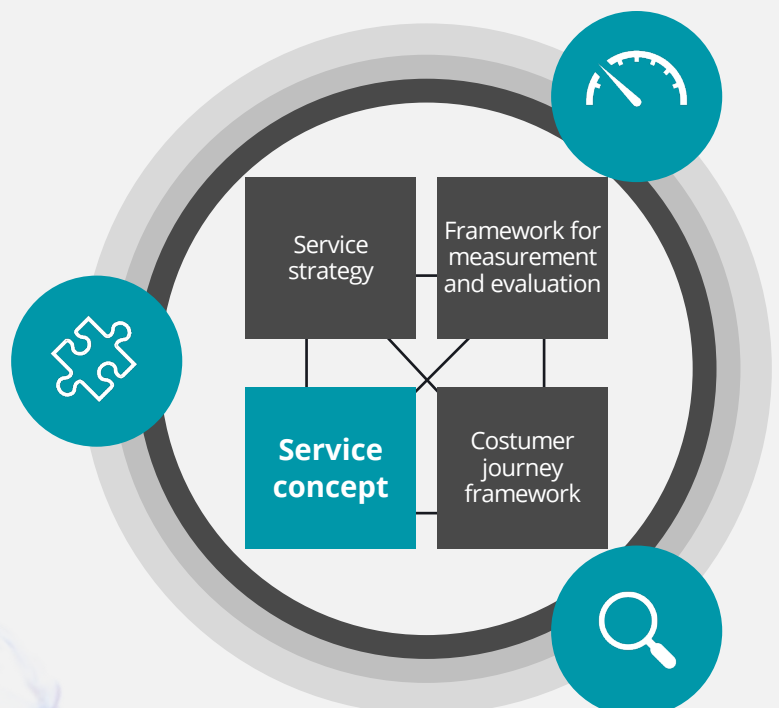
To be able to orchestrate this continues loop, organizations need four key components: a customer journey framework, a strategy for measurement and evaluation, organizational ambitions and a service concept.

Within this article we will dive deeper into the latter.

A service concept is a strategic model in which an organization defines the services it offers. The goal is to remove the ambiguity and inconsistency in customer service, create a unified customer experience, and provide a strategic direction in service delivery.

A service concept also provides a framework for channel management and the evaluation thereof and is a step towards journey orchestration.

When organizations have a clear service concept, users and other stakeholders can better understand what they can expect and hold the organization accountable when expectations are not met. This is particularly important for organizations within the public domain where trust is a challenge.



Example: service concept of an online retailer

To develop a service concept, organizations have to consider the level of self-reliance of different groups of customers and the technologies, channels and resources that can be employed to meet their needs.

We can think of this as a pyramid with different layers, which require different approaches and resources. The service concept summarizes the approach for these different groups, creating an overarching strategy. Below is a sketch of the pyramid layering that we often see in service concepts.

Imagine a retail chain, Fashion For You, that offers clothing and accessories.

The bottom layer of the pyramid is the largest group of customers – those who are willing and able to shop independently. They need self-service. They want to use the Fashion For You website to search for products themselves, check availability, make purchases and manage returns. They make use of the FAQ section for general questions and the instructional videos for measuring sizes.

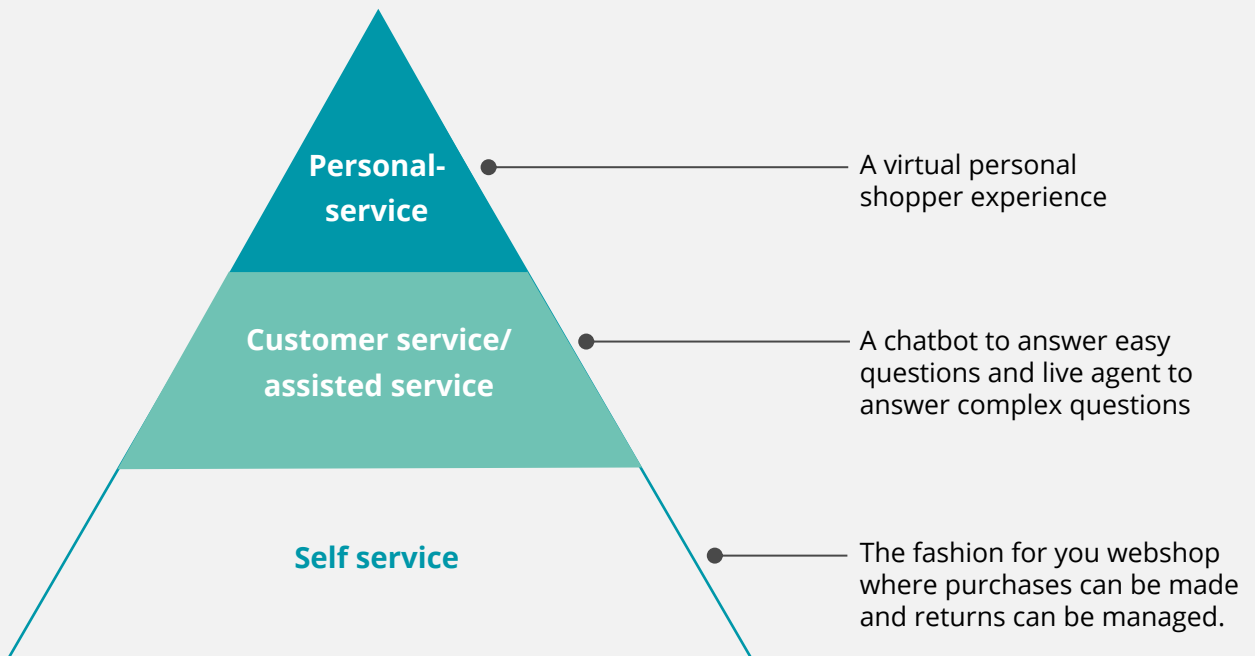
The middle layer of the pyramid is customers who need more face-to-face communication. They are looking for a semi-automated, half-personal approach. Fashion For You serves these customers via a chat function on its website where a chatbot answers basic questions, and if the questions become more complex, a live agent takes over. The retailer also offers phone support for customers who prefer to speak with a representative.



The top layer of the pyramid is customers who want the most personal help. Fashion For You serves these customers with personal shopping assistants assigned to help find the perfect outfit, provide style advice and even make arrangements for special events. It also employs multimedia technologies, such as video calling, to provide a "virtual personal shopper" experience.

In this way, *Fashion For You* adapts its customer service to the different needs of its customers, ensuring a satisfying and effective customer experience.

EXAMPLE OF A POSSIBLE SERVICE PYRAMID



Three lenses for an integrated service concept

A service concept should describe the various elements of the service, such as the nature of the services, the service processes and customer and employee experience.

In order to (further) develop an integrated service concept, it is important to look at the service through three different lenses:

01

NEEDS AND WISHES OF CUSTOMERS

02

ORGANIZATION, POLICY AND VISION

03

PEOPLE, PROCESSES, TECHNOLOGY, DATA AND LEGAL ASPECTS

Within all these lenses, learning, listening and testing are central. In the remainder of this document, we discuss how each of the three lenses can be applied in the development of a service concept.





Employing the 3 lenses can deliver:

UNDERSTANDING AND RESPONDING TO NEEDS

Through research and analysis, the organization can develop a service concept based on the needs and desires of customers. This can lead to better service and higher customer satisfaction.

CLARITY FOR CUSTOMERS

By defining metrics for service levels, the organization can ensure consistent and predictable service delivery and ensure that customers know what to expect. The concept also provides a framework for evaluating the service.

MORE EFFECTIVE AND EFFICIENT ORGANIZATION OF SERVICES

A well-designed service concept helps to identify the most important and valuable services, processes and channels, thereby enabling the organization to use resources effectively and achieve the desired outcomes.

A CLEAR VISION AND WAY OF WORKING

A clear and widely supported service concept supports employees in carrying out their tasks and ensures a shared and feasible vision for the organization.

ROOM FOR INNOVATION

Developing a service concept challenges an organization to look for opportunities, and pursue renewal and innovation.



The First Lens: Users' Needs and Wishes

The first lens is about gaining insight into the needs and wishes of the users of the service. The following steps can be followed to gain these insights.

1

RESEARCH AND ANALYSIS

To uncover core customer needs, conduct in-depth research using interviews, focus groups, customer behavior data analysis and other robust methods. The next step is to map out the customer journey, carefully examining each touch point and the sequence of “moments”.

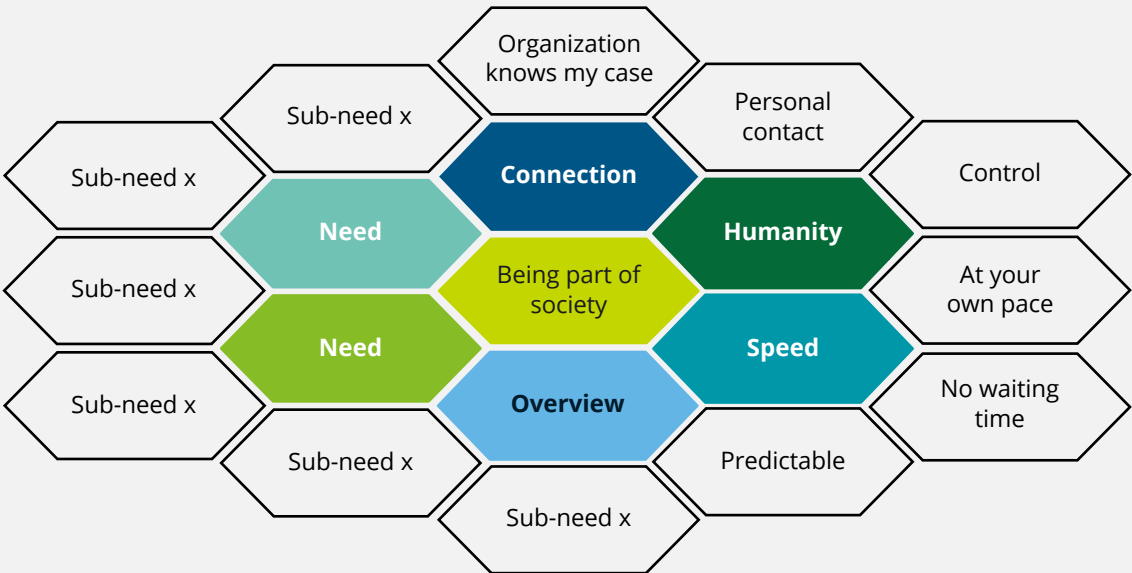
This provides a holistic view of the customer’s experience and helps to better understand their needs and wants across both the entire service and during specific interactions/channels. The results can be used to produce a clustering of the sub-needs that support each core need.

2

PRIORITIZE

Prioritize the identified needs based on their importance to the customer base. This helps ensure that the service is designed to meet the most important needs first. Then perform a gap analysis to determine which of the prioritized needs are already being met and which needs are being neglected.

ILLUSTRATIVE EXAMPLE OF A CLUSTERING OF RETRIEVED NEEDS PRIOR TO PRIORITIZATION



3

GENERATE IDEAS

Brainstorm ideas for potential new services or updates to services to meet the identified and prioritized needs. This may involve developing a concept for deploying existing/new channels and resources, defining specific features or components of the service, and identifying the processes and systems that will be used to deliver the service.

4

TEST

Test these ideas with a small group of customers to gather feedback and make adjustments if necessary. Where possible, test the concept in its entirety. If this is not possible, the proposed channels/resources, etc., should be tested separately.

ILLUSTRATIVE EXAMPLE OF A GAP ANALYSES WHERE THE CUSTOMER NEEDS ARE PLOTTED ON THE EXISTING (OR FUTURE) CHANNELS AND ARE SCORED ON HOW WELL THE CHANNELS ADDRESS THE CUSTOMER NEEDS

		Personal contact	Connected	At your own pace	Clear information
Personalized service	Case/case handler	●	●	○	●
	Counter	●	●	○	○
	Video calling	●	●	●	●
Customer service	Calling	●	●	●	●
	Chat with employee	●	●	●	●
	Webcare	●	●	●	○
Self-service	Web	○	○	●	●
	App	●	○	●	●
	Social media	●	●	○	●
	Automated chat	●	●	●	●
	Personal website/app	○	●	●	○
Inform	Letters	○	○	○	●
	Flyers	○	○	○	●
	Decisions	○	○	○	○
	Open website/app	○	○	○	●

The Second Lens: Organization, Policy and Vision

The second lens looks at the organization itself, taking into account its service vision, policy choices, structure, employees and culture. A clear vision will provide clear guidance for the service concept.

With this lens, we look at services from within the organization. The following questions will be addressed:

- How does the service relate to the vision, mission and values of the organization?
- What is the ambition around service delivery?
- What major changes in channel/resource use are we aiming for?
- How do we determine what success is and what KPIs are we going to use?
- What are the riskiest assumptions about the deployment channels and resources?
- Who are the stakeholders involved in strategic choices regarding service provision?
- How do we ensure that the service concept is widely supported and will be used?

To answer these questions, begin with research within the organization. Initiate conversations about long-term vision and policy, interviews and discussion sessions with different layers of the organization.

The resulting insights can then be translated into the strategy for deploying channels and resources at the various layers of the service pyramid. Customer journeys, as schematically depicted on the left side of this page, can be used as a means to link the customer needs to the current interactions, the employee journey and the processes within the organization and to map out ideas for improvements.

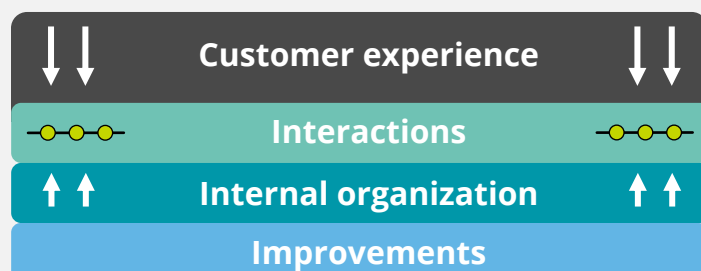
Set clear KPIs from the start, as well as a measurement plan to evaluate whether these goals are being achieved.

If an organization wants to provide a more digital experience and reduce the need for physical customer services, it could offer video calls to customers that need personal contact. To that end, the organization could, for example, set the following KPIs:

- a 5% reduction in customers at the physical locations
- a customer satisfaction report score of at least 7
- an employee satisfaction score of at least 8.

In this case, it would be necessary to measure:

- The number of customers who visit physical locations
- The number of video call appointments
- The results of a pop-up survey after each video call consisting of three closed questions for the customer about their satisfaction with the call and the channel.



The Third Lens: People, process, technology

The third lens is about realizing innovation/improvement and refers to the people, processes, regulations and technologies needed to deliver the service, among other things.

The most exciting aspect of a service delivery concept is the organization's ability to realize (timely) service innovation. In the third lens, we look at the enablers needed to roll out the identified services. Conversely, the third lens can also be a prompt for innovation, for example, due to a legal change or emerging technology.

When mapping out the services that the organization aims to offer at different levels of the service pyramid, it is essential to consider what is needed to provide these services. This includes the internal processes that need to be shaped, the technology and data that will be used, and the expertise that needs to be developed.

This can be done by mapping out customer needs, the internal organization, the desired improvements and requirements in a service blueprint. By going through the blueprint from start to finish with employees from various organizational units, you can identify the steps that need to be taken to realize the services.

By directly aligning the requirements for improvement with customer needs and organizational goals, resources can be deployed strategically.

For example, to offer customers video calls, new software or computers may need to be installed first, employees trained, and dialogue support developed. Establish a process through which employees can report aggression, and can exclude the relevant customers from the option of a video call.

New channels and tools can be tested/piloted on a small scale. By involving employees from different departments in these tests and pilots, learning, adaptation, and improvement can happen quickly, as the channels and tools scale up.

THE SERVICE CONCEPT

Based on the three lenses, a strategic model is formulated in which an organization defines the services it can feasibly offer customers and fit the organization and respond to the needs of customers. This model will remove the ambiguity and inconsistency in customer service, create a unified customer experience and provide a strategic direction in service delivery

As clear objectives are set in the development of the concept, a measurement/evaluation moment is built in: the service concept is also a framework for constant evaluation of objectives. A service concept is, therefore, a starting point for continuous learning and improvement, rather than an end point.



Benefits of a service concept

MEETING CUSTOMER EXPECTATIONS IMPROVES CUSTOMER SATISFACTION

Once the service concept has been developed, the organization will have a better understanding of how its omnichannel strategy meets the needs of different groups of customers. It will also reveal any gaps in service, highlighting where investments and further developments are needed to meet customer expectations and increase customer satisfaction

IMPROVED EMPLOYEE SATISFACTION

Developing the service concept will also help to identify, and then address, the needs and requirements of employees. Guided by a clear strategy, employees know better what to expect and what is expected of them. All of this contributes to improved employee satisfaction.

EFFECTIVE USE OF RESOURCES

With an overview of how the channel mix meets the needs of customers, the organization can optimize the alignment of these channels with the needs of different target groups. This allows resources to be used effectively and purposefully.

EFFECTIVE INNOVATION FOR OPTIMAL SERVICE

Setting clear goals, and then evaluating whether they are being met (by building measurement processes into the services), enables the organization to use new technologies/innovation effectively and specifically. As a result, it can deliver an optimal service to the customer.

A SOLID FOUNDATION FOR CONTINUOUS DEVELOPMENT OF SERVICES

Once the service concept has been established, it is important to periodically evaluate how well it meets the needs of customers. A service concept is not an end point. It is the starting point to learn and improve so that organizations can provide services that are compelling, personal and, above all, human.



Employing the three lenses to create a service concept that integrates needs, ambition and realization can lead to effective service innovation.

A good service concept is especially useful when customer expectations are changing or when there is a discrepancy between customer expectations and the services offered, which can lead to ambiguity, dissatisfaction and even loss of trust.

By creating a service concept based on the three lenses, an organization ensures clarity and consistency in customer service, both for customers and employees. In this way, the organization can increase both employee and customer satisfaction.

The service concept also provides insight into how resources can be used effectively and where further improvement or innovation is needed.

As well as helping the organization focus on customers and employees, the creation of a service concept provides a framework for continuous evaluation of objectives. Rather than being an end point, a service concept is a key component for continuous learning and improvement.



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