



The Digital Service Funnel Guide:

4 steps to effectively manage the customer journey

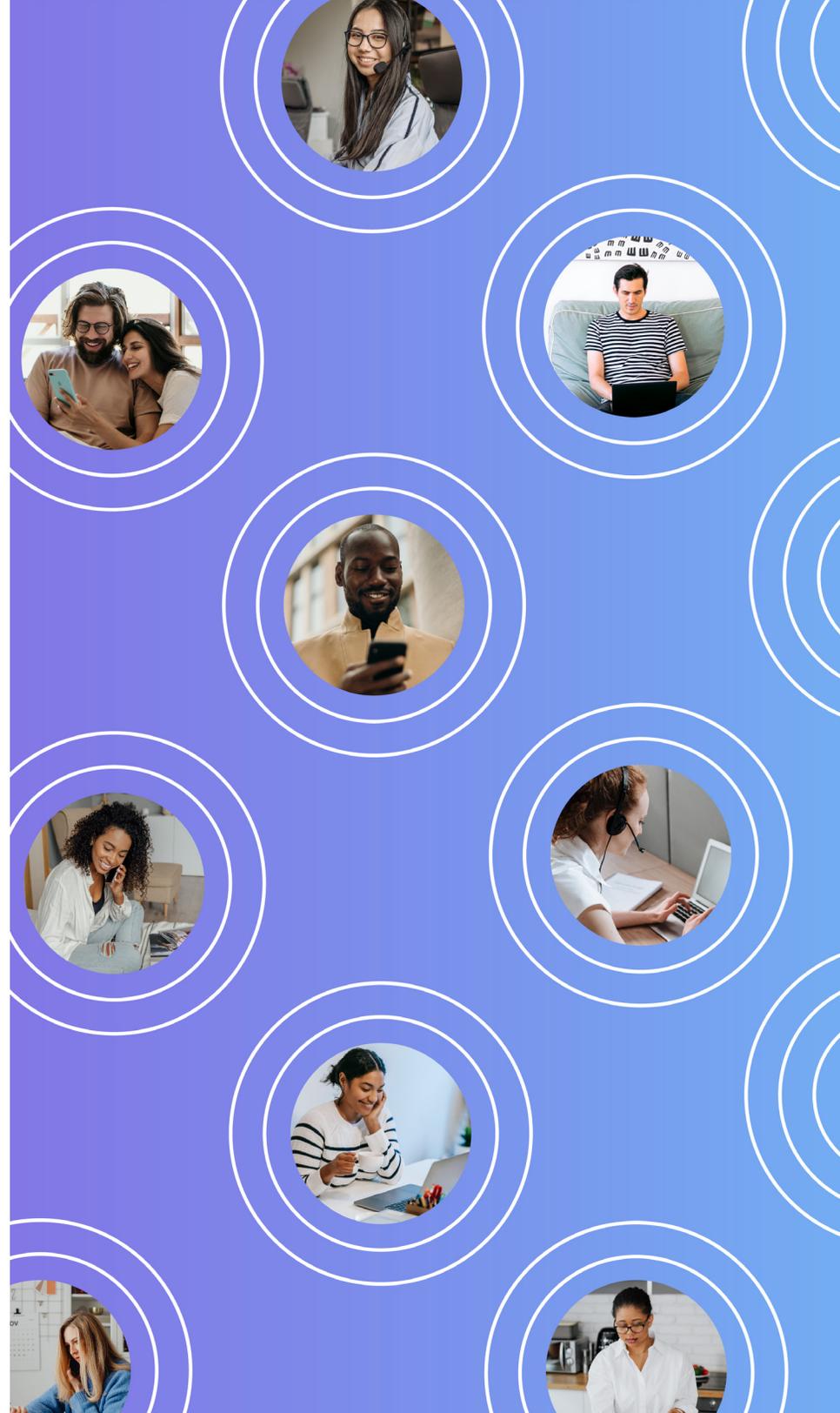
Why you're here

You know good service matters

You already know how much good customer service impacts your brand's bottom line, and you've seen plenty of stats proving that service quality and customer satisfaction are core drivers of success. Stats like these: "X% of consumers have switched brands after a single bad experience"; "Y% of shoppers prioritize customer support over the quality of a brand's products or service"; or "customers are willing to pay Z% more per transaction to brands that offer quality customer service". We've taken some deep-dives proving these numbers, and while the exact percentages might fluctuate a bit year to year, the essential takeaway remains the same: we've shifted from a transaction economy to an [experience economy](#), and customers will no longer tolerate bad experiences with brands.

You know what good service looks like

You also already know what good service looks like: quick response, low customer effort, convenience, quality, and of course, friendliness. But delivering good service isn't just about calibrating how much effort your brand should put into helping customers, or how nice you should be to them. Rather, delivering good service means doing your best to be helpful and nice, given immense resource constraints.



You need a blueprint for how to do more with less (here come the stats!)

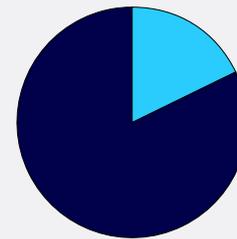
Brands need a blueprint for how to do more with less. Customer service inquiry volume [will rise 40%](#) in 2021. Consumer [preference for digital channels](#) is spiking. Despite this, 81% of customer service headcounts and 68% of budgets [have either stayed flat or declined](#). Brands are caught between a rock and a hard place.

You're trying to transform your customer service funnel, but it's hard

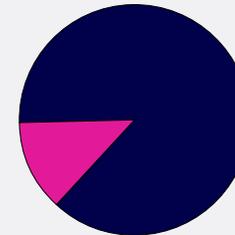
Investment in digital transformation is proceeding at breakneck speeds: between 2016 and 2019, enterprise brands [invested roughly \\$4.7 trillion](#) in digital initiatives. But customer satisfaction isn't keeping pace with investment. During that same period, only 19% of consumers reported any significant improvement in their experiences with brands.

The COVID-19 pandemic increased the pace of digital transformation in customer service: [67% of brands](#) accelerated their investment in AI, and [48%](#) accelerated their investment in digital service channels during 2020.

But as we look at the results of these investments today, we can see that they haven't panned out for everyone. [Just 18% of brand contact centers](#) now consider themselves to have omnichannel capabilities, and only 13% report that they're successfully using automation.



18%
have omnichannel capabilities



13%
successfully using automation

Digital CX professionals work tirelessly to improve their brand's service without overwhelming their digital contact center, but they need more — they need concrete, actionable steps. Customer expectations are up, conversation volume is up, and customer care budgets are, well, mostly not.

You want to know the secret to true digital service

Emerging technologies and rapidly shifting customer preferences have created a moving target for brands hoping to get the customer journey right. It seems technology vendors, consultants, and analysts have a new miracle cure every quarter, but only a small percentage of brands manage to get true value out of their investments.

The answer isn't a single chatbot or automation strategy, or a new service channel, or a new agent platform. The answer to mastering customer service is conceptualizing it as a funnel. It's a combination of tried and true tactics, plus strategically implemented new technologies, that together will help your brand build a cutting-edge customer experience while still being able to adapt to inevitable changes in technology and customer behavior.

In what follows we'll define a digital service funnel that will keep your brand nimble and ahead of the curve so that you can offer your customers fast, convenient support while keeping costs low and actually improving customer satisfaction. These are actionable steps you can take today to transform your customer service strategy in a lasting, effective way that's still agile enough to roll with digital evolution.

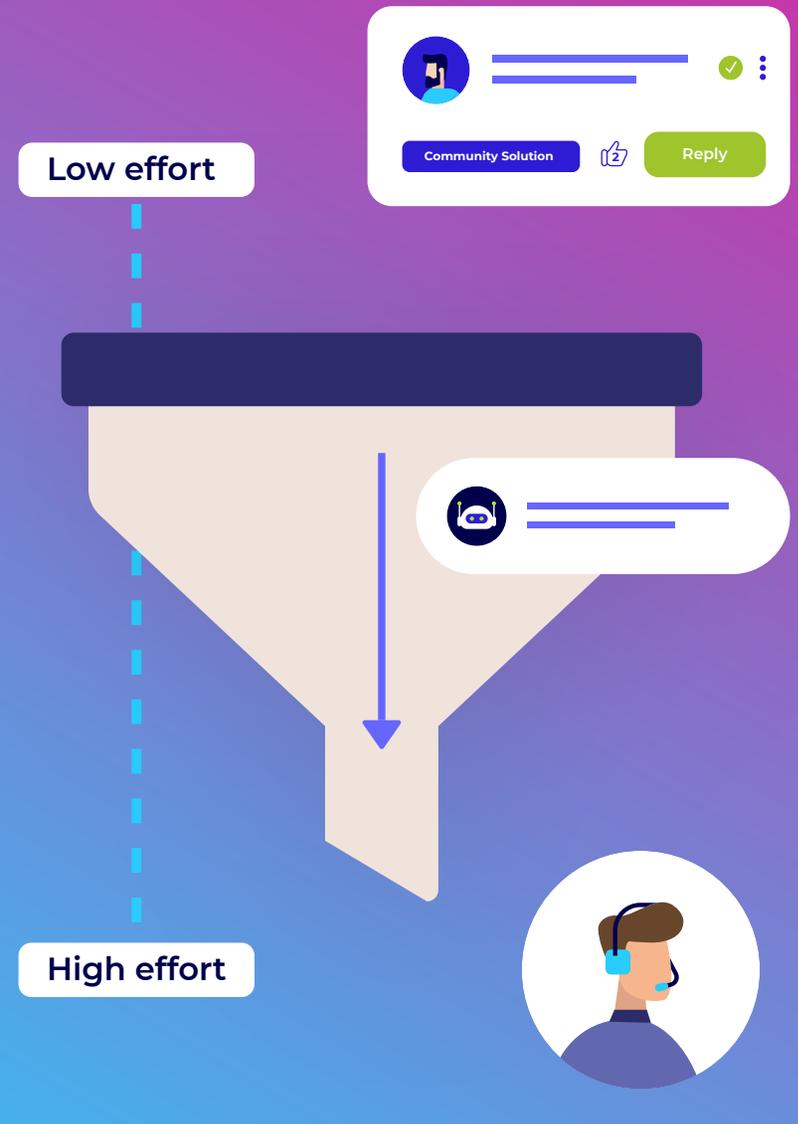


Defining the funnel

The jargon brands use to describe the customer journey and the business systems designed to support them can be confusing — buckets, pipelines, even flywheels. We prefer to conceptualize customer service systems as a funnel. That's because, as customer inquiries flow toward your brand, a simple hierarchy of processes should resolve them with the least amount of brand effort. At the top (the widest part) of the funnel, brands use systems that require the least effort and human labor. Towards the bottom and narrowest part of the funnel, where there are fewer inquiries to resolve, brands apply higher effort systems — like human agents.

The problem is that at scale, the top of the funnel can get hard to manage pretty quickly. Modern organizations have hundreds of potential entry points, not all of them brand-controlled. For instance, customers might first engage with your brand from contact or support pages, from your email footers, from physical collateral (mailers, paper bills, ads on billboards and bus stops — anywhere you can put a QR code), or from your mobile app. A customer's first point of contact could also be un-owned properties like Google Search results pages, Wikipedia, or review aggregators. Customers who have questions or need help will find entry points like your customer support email address or your 1-800 number; these create contacts or inquiries your brand needs to address. If you don't, you risk creating bad experiences for customers that can hurt your business.

The digital surface area that brands need to cover can be overwhelming — not just because it's so big, but also because it's constantly shifting and growing. The good news is that you can manage your funnel with four key steps.



The secret to mastering customer service is conceptualizing it as a funnel.

4 steps to managing the funnel

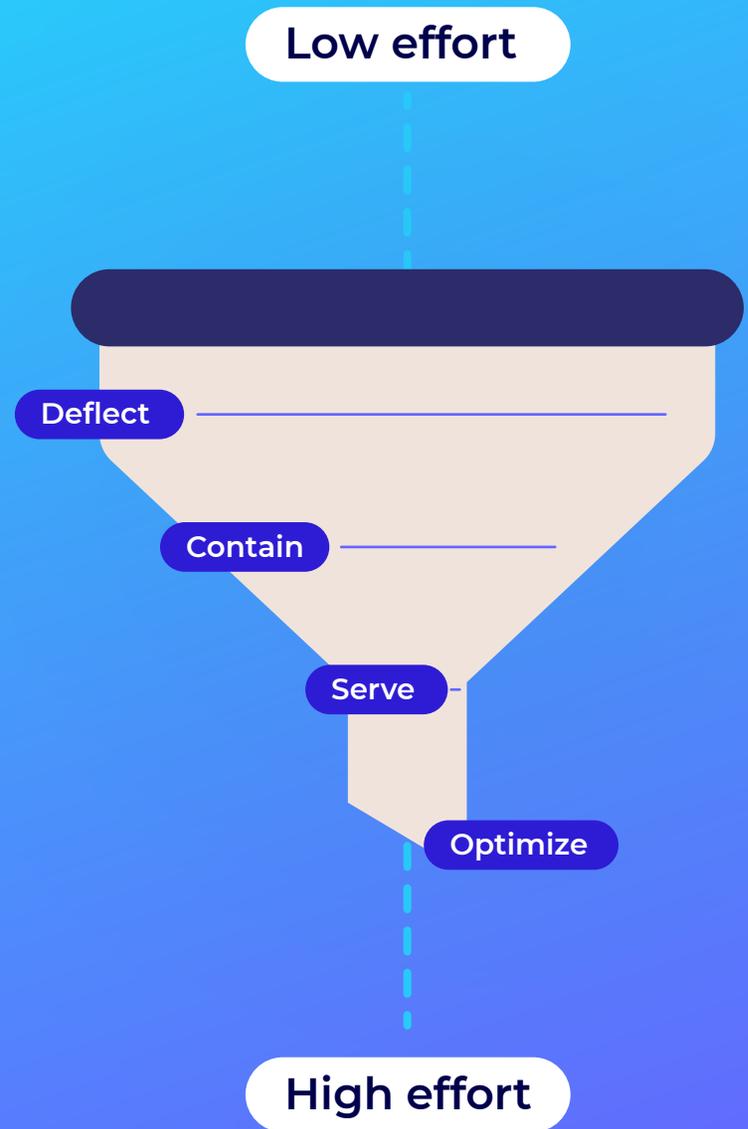
Managing your customer service funnel involves four progressive steps, which, when used in order, gradually narrow the funnel, reducing the number of inquiries left to address.

The first step is to collect incoming inquiries from all points of entry at the top of the funnel and redirect as many of them as possible to the most efficient, yet still satisfactory channel(s) your brand has available. Next, as the funnel narrows, apply automation to inquiries that could not be resolved through self-service portals.

When you get down to the narrowest point in your customer service funnel, human agents will step in to resolve complex inquiries that self-service options and automation alone couldn't manage. Additionally, some customers will simply prefer a human touch, and will therefore jump to the bottom of the funnel.

Once your brand has developed a plan for incoming inquiries from all sources, it's important to then put a system in place to aggregate and analyze the data generated by each step in the service funnel in order to optimize the customer journey and to offer critical insights to your sales, marketing, and product departments.

We define these four steps as:
deflect, contain, serve, and optimize.



1 Deflect inquiries to self-service communities and messaging channels

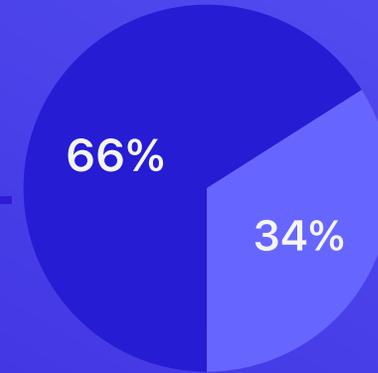
There are three key components to successful deflection: offering substantial self-service options, ensuring messaging entry points exist in as many places as possible, and communicating with customers through proactive messages. The goal here is to resolve as many inquiries as possible with self-service options that have high first contact resolution (FCR) rates to prevent as many inquiries as you can from moving farther down the funnel. Another goal here is to increase your brand's CSAT scores by resolving inquiries more quickly.

Offer self-service options

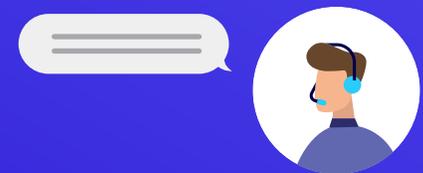
Offering your customers and prospective customers effective self-serve options doesn't just reduce your brand's lift, it also helps effectively meet customer needs: [66% of consumers look for self-service options first](#), before engaging brands directly. That means a full two-thirds of your potential contacts don't actually want to speak with anyone on your customer service team, unless they have to.



Begin with self service



Immediately engage with an agent



Customer inquiries can be contained through self-service options, including brand-owned digital properties like FAQ pages and knowledge bases, status lookup portals (for shipping, tracking, etc.), and in-product or in-app help or tips. But the most powerful self-service tool brands have at their disposal, and the best place to consolidate all of these disparate options, is a brand-owned community.

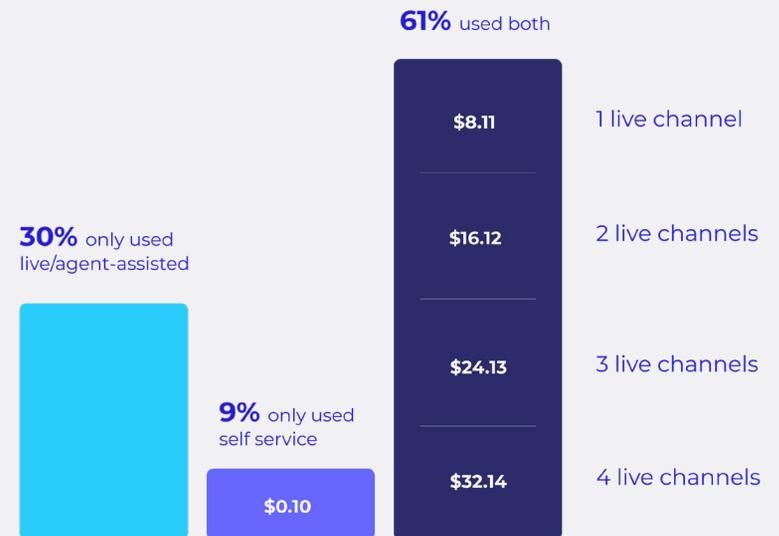
While communities absolutely reduce inquiry volume, their benefits are much more wide-reaching. [93% of customer journeys start with search](#), and communities dominate results for both generic, short queries like, “Khoros customer service” or “contact Khoros support” — and long queries like, “trouble logging in to Khoros,” and “brand product I need help with.” In a third-party study of brands using Khoros Communities, researchers found that, on average, brands could expect a [10% reduction in call volume](#) through self-service journeys offered by brand-owned communities. These inquiries were fully resolved by combinations of peer-to-peer forums, status lookup tools, and dynamic knowledge bases.

Not only do communities reduce the volume of inquiries that human agents must address, they can also proactively drive customers to more efficient channels, like messaging.

That’s because [61% of customer journeys](#) use both a self-service channel and a live engagement channel, like chat or voice. For common inquiries that flow to your community’s messaging channels, offer community-specific chatbot flows that can help customers who engage your brand register for your community, easily create service tickets, check case or ticket status, and find the right content. For inquiries that are likely to bounce from your community

Customer Resolution journeys

Breakdown of customer journeys and journey cost

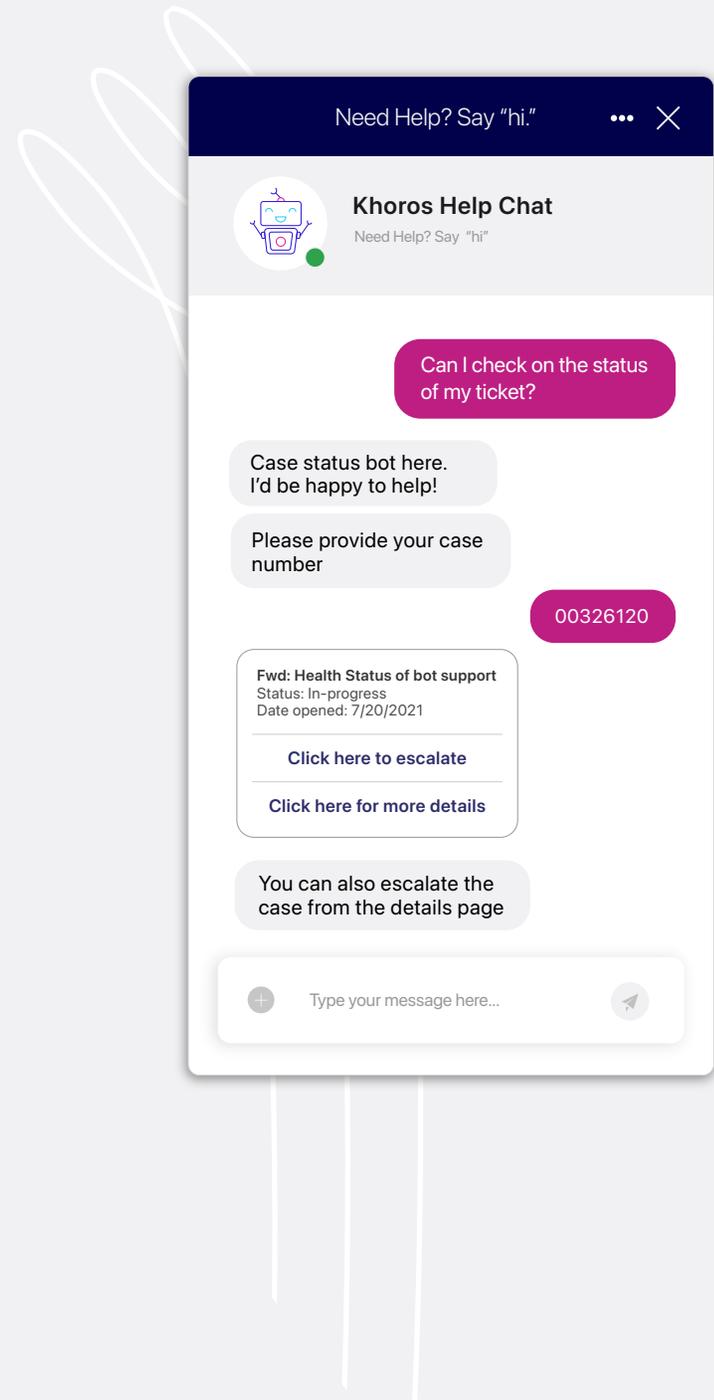


to a higher-effort channel, your brand can offer chat and messaging entry points to guide customers to the most efficient channels in your funnel. You can even prevent calls for complex, high value questions that will likely require a live support channel by sending customers a proactive message in your brand-owned community, by email, or by an SMS notification.

Of course, as you're managing these channels, make sure to keep the customer's experience at the top of your mind. Reducing strain on your contact center is great, but not when it displeases the people who matter most — your customers. Don't simply shut off channels that customers like to use, always give them an option to contact you through those channels if they need to, and [never hide your customer service channels.](#)

Measure the deflection value of your community with Success Rate surveys

Proving the value of an online community and its impact on the overall customer experience your brand offers is a key component in community success and in making it a continued investment priority. Standard practice for the past decade has been to collect as much tangential data as possible — things like bounce rate, page views, time on the page, NPS, and CSAT — and turn the data into a picture of the customer experience.

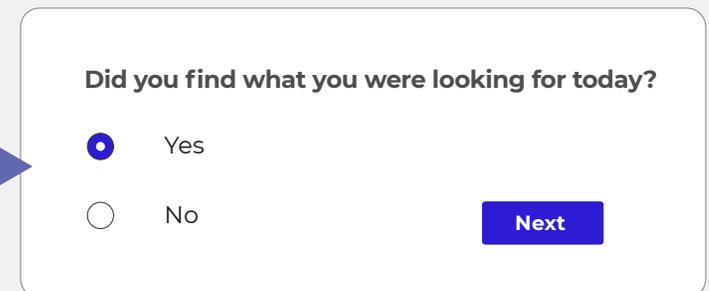
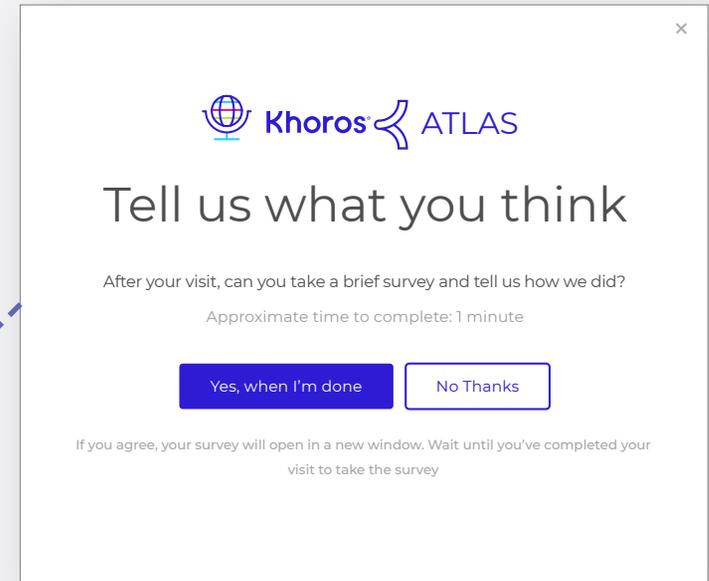


But these old ways of measuring a community's success lead to unnecessary complexity, misunderstandings between teams, and frustration for customers. Even worse, all of these metrics are too broad and don't properly reflect the specific value of the community to your brand. Rather than piece together data from multiple related sources, we've learned that [the best way to measure a community's impact on the customer experience is simply to ask the customer](#). And the best way to ask is with Success Rate tracking.

Success Rate determines a customer's experience with your brand with just one simple, yet crucial, question: "Did you find what you were looking for today?" You can add a follow up question, like, "If you hadn't found what you were looking for, what would your next step have been?" to learn even more about the value of your community. If not for the community, would your customers have called, emailed, connected on chat? Or would they have left your brand's online properties altogether and gone looking for help elsewhere? Success Rate gives critical intelligence for what paths and channels customers are most likely to use if they can't find what they're looking for in your community.

The Success Rate metric is ideal for communities because it's a simple, flexible way to identify value. You can use Success Rate to improve the content, page architecture, and design of your community. To determine the deflection value of your community, you can take the percentage of solved inquiries that would have otherwise called, emailed, etc. — then apply the average cost-per-contact for that channel.

For Success Rate best practices and good benchmarks, see our [guide](#).



Offer messaging entry points, everywhere

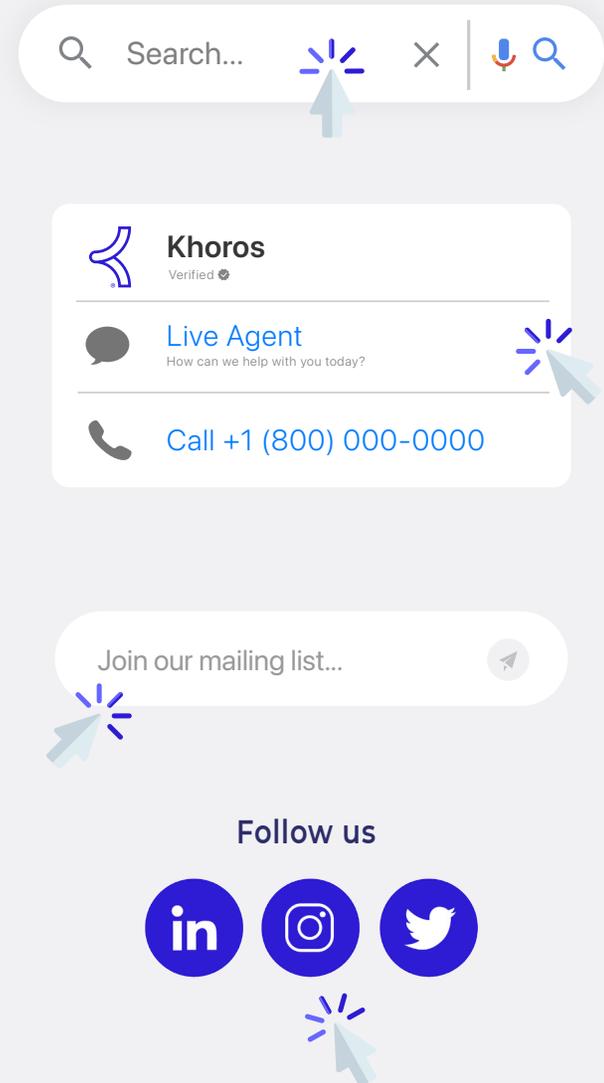
The next component in successful deflection is to offer messaging points everywhere. Really, everywhere. It may seem counterintuitive to flood as many points of entry as you can with messaging if your goal is to deflect and reduce volume, but it isn't. By encouraging customers to contact your brand in the ways that are most efficient for your team members, you're taking control.

It's important to understand where customers are coming to you from, and the specifics might look slightly different from brand to brand, but the big ones include:

- [Google Search results](#)
- Your "Contact us" page
- Your social media accounts
- Email
- Physical collateral

When customers look to these sources to get in contact with you, offering messaging entry points make it easy for them to click a button and chat, scan a QR code to DM, or fire off a quick text message to initiate a conversation — instead of placing an expensive, inconvenient call.

To learn more about the best entry points to deploy for each messaging channel, see our [digital channels guide](#).



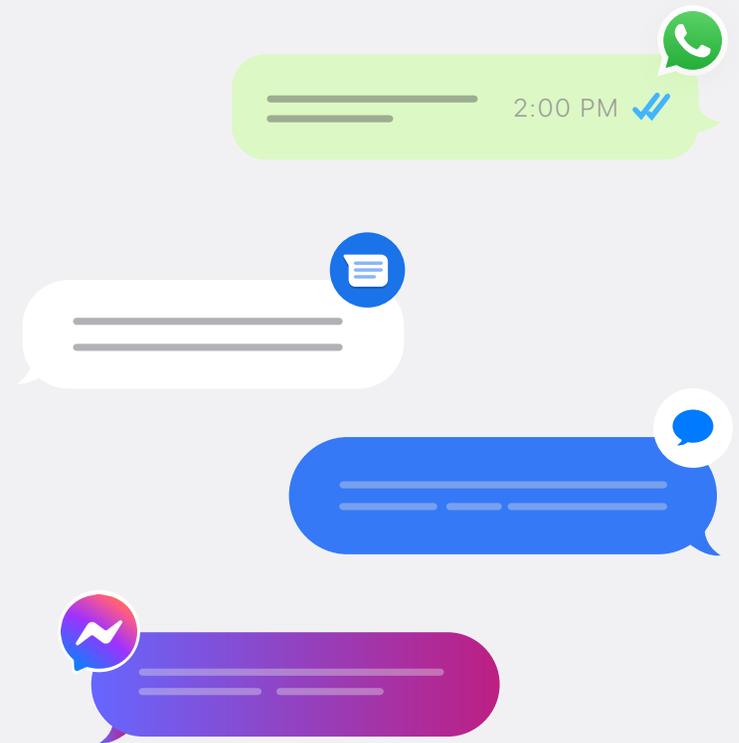
Send proactive messages

The final step in successful deflection is to send proactive messages to customers about company alerts and updates. In a reactive support strategy, the service team waits for frustrated customers to come to them. In a proactive service operation, well timed and personalized messages can answer customer questions or concerns before they become inquiries for your team to handle.

If, for example, your brand is experiencing a service interruption, or if there are widespread product or delivery delays, you can proactively send outbound messages on SMS or WhatsApp to groups of affected customers to alert them to the issue. Another excellent use for proactive messaging is to educate new customers about your product or service so that they can navigate successfully from the beginning. If your brand gets proactive messaging right, you not only reduce incoming volume, but you can increase customer satisfaction and retention as well.

SMS and WhatsApp are two of the most common ways brands proactively message customers. Customers are becoming more and more accustomed to the pace of any-time, at-their-convenience communications with brands — which these channels excel in delivering.

To learn more about how to make the most out of SMS, [we've compiled ten](#) effective ways brands can make the most of this type of messaging.



2 Contain inquiries with AI-powered chatbots

As the funnel narrows, inquiries that couldn't be deflected still need to be addressed by conversational AI or human agents. For most brands, 20-30% of incoming conversations stem from the same common, predictable, simple questions. Plus, a large chunk of those questions can be resolved with a single link or short message. Basic routing, FAQ, and status lookup bots are designed to handle your brand's most common customer inquiries and can manage them at scale, making life easier for your agents and customers.

The best FAQ bots master the simplest, highest-volume inquiries first — then expand to handle increasingly more complex and smaller sets of questions.

Most chatbots tend to be either simple button-based decision trees, conversational AI that handles natural language, or some blend of both. To determine which style is best to address a given intent, ask these three questions;

1. Can it be automated with buttons?
2. Will customers like that kind of flow?
3. Can we maintain and optimize that kind of flow?

The answers will guide your chatbot design. They also help structure the best customer journeys, giving guidelines for when your bot should deflect inquiries to a self-service portal, escalate to a human, or handle the inquiry itself.

What intents should we automate first?

Work big to small, simple to complex.

For most brands, the highest volume intents are the simplest and easiest to automate and will yield the fastest, biggest return



Build a routing and authentication bot to increase precision and speed

Routing and authentication bots are easy ways to increase precision and speed. The majority of conversations coming your way can be addressed with a simple, “Do you need help with product information, billing, or support?” You can fully automate these interactions with simple menus, quick-reply options, and buttons.

In fact, some data collection processes are better suited for bot-enabled forms that save agents from wasting time typing, and save consumers from waiting for slower human agents to record information. Initial data gathering like, “What’s your name, address, account number,” as well as qualification questions like, “Are you a consumer or enterprise customer?” and even case creation questions like, “What kind of insurance claim are you filing?” all fall under the umbrella of questions bots are actually better suited to handle.

Build specialized and integrated bots to handle high-effort inquiries

For complex conversations that would require agents to reference a CRM, tech documentation, inventory, or other back-end system, it’s often worth the investment to build more sophisticated bots. Product troubleshooting, account management, and refund processes are all highly suitable intents for specialist bots.

My new boots don't fit, can I exchange them for a different size in the store?

Of course! Let me check your nearest store.

What is your zip code?

78704

Thanks! Your item is available at this store:



Rockland Feather Boots
Explore gear and apparel

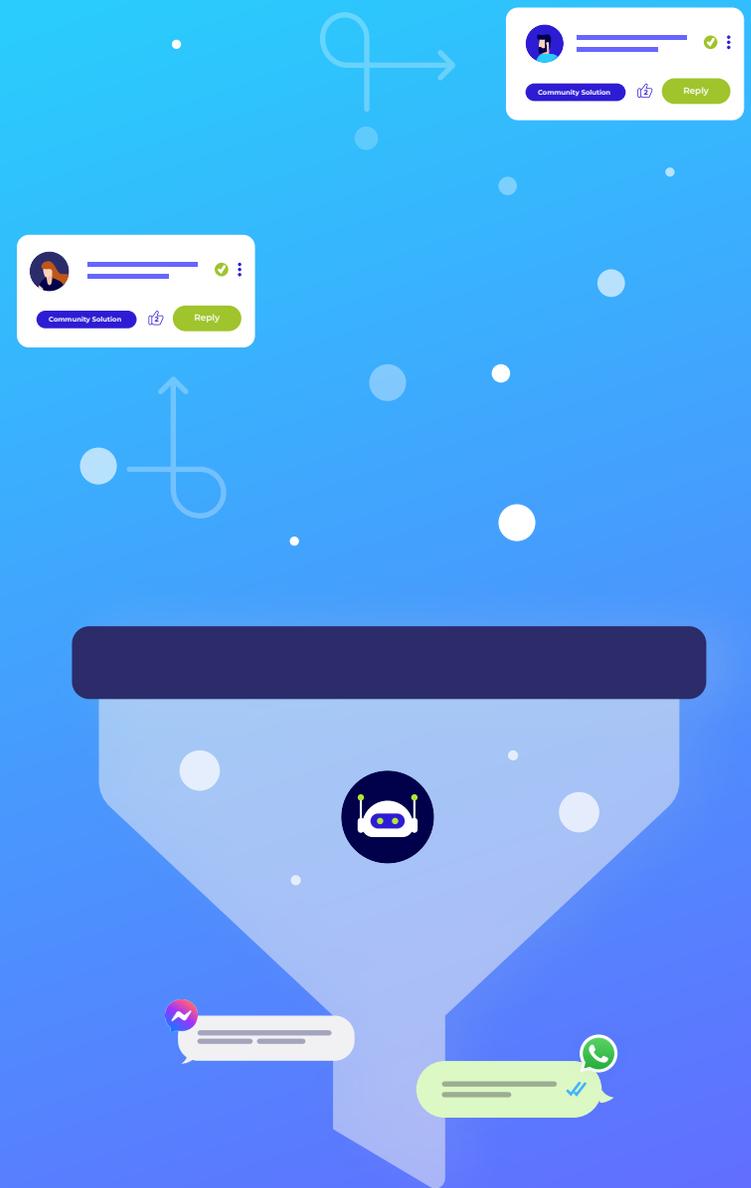
[Directions](#)

[Sizing Guide](#)

Measure containment value from full and partial bot conversations.

In a [third-party study of brands using the Khoros Bot](#), brands using the bot reported containing 25% of inbound inquiries, on average. The containment the Khoros bot handles comes from a combination of conversations that are managed end-to-end and conversations that are partially managed before they're escalated to a human agent.

To determine the cost savings of a bot that handles incoming volume end-to-end, take the percentage of bot-resolved conversations and apply your cost-per-chat. To approximate the value of partially-handled conversations, compare the average handle time of partial-bot conversations to human-only conversations and you'll see how much time bots save, on average. You can then apply the cost-per-chat to that ratio.



3 Serve inquiries with AI-enhanced human agents

In step two, AI did the heavy lifting while human agents either stayed out of the conversation entirely or entered just at the end. The third and final step in the digital service funnel is to switch the weight of lift: here, AI and bots serve human agents while they address the remaining inquiries. The best customer engagement platforms use AI and machine learning (ML) to tag and route conversations, connect every channel in an intuitive agent workspace, and enhance agents with AI-powered tools.

[Khoros tools like Suggested Responses and Intent Detection](#) use a natural language processing (NLP) engine to determine the intent of a specific message, then apply a specific tag or suggest an answer for an agent to use. Using data from conversation quality (like sentiment and length) and conversation outcomes (like CSAT and resolution rate), the NLP can be trained to improve intent recognition and response accuracy over time.

It's also important to make agile changes to accommodate fluctuations in inquiry volume and staffing levels. Volume spikes happen, and they're usually difficult to predict, but they're manageable: create an alert so you'll be notified when volumes rise, that way, you can quickly make adjustments before SLAs are affected. You can measure agent service efficiency and process enhancement value, too, with the right tools.



4 Optimize the service funnel

The fourth and final step in the customer service funnel is to optimize it with end-to-end customer experience (CX) insights. Today, [67% of brands](#) feel they compete almost entirely on customer experience, and in two years, 81% of brands expect customer experience to be the differentiator. With CX so crucial to a brand's success, optimization is key.

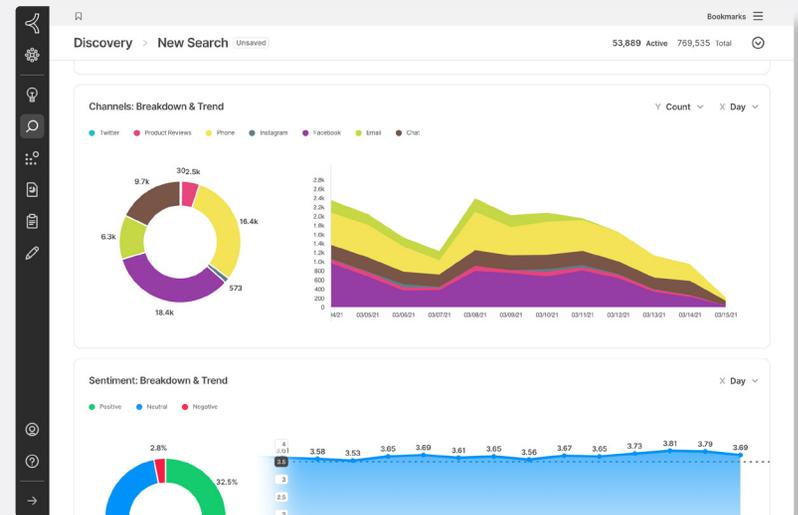
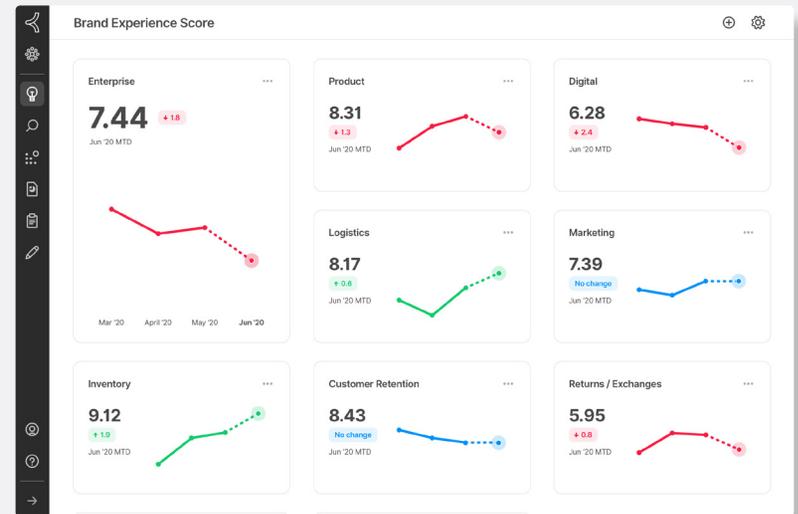
The first step to optimizing your brand's service funnel is to aggregate and analyze all voice of the customer (VoC) data that your brand has available. And, if you're only using surveys to gather voice of the customer data, you'll want to think about deepening your insights. There's a difference between simply measuring customer feedback and [measuring the entire customer experience](#). For instance, knowing how a customer feels about your brand, product, or service isn't enough: you also need to know why they feel that way and what your brand could do to improve the experience for customers.

Surveys can tell you the how, but not the why or the what. They can't offer brands enough data to successfully manage, and optimize, the entire customer experience because surveys aren't often representative of the entire customer base and they don't offer any context. But, brands can gather valuable data from their existing contact sources (like phone, email, chat) and the natural, unstructured conversations that take place on them, with [omni-channel customer experience analytics platforms](#).



These platforms can aggregate customer interactions regardless of channel and normalize and classify the data so that customer experience teams can easily surface themes, trends, and patterns of customer friction points. Once friction points are identified, you can proactively work to ease them at the source, thereby reducing contact volume. You can use themes, trends, and patterns surfaced by an omni-channel analytics platform to optimize the customers' journey and even identify potential enhancements. You can also use 360 degree customer intelligence to optimize service, marketing, and product performance.

Finally, create a Brand Experience Score (BXS) to measure value. A Brand Experience Score is a fully integrated CX/ VoC assessment dashboard that evaluates each area of your business that has the potential to impact customers. A BXS uses natural language text and sentiment analysis to curate, classify, and score contextually rich, unsolicited feedback that your brand is already gathering from sources like phone, chat, and email. A BXS score can be used by senior management for executive oversight and by operators as a starting point for deeper analysis. With effective service funnel optimization, including a BXS score, your brand can get to the true root cause of customer challenges and improve the customer experience in a substantial, lasting way.



Build a world-class service funnel for your brand

These four actionable steps to build an effective service funnel — managing inquiries by deflecting, containing, serving, and optimizing — will support digital CX professionals as they work to improve the customer care their brand offers. Though the customer journey is ever-changing, it's possible to put a system in place that can efficiently address issues that arise for your brand today that will also be able to effectively evolve as the future unfolds.

Khoros offers several products and services that can ensure your brand delivers outstanding customer service without exceeding your budget.

[Request a demo](#) today and make the customer experience your brand offers as rich as possible. We're standing by.

