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**SERVICE 2020: MEGATRENDS FOR THE DECADE AHEAD**

A BDO report, written by the Economist Intelligence Unit

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Written by

**Economist Intelligence Unit**

The Economist



CUSTOMER SERVICE MEGATREND 06

# MORE FIRMS WILL ( ) OUTSOURCE ASPECTS OF CUSTOMER SERVICE TO NEW KINDS OF SPECIALISTS

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**TODAY, NEARLY ALL FIRMS (87%) TAKE CARE OF THEIR SERVICE OFFERING IN-HOUSE. IN THE DECADE AHEAD, HOWEVER, SPECIALIST OUTSOURCED CUSTOMER SERVICE PROVIDERS ARE LIKELY TO BE IN DEMAND.**

Nearly four in 10 firms plan to outsource their service needs to an external partner, ideally in their home market, up from just one in ten today. On the surface of it, this seems counterintuitive, given the rising importance of customer service to firms—and the fact that this could easily exacerbate service complexity concerns. But for many, external partners can help them cope by allowing them to tap into a pool of specialist resources. "What you need now are experts who can bring skills that firms don't have," says BT's Dr Millard, citing as a hypothetical example a pharmaceutical firm that might not necessarily have a specialist pool of medical experts on tap to staff a customer services division, but wants to provide a resource to help with specialist queries.

Advances in communication technology are helping firms tap into such resources more easily, irrespective of their location. Dr Millard cites one US firm that employs a huge number of freelance experts, mostly working from home, to provide specialist expertise over the phone, paying them on a per call basis. Employees are free to work when it suits them, by simply logging into the system whenever they wish to work. "This is not the norm, but there's clearly potential to add a very value-added service," says Dr Millard, who likens the experience to a form of speed dating, only for customer service.

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Clearly, such outsourcing will not appeal to all firms, but in trying to cope with complexity, new opportunities for specialist outsourcing providers will emerge. In some areas, dedicated support and services firms have even built custom applications to help a company's in-house staff to deliver a better support function.

For example, B2X Care Solutions has created an application that allows a mobile phone provider's front-end staff to run automated scans to determine what is wrong with a phone, rather than send it off unnecessarily to specialists for repair. It is now building a smart phone app that aims to help consumers scan and repair simple faults on their own devices, to avoid having to use a support centre at all.

A related trend, which is arguably a form of outsourcing in the form of crowd-sourcing, will be for firms to involve their customers in new product development. This co-creation can do wonders to boost customer loyalty, argues the ICS's Ms Causon. She gives an example of Starbucks, which has asked customers to help come up with new recipes. "People want to be involved in the development of products and services. Not just giving feedback, but actually helping to create," she says.

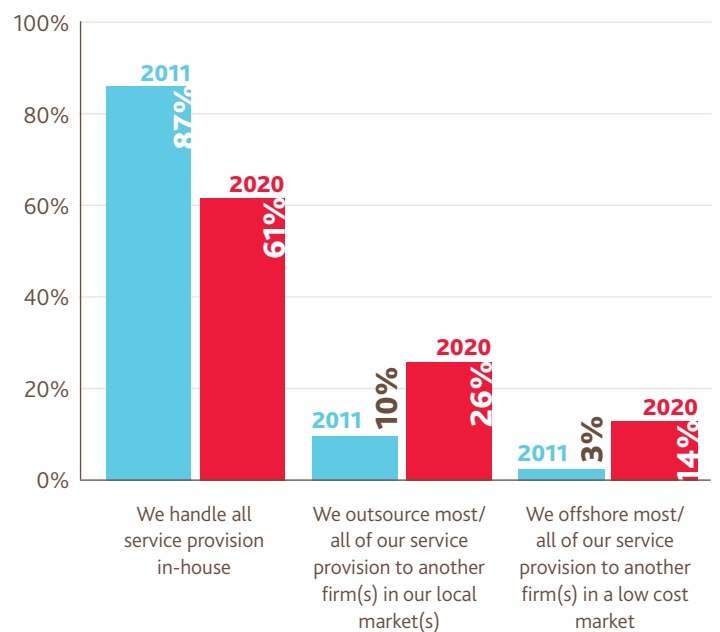
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**DR. NICOLA MILLARD**  
 Customer Experience Futurologist, BT

**CHART 7\***

**Q:** "Which of the following best captures your firm's approach to service provision and customer support? And which is it most likely to employ in 2020?"



\* source: Economist Intelligence Unit

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