“The Inner Circle Guide to Omnichannel Customer Contact”

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# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contents</td>
<td>3</td>
</tr>
<tr>
<td>List of Tables</td>
<td>6</td>
</tr>
<tr>
<td>Introduction</td>
<td>10</td>
</tr>
<tr>
<td>Multichannel: Past, Present and Future</td>
<td>12</td>
</tr>
<tr>
<td> Multichannel Contact Today</td>
<td>12</td>
</tr>
<tr>
<td> Historical and Future Multichannel Volumes</td>
<td>15</td>
</tr>
<tr>
<td>Channel Focus: Email</td>
<td>18</td>
</tr>
<tr>
<td>Voice/Email Blending</td>
<td>26</td>
</tr>
<tr>
<td>Channel Focus: Web Chat</td>
<td>28</td>
</tr>
<tr>
<td> Virtual Agents</td>
<td>30</td>
</tr>
<tr>
<td> Who’s Using Web Chat?</td>
<td>32</td>
</tr>
<tr>
<td>Channel Focus: Social</td>
<td>38</td>
</tr>
<tr>
<td>Social Media Management and Ownership</td>
<td>39</td>
</tr>
<tr>
<td>The Effectiveness of Social Media</td>
<td>41</td>
</tr>
<tr>
<td>Channel Focus: SMS</td>
<td>45</td>
</tr>
<tr>
<td>Channel Focus: Self-Service</td>
<td>47</td>
</tr>
<tr>
<td> Telephony Self-Service</td>
<td>47</td>
</tr>
<tr>
<td> Visual IVR</td>
<td>51</td>
</tr>
<tr>
<td> Web Self-Service</td>
<td>53</td>
</tr>
<tr>
<td> Search</td>
<td>53</td>
</tr>
<tr>
<td> FAQs</td>
<td>54</td>
</tr>
<tr>
<td> Virtual Agents</td>
<td>55</td>
</tr>
<tr>
<td> Natural Language Processing</td>
<td>56</td>
</tr>
</tbody>
</table>
Channel Focus: Mobile........................................................................................................58
Mobile Websites .................................................................................................................58
Smartphone Apps ................................................................................................................59
Use of Mobile Service Functionality ..................................................................................60
Cross-Channel Escalation ....................................................................................................63
Likely Future Developments in Mobile ................................................................................65
Channel Focus: Messenger & WhatsApp – the chat/social hybrid ...........................................67
Channel Focus: WebRTC and Video ....................................................................................68
End-user Question 1: ............................................................................................................69
“Web RTC’ is being talked about increasingly - Will this impact omnichannel customer contact?” 69
Interaction Recording & Analytics in an Omnichannel World ................................................70
Drivers for Omnichannel ....................................................................................................75
Customer Focus: An Alternative to Voice? .........................................................................75
Demographics and Channel Preference ..............................................................................76
The Customer Interaction Cube: Understanding Customer Requirements .......................81
Business Focus: Cutting the Cost of Service .......................................................................85
Why Aren’t Cheaper Channels Actually Cheaper? .............................................................85
Getting Proactive ................................................................................................................87
From Multichannel to Omnichannel ....................................................................................88
End-user Question 2: ............................................................................................................89
“What are the steps we need to take to turn our multichannel contact center into an omnichannel contact center?” 89
Multichannel, Multimodal or Omnichannel? A Self-Assessment ........................................91
Overcoming Inhibitors to Omnichannel .................................................................................. 93
End-user Question 3: ............................................................................................................. 95
“What’s holding back omnichannel?” .................................................................................. 95
The Single Platform & Single Customer View ...................................................................... 96
Proving ROI .......................................................................................................................... 99
Pulling Together: The Politics of Omnichannel .................................................................. 101
End-user Question 4: ............................................................................................................ 102
“Not all existing contact channels are ‘owned’ by the contact center (e.g. Social, physical shops/stores, field support, back office, etc). How can everything work together as it should?” .. 102
Approaching the Omnichannel Challenge ......................................................................... 103
End-user Question 5: ............................................................................................................ 104
“Is omnichannel more about technology, people or process?” ........................................ 104
The Human Element ........................................................................................................... 105
End-user Question 6: ............................................................................................................ 106
“What is the most effective way to manage an omnichannel environment? Is there still a place for teams dedicated to one channel (i.e. phone, email), or do all agents need to be able to handle all types of interaction?” ................................................................................................. 106
Beyond Omnichannel? The e2e World .............................................................................. 107
About ContactBabel ............................................................................................................. 108
# LIST OF TABLES

- Figure 1: How do you think inbound channels will change in your contact center in the next 12 months? ................................................................. 12
- Figure 2: Inbound interactions by channel................................................................. 13
- Figure 3: Inbound interactions that are telephone (agent), by vertical market ...................... 14
- Figure 4: Contact center inbound interactions by channel, 2007-2018 (projection) ............... 15
- Figure 5: Relative changes in inbound channels, 2014-2018 ........................................ 17
- Figure 6: Inbound interactions that are email, by contact center size .................................. 19
- Figure 7: Estimated cost per email.............................................................................. 19
- Figure 8: What proportion of emails are answered successfully and completely within these timescales? ......................................................................................... 21
- Figure 9: Level of automation used in email management ............................................. 22
- Figure 10: Content of inbound emails.......................................................................... 23
- Figure 11: Emails that require the use of another channel to be answered fully ................ 24
- Figure 12: Reasons for using another channel to answer emails fully ............................... 25
- Figure 13: Use of multimedia blended agents by contact center size .............................. 26
- Figure 14: Estimated cost per web chat....................................................................... 28
- Figure 15: Concurrent web chats per agent.................................................................... 28
- Figure 16: Stage in the website visit where web chat is offered ........................................ 29
- Figure 17: Web chat agent blending, by contact center size .......................................... 32
- Figure 18: Web chat: new prospects or existing customers? ............................................. 33
- Figure 19: Web chat: sales advice or service requests? .................................................. 34
- Figure 20: Level of automation used in web chat ........................................................... 35
- Figure 21: Average wait time to interact with web chat agent ......................................... 36
- Figure 22: How is social media managed? ..................................................................... 39
Figure 23: Possible customer experience of social media channel ......................................................... 41
Figure 24: Usefulness of social media for business activities ............................................................... 42
Figure 25: Target response times for handling a customer service request via social media .............. 43
Figure 26: Service requests via social media: value-added options .................................................... 44
Figure 27: Advantages and disadvantages of telephony self-service .................................................. 47
Figure 28: Overall proportion of calls handled entirely through self-service (only in respondents which offer telephony self-service) .................................................................................. 48
Figure 29: Proportion of self-service sessions ‘zeroed-out’ to an agent ................................................ 48
Figure 30: Reasons for abandoning self-service sessions ...................................................................... 50
Figure 31: Visual IVR: benefits for businesses and customers ............................................................... 52
Figure 32: Web self-service methods ..................................................................................................... 55
Figure 33: Use of mobile functionality (app, mobile website) for customer service, by contact center size ..................................................................................................................................... 60
Figure 34: Use of mobile functionality (app, mobile website) for customer service, by vertical market .. 61
Figure 35: Mobile customer communication methods (by contact center size) – only those offering mobile service .................................................................................................................................. 62
Figure 36: How can mobile customers escalate their query to an agent? (by contact center size) ....... 63
Figure 37: What information is passed to an agent after escalation from the mobile channel? .......... 64
Figure 38: Storage of recorded non-voice interactions, by contact center size ..................................... 70
Figure 39: Most useful additions or improvements to interaction recording solution ............................ 71
Figure 40: Use of historical, real-time, screen and multichannel interaction analytics functionality (from only those respondents who use analytics) ........................................................................... 72
Figure 41: Best channel to use for complaints ....................................................................................... 75
Figure 42: Preferred method of contacting a business, by customer age ............................................. 76
Figure 43: Preferred method of contacting a business, by gender .......................................................... 78
Figure 44: Preferred method of contacting a business, by socio-economic group ............................... 79
Figure 45: The Customer Interaction Cube and associated channels ........................................ 82
Figure 46: Cost per inbound interaction (phone, email & web chat) ......................................... 85
Figure 47: Email response times, depending on use of automation ........................................... 86
Figure 48: Use of automated outbound communication ............................................................ 87
Figure 49: Multichannel, multimodal or omnichannel? (by contact center size) ......................... 92
Figure 50: Barriers to omnichannel .......................................................................................... 93
Figure 51: Do non-voice interactions show up on the customer’s record? (by contact center size) .... 97
Figure 52: Primary and secondary budget holders for the mobile customer service function ........ 101
Figure 53: Multichannel agent capabilities, by contact center size ............................................. 105
Nuance Communications is reinventing the relationship between people and technology. Through its voice and language offerings, the company is creating a more human conversation with the many systems, devices, electronics, apps and services around us. Every day, millions of people and thousands of businesses experience Nuance through intelligent systems that can listen, understand, learn and adapt to your life and your work.

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In August 2016, Nuance acquired TouchCommerce, a leader in digital customer service and engagement solutions. The TouchCommerce intelligent assisted-service platform is the perfect addition to Nuance’s AI-powered customer self-service solutions, providing enterprises with the ability to efficiently and effectively engage with customers across all channels – phone, web, mobile, social, and more.

Now Nuance enables billions of customer interactions each year, generating powerful data assets that, when combined with Nuance’s artificial intelligence technologies, increase the automation and accuracy levels for a wide range of customer service applications. Nuance leverages TouchCommerce’s agent desktop to enable seamless escalation from virtual assistant to live chat, with the system learning through every customer engagement. Finally, TouchCommerce’s real-time data and targeting technologies are leveraged to deliver higher levels of personalization and proactive service across the platform.

Better Together

Together, the two companies have a deep expertise and large market share in Telco, Finance, Travel, Government, and Healthcare. This powerful unification of the best in self-service and the best in assisted service provides enterprises with a customer engagement solution that connects with consumers anytime and anywhere, across voice, digital and mobile devices – delivering superior customer experiences and business results.

For more information, please visit www.nuance.com.
“The Inner Circle Guide to Omnichannel” is the 9th in the Inner Circle series of ContactBabel reports. Other subjects include Cloud-Based Contact Centers, Self-Service, Outbound & Call Blending, Customer Interaction Analytics and PCI DSS Compliance, and can be downloaded free of charge from here.

The Inner Circle Guides are a series of analyst reports investigating key customer contact solutions. The Guides aim to give a detailed and definitive view of the reality of implementing and using these technologies, an appraisal of the vendors and products available and a view on what the future holds.

The Inner Circle Guides are free of charge to readers. Research and analysis costs are borne by sponsors - solution providers in the specific area of study - whose advertisements, case studies and thought leadership pieces are included within these Guides.

Solutions providers have not had influence over editorial content or analyst opinion, and readers can be assured of objectivity throughout. Any vendor views are clearly marked as such within the report.

As well as explaining these solutions to the readers, we have also asked the potential users of these solutions whether they have any questions or comments to put directly to solution providers, and we have selected six of the most popular to ask to the report’s sponsors. These branded Q&A elements are distributed throughout the report and give interesting insight into real-life issues.

NB: statistics within this report refer to the US industry, unless stated otherwise. There is a version of this report available for download from www.contactbabel.com with equivalent UK statistics.

“Small” contact centers are defined in the report as having 50 or fewer agent positions; “Medium” 51-200 agent positions; and “Large” 200+ agent positions.
MULTICHANNEL: PAST, PRESENT AND FUTURE

MULTICHANNEL CONTACT TODAY

When looking at the expected growth or decline in channels, the traditional media of letters and fax will have a net decline in our respondents’ eyes, although still have their place in the likes of the insurance, medical and manufacturing industries. Interestingly, more respondents this year (32%) believed the live telephony channel volumes would drop than thought they would rise (23%).

Strong growth is expected in web chat and social media customer service interactions, with email volumes still predicted to grow although at a lesser rate. After some years of relative decline, telephony self-service is expected to grow, with its twin benefits of customer convenience and low cost still very much relevant. New approaches, such as visual IVR, are likely to encourage further use of self-service. Although not shown on this chart, 37% of respondents offer an app or mobile service option for customer service.

*Figure 1: How do you think inbound channels will change in your contact center in the next 12 months?*
The previous chart's real message is that channels aren't being replaced - even letters and fax will continue to be supported - but rather augmented, and businesses have to accept that they need to develop an omnichannel approach, as that’s what their customers are expecting. This means that the pressure to unify the view of the customer across channels is a challenge that isn’t going to go away.

Figure 2: Inbound interactions by channel
The following table shows both median and mean averages of the most important interaction type – live telephony – with the mean average being a representation of what is happening in the entire industry at an aggregated level, whereas the median - the midpoint - purposefully takes out any outlying, eccentric data points: this latter figure is what the ‘typical’ contact center might recognize in themselves.

Agent-handled calls are most important to respondents in the insurance, medical and outsourcing sectors, with respondents in finance once more this year being significantly under the average with their levels of telephony.

Figure 3: Inbound interactions that are telephone (agent), by vertical market

<table>
<thead>
<tr>
<th>Vertical market</th>
<th>Mean average</th>
<th>Median average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>53%</td>
<td>55%</td>
</tr>
<tr>
<td>TMT (B2B)</td>
<td>57%</td>
<td>64%</td>
</tr>
<tr>
<td>TMT (B2C)</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Services (B2B)</td>
<td>63%</td>
<td>65%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>64%</td>
<td>65%</td>
</tr>
<tr>
<td>Retail &amp; Distribution</td>
<td>71%</td>
<td>75%</td>
</tr>
<tr>
<td>Services (B2C)</td>
<td>72%</td>
<td>75%</td>
</tr>
<tr>
<td>Insurance</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>Medical</td>
<td>77%</td>
<td>77%</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>83%</td>
<td>90%</td>
</tr>
</tbody>
</table>
While the proportion of inbound interactions by channel did not change greatly between 2009 and 2011 - perhaps as many initiatives and investments were put on hold - 2012 saw a big jump in email from 10.4% to 15.4%, and although this figure dropped back somewhat in 2013, the email figures of 16.2% in 2014 and 17.2% in 2015 suggest that this channel is still growing strongly. In line with what has been happening in the US, more customers choose an online option as their primary channel, a view further supported by social media jumping from 1.4% to 2.8% in 2015.

Figure 4: Contact center inbound interactions by channel, 2007-2018 (projection)
Live agent telephony will continue its slow decline in terms of the proportion of interactions handled, although in absolute terms there will be very slight increase in the next four years. As older demographics become more comfortable with using it, email will increase to 15% of inbound interactions by the end of 2018.

Web chat will become more mainstream, led by the retail sector, where the opportunity to ask a quick question in real time can dramatically improve the conversion rate of online baskets, something that the US leads others in. Telephony self-service will be boosted somewhat by implementations of visual IVR, which allow businesses to put a visual front-end on existing systems, improving the customer experience especially through smartphones.

Another big change is the rise of social media as a customer service channel - even one that is *de facto* (where the customer chooses to use the company's Facebook page or Twitter account to communicate with it, even if the company had a social media presence only to disseminate information).
The number of inbound interactions that agents handle will increase by over 5% year-on-year in the next four years: while the easier, more transactional contacts will be increasingly handled through web self-service (with the average voice interaction becoming a more complex process, requiring longer to handle successfully), the increasing customer expectations, growth in multifunctional smartphones and other devices and the burgeoning support of new channels will serve the pent-up customer demand for knowledge.

There will be a big jump in social media and web chat interactions, supporting the online browsing sessions which require assistance, with email becoming a trusted solution for non-urgent and more complex requests that might historically have required a letter to be sent.

*Figure 5: Relative changes in inbound channels, 2014-2018*

<table>
<thead>
<tr>
<th>Inbound channel</th>
<th>Compound annual growth rate (CAGR), 2014-18 (number of interactions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media</td>
<td>28%</td>
</tr>
<tr>
<td>Web chat</td>
<td>21%</td>
</tr>
<tr>
<td>Telephone (agent)</td>
<td>3%</td>
</tr>
<tr>
<td>Email</td>
<td>10%</td>
</tr>
<tr>
<td>Telephone (self-service)</td>
<td>8%</td>
</tr>
<tr>
<td>Total inbound interactions</td>
<td>5.3%</td>
</tr>
<tr>
<td>Total inbound agent positions</td>
<td>3.7%</td>
</tr>
</tbody>
</table>
Email was the first of the non-voice multimedia channels to be used and is still by far the most well-used, having been mainstream for around 15 years. Although its current penetration rate of over 12% makes it a relative success, this should be placed in the context of the expectations of contact center managers who in a 1998 survey confidently expected email to account for 25% of inbound traffic by 2003.

Email should stand as a salutary lesson that it is not businesses that make new channels a success, but customers. Put bluntly, email in its first incarnation failed almost entirely. Too many businesses rushed to push customers to this new channel - commonly supposed to be cheaper than voice - without having the processes, solutions or staff to manage this properly. What happened next can be understood as a ‘herd inoculation’: enough customers had enough bad experiences from enough organizations that the entire channel was discredited, even for those businesses which were providing a reasonable service through email.

The reason for this rejection was the appalling level of service provided by many of the early multimedia businesses. With response times stretching into many days, if not weeks, the companies failed to understand that any communication with the business has a degree of urgency to it, else why would they be trying to speak with the business at all? Of course, even when a response was eventually provided, the issue might have gone away, or been dealt with by calling the contact center, meaning that customers’ existing confidence in the voice channel was further reinforced at the expense of the email channel. It is also the case that email does not fit the type of enquiries that people make in some cases, such as the need for quick, simple and confidential information (such as an account balance), and the increasing requirements for identity checking places a cap on the usefulness of email as a channel for some types of business.

It took many years, much investment and coaxing of customers for email to re-emerge as a credible channel. Of course, businesses and customers now both realize that email is more suitable for some interaction types than others (the rise of web self-service, social media and web chat has meant email is no longer the only online communication method available), with complex issues such as complaints, or other enquiries requiring a formal paper trail being well-suited to email.

In fact, much of the demise in the letter and fax as channels can be traced to a direct replacement by email. Email is also an excellent outbound channel, providing reassurance, great levels of detail and attachments, and is able to link to other specific areas of information via hyperlinks. As an inbound channel, it has inherent weaknesses: the effective inability to carry out customer authentication and to carry out a real-time 2-way conversation being amongst them, as well as the relatively lengthy wait to get a response even from the leading businesses.
In the longer term, it is likely to be superseded to some extent by more immediate online channels such as web chat and social media. It does however have the advantage over virtually every channel that there is no queue time at all - the customer writes the email and presses ‘Send’ immediately - a ‘fire and forget’ interaction.

As with previous years, emails are proportionally less important for large contact centers, with similar differences between size band seen year on year.

**Figure 6: Inbound interactions that are email, by contact center size**

<table>
<thead>
<tr>
<th>Contact center size</th>
<th>% of inbound interactions that are email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>19.1%</td>
</tr>
<tr>
<td>Medium</td>
<td>10.1%</td>
</tr>
<tr>
<td>Large</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>12.7%</strong></td>
</tr>
</tbody>
</table>

The cost of email seems quite reasonable, being generally somewhat less than live telephony (which tends to be around $6), but more expensive than a self-service session. The cost of web chat is usually a little less than email.

**Figure 7: Estimated cost per email**

<table>
<thead>
<tr>
<th>Email cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>1st quartile</td>
</tr>
<tr>
<td>Median</td>
</tr>
<tr>
<td>3rd quartile</td>
</tr>
</tbody>
</table>
Do you need an email response management system?

An organization that has relatively small volumes of email will tend to handle it initially on an ad-hoc basis, often using Microsoft Outlook to do so. At some point, the contact center will realize that costs are going up and quality going down, and that they need to implement the more sophisticated email response management system. What signs are there that show this is the right time to do so?

- While there is no fixed figure for email volume, as it will depend on the complexity and time required to handle each one, organizations receiving greater than 100 emails per day are likely to have issues handling and tracking them.
- There are a significant number of customer telephone calls that refer to emails that were sent, but which never received a response.
- Prioritization and routing of emails to agents with specific skills sets is no longer a matter of a few minutes of management time.
- Email handling times are not going down, despite most being about a small number of topics.
- Complex emails may take days or even weeks to resolve, and different agents may be working on similar types of issue without even realizing it, thus duplicating the effort.
- You lack flexibility in dealing with spikes in email traffic, as it is too difficult to bring secondary email agents to bear without damaging the voice channel’s service level.
- Visibility and accuracy of service levels for email channel is worse than that for the voice channel.
- It is difficult to report on the content of the emails that you receive as this has to be done manually.
As with the UK, reported email response handling times have somewhat reversed the improvements of recent years, especially in the all-important ‘less than 1 hour’ segment. This may be a statistical anomaly, or it may be linked to the reasons that call lengths have increased over the years: an increase in self-service taking up a lot of the shorter, easier work, leaving the more complex interactions for live agents, whether through phone or email.

Taking longer than one day to answer an email runs the risk of the customer losing patience and going elsewhere or phoning the contact center, placing a greater cost burden on the business than if they had just called in the first place. This figure has increased somewhat from 16% to 21%.

Figure 8: What proportion of emails are answered successfully and completely within these timescales?
The most popular method of answering inbound email was to use agents, who start with templatized, editable responses and change them accordingly, thus not having to compose every email from scratch, but also being able to draw from a common pool of knowledge.

Perhaps surprisingly, the second most popular method of answering emails was to start with a blank email, and let agents complete it themselves. This is not only likely to take longer, but also leads to an increased risk of poor grammar, spelling and punctuation, as well as a less consistent response.

Only 14% of emails have automated responses (these statistics do not include simple automated acknowledgements), and of those, the majority have to be checked by agents before sending.

Figure 9: Level of automation used in email management
Inbound email is much more about service than sales for most businesses: respondents state that 45% of their inbound emails are queries about products or services that have already been bought, with only 21% being from prospective new customers who have queries about products or services which they are considering buying.

Complaints represent around 16% of inbound email traffic for our respondents, compared to the telephony figure of 13.5%.

Elsewhere in this report, only 11% of respondents stated that email is the best channel to use for making complaints, compared to 66% who said that telephony was the most effective complaint channel for customers to use. Email offers complainants the opportunity to put their thoughts in detailed order in a non-confrontational environment, in a similar way to a letter, despite it usually not being the most effective way to make a complaint.

Figure 10: Content of inbound emails

![Pie chart showing the content of inbound emails: Complaints 16%, Queries about products/services bought already (i.e. service requests) 45%, Queries about products/services they are considering buying (i.e. sales requests) 21%, About other matters 18%]
Respondents were asked to estimate the proportion of emails that required the use of another channel to be answered fully. Only 6% of respondents stated that all of their emails could be answered fully without recourse to alternative channels, with a further 35% of respondents stating that fewer than 10% of their emails needed supplementary channel assistance.

However, 15% of respondents said that between one quarter and one half of their emails had to be followed up using an alternate channel, and 4% of respondents said that more than half of their emails needed multichannel assistance.

Figure 11: Emails that require the use of another channel to be answered fully
Respondents that indicated that a proportion of their emails require the use of another channel to be answered fully were asked to give the top three reasons causing this.

Two interlinked responses came out clearly ahead: the multiple, back-and-forth nature of the queries are quicker to answer on a call; and complex issues are better handled with a phone call rather than an email.

The ability to take a customer through security checks more easily in a different channel was also considered important by 42% of respondents, and 41% considered that email agents do not always have access to the sources of information that they need to answer the question fully.

Figure 12: Reasons for using another channel to answer emails fully
There is no general agreement within the industry on how best to deal with email, although there are genuine reasons to encourage email/voice blending. On one side, there is a case made that letting agents answer email makes the job more interesting for them, lowering attrition and improving skills. The other side to this says that the skills required by email agents are different from voice agents and that it is difficult to find the agents to do both jobs. Both sides make sense logically, and historically, of those contact centers which use voice/email blending, only around 1 in 5 have experienced problems finding the right staff for these types of role, a figure that decreased each year that it was surveyed.

The great majority of respondents in most sectors allow at least some of their agents to carry out both email and telephony. However, email requires certain skills, including grammar and punctuation, which not every agent has, even with assistance from an email management system's response template. On average, 59% of agents in a blended multimedia environment are allowed to do both email and voice work, a figure which had been growing year-on-year, but which has steadied recently.

Those in small and medium operations are much more likely to use the same agents to handle email and telephony, probably because there is not the option to have the specialized teams found in large contact centers, which are much more likely to have a dedicated group handling email.

Figure 13: Use of multimedia blended agents by contact center size

<table>
<thead>
<tr>
<th>Contact center size</th>
<th>Respondent contact centers allowing voice/email blending</th>
<th>Proportion of agents answering both voice and email (only where applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>96%</td>
<td>76%</td>
</tr>
<tr>
<td>Medium</td>
<td>85%</td>
<td>45%</td>
</tr>
<tr>
<td>Large</td>
<td>64%</td>
<td>39%</td>
</tr>
<tr>
<td>Average</td>
<td>83%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Simply because a contact center uses the same agents for email and voice does not mean that all operations use the same level of multimedia blending. For some operations, multimedia blending is a strategic decision which has been invested in with the right levels of technology and training being provided. For others, it is a necessity, with agents encouraged to answer emails in slack call times. Small and medium operations - which in the past may not have had sufficient email volumes or the investment available to formalize the blending by forming a universal queue to deal with all types of interaction - are now as likely to use a universal queue as the ad hoc method. Many larger contact centers prefer to use dedicated email groups.
However, this preference of many larger contact centers to form specialized multimedia groups may not provide the same levels of service. Past data has indicated a formalized blending environment, such as a universal queue, has a beneficial effect on email response times. Respondents using a formal blended environment reported that 45% of emails are handled within 1 hour, with a further 44% being dealt with inside a day.

The ad-hoc approach is less successful at very rapid response, with only 15% of emails having had an average handle time within 1 hour, although a further 65% were handled in a day.

Dedicated email-only agents of the kind used in many larger contact centers answered an average of 19% of emails within the hour, with a further 65% handled within a day.
Web chat (or instant messaging / IM) sessions act by offering a live or automated text assistance option to the process of web browsing. Like email, it has been around for many years, but only very recently has started to grow volumes to the extent where it has become a mainstream channel for customer-business interactions.

Figure 14: Estimated cost per web chat

<table>
<thead>
<tr>
<th>Web chat cost</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>$3.64</td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; quartile</td>
<td>$4.60</td>
</tr>
<tr>
<td>Median</td>
<td>$2.20</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; quartile</td>
<td>$1.10</td>
</tr>
</tbody>
</table>

Web chat offers the potential to cut costs through running more than one chat session at a time with customers, as well as increasing the use of automated chatbots / virtual agents to triage and make suggestions to live agents. Agents can respond to frequently-asked questions by using ‘hot-keys’, which provide templatized answers and can escalate queries if required, but current levels of automation are low.

Whether running more than two chats concurrently is a sustainable model for the agent or provides an acceptable quality of service for the customer is unlikely. Some vendors have stated in the past that agents could run five or six concurrent chat sessions, but the reality seems to be that two sessions is a reasonably consistent average, with a peak of three or even four if required on a short-term basis.

Figure 15: Concurrent web chats per agent

<table>
<thead>
<tr>
<th>Average number of concurrent web chats</th>
<th>Maximum number of concurrent web chats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.0</td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; quartile</td>
<td>2.2</td>
</tr>
<tr>
<td>Median</td>
<td>1.8</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; quartile</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Web chat has often been used as a ‘point of crisis’ channel, for example, to convert an online shopping basket into a sale by providing timely service, or if a browser is paused on a web page for a significant amount of time. In such cases, there are two main benefits to the business in providing web chat: the maximization of revenue and the avoidance of unnecessary calls. Web chat has in the past been most used for general information and sales purposes, as users weren’t usually taken through security processes, but doing so is becoming increasingly common.

Web chat can also act as a safety net for the customer if an online self-service attempt fails. An analogy can be made with voice self-service, where a failed session is often ended with the customer ‘zeroing-out’ - pressing zero to get in touch with an agent. Failed web self-service sessions may end with a phone call being made, but web chat can avoid a number of these, which is a cost saving for the business, and better for the customer as well.

39% of respondents using web chat offer the option immediately to all website visitors, with 61% only doing so at some specifically-triggered point in the interaction.

Of these 61%, the most frequently used trigger for web chat was when a visitor went to a specific page, with other popular triggers being when a customer was on a page for a certain amount of time, and at the point of sale.

Figure 16: Stage in the website visit where web chat is offered
VIRTUAL AGENTS

One form of value-added web chat functionality is a Virtual Agent (also known as a chatbot), which may appear to a browsing website visitor to be a human agent offering web chat. Virtual agents or virtual assistants are software applications that engage customers in conversations in order to provide them with an answer to their queries. They may be personalized to reflect the company’s branding, and often act as the first point of contact between the website visitor and the business.

Virtual agents look at keywords and attempt to answer the customer’s request based on these, including sending relevant links, directing them to the right part of the website or accessing the correct part of the knowledge base. If the virtual agent cannot answer the request successfully, it may then seamlessly route the interaction to a live web chat agent who will take over. It is possible that the visitor will not even realize that any switch has been made between automated and live agent, particularly if the web chat application is sophisticated enough to pass the context and the history to the agent, although some businesses believe it is best practice to identify clearly between virtual and real agents.

Most virtual agents encourage the visitor to engage with them using natural language, rather than keywords. The virtual agent will parse, analyze and search for the answer which is deemed to be most suitable, returning this to the customer instantly. Many virtual agent applications will allow customers to give all sorts of information in any order, and either work with what it has been given, or ask the user for more detail about what they actually meant. Having been unconsciously trained over the years to provide their queries in a way which standard search functionality is more likely to be able to handle (for example, a couple of quite specific keywords), customers must be encouraged and educated to use natural language queries in order for virtual agents to be able to deliver to their full potential.

The virtual agent application is different from standard search functionality, ignoring bad punctuation or grammar, and using longer phrases rather than just searching on keywords. Sophisticated applications attempt to look for the actual intent behind the customer’s question, trying to deliver a single correct answer (or at least a relatively small number of possible answers), rather than a list of dozens of potential answers contained in documents which may happen to contain some of the keywords that the customer has used. The virtual agent application may also try to exceed its brief by providing a list of related questions and answers to the original question, as it is well known that one question can lead to another. Solution providers and users train the system to pattern-match the right words or association of words with the correct result: the application, unlike older forms of web search techniques, does not simply guess what the customer wants, or how they will express themselves. Through ‘listening’ to what the customers actually say - perhaps through a mixture of large quantities of audio and text – the initial set-up configuration can achieve a good accuracy rate, which really benefits over time as a positive feedback loop is established. Solutions that gather and differentiate customer requests and results from multiple channels, noting the difference between them, have an even better success rate.
When the virtual agent application has low confidence that it has returned the correct result, it escalates the customer’s query to a live chat agent, who then has access to the self-service session history, enabling a greater chance of a successful resolution without repetition. (It is generally considered best practice that escalations to real agents are not hidden from customers). The eventual correct response can be fed back to the automated virtual agent (and the knowledge base underlying it), which will make it more likely that future similar requests can be handled successfully through automated agents.

| Proactive and reactive chat |

Originally, web chat was mainly reactive, relying upon the browser to initiate a conversation. Businesses then decided to go on the offensive, popping up chat boxes and encouraging customers to start conversations. Some more sophisticated customers are unfazed by this, but overly-insistent use of web chat can put some customers off entirely.

There are various levels of intelligence that can be used to support proactive chat more effectively. If the customer has logged in, it is possible to identify them and take into account past channel preferences, purchase history and other relevant information in order to personalize the experience, (for example, including details of relevant offers to that customer).

It is also worth commenting that although offshore customer contact has received a mixed press, many of the negative issues surrounding offshore are not applicable to the multimedia channel, such as the possible mutual incomprehensibility of accents.
WHO’S USING WEB CHAT?

Web chat is experiencing strong growth in its availability in the US, although volumes on average are still only around 4% of all customer/business interactions. There is no reason why the user uptake of web chat will not continue: it works well for customers as providing an immediate response, and with multiple concurrent chat sessions per agent, it can be a lower cost channel than voice for the business to support, although the current cost differentials between phone and web chat are not dramatically different, as so much of the web chat work carried out is still non-automated. Solution providers report that web chat is currently being trialed by numerous businesses, often at a limited or departmental level, so they can assess the suitability of the channel for a company-wide rollout and understand what needs to be done to ensure full implementation is a success.

Figure 17: Web chat agent blending, by contact center size

Respondents from smaller contact centers tend to take phone agents out of the queue to handle web chats on an ad-hoc basis, probably because chat volumes are low and unpredictable.
Respondents from medium and large operations are more likely to use dedicated chat agents, with multi-channel text agents (e.g. handling social media or email too) being quite popular in larger contact centers. Small and medium operations seemed more likely than large contact centers to have a single dynamic queue which handled voice as well as text customer interactions.

44% of respondents indicate that web chats are mainly carried out with existing customers, although 23% said they deal with mainly new prospects.

Figure 18: Web chat: new prospects or existing customers?
This finding is supported by the nature of most web chat: 60% of respondents state that their web chats are mainly about service of existing products and services, with only 13% of respondents stating that they deal much more with sales queries than service requests. This is a change from the initial use of web chat, which was often aimed at closing the deal with people who had been waiting on the checkout screen for a period of time.

Figure 19: Web chat: sales advice or service requests?
While web chat is seen in the report’s findings to offer the lowest cost of the live service options (voice, email, web chat), there is still considerable room to increase efficiencies and lower costs. While 14% of email handling has some automation involved, the figure for web chat is only 5%, which is a major opportunity to decrease costs and handle far more web chats. The 95% figure does include instances of templatized responses from a library, which will certainly reduce chat handle time, but the opportunities to automate web chat further are not yet being taken.

Figure 20: Level of automation used in web chat
Respondents indicate that the typical wait for a web chat session is actually less than that of a phone call, with 13% having a wait time for web chat of lower than 10 seconds, and a further 40% stating that the average wait time is 10-20 seconds.

Maintaining this level of accessibility for customers will reinforce their positive experiences of web chat and will encourage customers to keep using the channel, not only when contacting a specific business, but also in general.

Little research has yet been carried out into the expectations of customers around web chat service levels, but it is reasonable to expect a channel being presented as an alternative to phone to have similar service level expectations and reality. If only 4% of web chats take longer than 1 minute to initiate, then we can expect customers to flock to this channel enthusiastically, as these service levels are certainly no worse to those of the voice channel.

Having said that, a web chat on a specific topic, especially a complex one – for example cancelling a TV subscription - is likely to take considerably longer than a phone call, as it is quicker to talk than type, and the agent is likely to be handling more than one enquiry at a time.

Figure 21: Average wait time to interact with web chat agent

![Average wait time to interact with web chat agent](image)

<table>
<thead>
<tr>
<th>Time Interval</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 seconds</td>
<td>13%</td>
</tr>
<tr>
<td>10-20 seconds</td>
<td>40%</td>
</tr>
<tr>
<td>20-30 seconds</td>
<td>20%</td>
</tr>
<tr>
<td>30-60 seconds</td>
<td>23%</td>
</tr>
<tr>
<td>1-5 minutes</td>
<td>4%</td>
</tr>
</tbody>
</table>
Tips for using chat and cobrowsing successfully

Understand the role that you want web chat to have within the customer contact mix. Do you see it as a replacement for email? Or is it more of a call avoidance strategy? Or is it perhaps a way to close the sale? Without understanding this, it’ll be difficult to measure its success. Some businesses will offer web chat and cobrowsing only to their premium customers, or to those who are in the final stages of purchasing but who have stalled.

Choose the most suitable metrics for what you’re trying to achieve. If web chat is about revenue, then perhaps focus on sales conversion rates, rather than average handle time, in order to encourage agents to make the most of cross-selling and up-selling opportunities.

Some customers may use web chat as an initial method to ask tentatively about products and services. The solution should provide the option to continue the conversation via a phone, or to send relevant documents and videos.

Work with the solution provider to determine what a reasonable and realistic number of concurrent web chat sessions might be. While it is theoretically possible for an agent to cope with four or more conversations at once, the reality is that this is unsustainable over long periods or with complex issues. It is far more realistic to expect a well-trained agent to deal with perhaps two or three conversations concurrently, and this should be fed into your workforce planning system. However, it may be that non-dedicated agents who deal with both telephony and web chat find it too difficult to deal with multiple chat sessions as well, and will deal with only one chat at a time.

As with any real-time interaction channel, monitoring traffic is vital to success. Plans need to be made to handle web chat spikes, and providing estimated wait times to those in a web chat queue will allow them to choose a self-service, phone or email option instead.

Plan how web chat will integrate with existing customer service channels. It is possible to run web chat as an entirely separate, siloed channel, but customers expect to be able to move between channels seamlessly. Being able to treat web chat interactions in the same way as other communication channels means that resources can be spread across channels as and when needed.

Sophisticated web chat solutions allow for 3-way chat, so that an agent can bring subject experts into the conversation as required.

Consider using a trial, in a discrete department, product or service area. This will allow you to understand what works and what doesn’t, in a relatively low-risk environment. Changing a small number of variables will also provide a more accurate understanding of how web chat affects customer service levels, customer satisfaction and revenue. It will also provide information about the types of customer and queries that web chat is likely to be used by and for.

Make customers aware that you’re offering web chat by promoting it through existing, higher-cost channels such as within the telephone queue’s recorded announcement.
The rise of social media as a customer service channel has often been de facto, in that customers have actively sought out the company’s Facebook page or Twitter account, even if the company originally had a social media presence only for marketing purposes. While social media remains a relatively minor channel in terms of overall number of interactions compared to telephony, it has the potential to be strongly negative - to punch well above its weight - and many senior executives within most companies are treating the channel with a great deal of respect.

Despite the low levels of customer interactions via social media, the high-profile nature of this channel and the possible magnifying effects of negative comments means that social media is viewed as being far more important than baseline interaction statistics would suggest. Some savvy customers, knowing that their public complaint or issue will be dealt with quickly, prefer to go straight to a social media channel rather than wait in a telephone queue. Others might choose the social channel after they’ve had a bad experience on another channel, such as waiting on hold for a phone agent.
SOCIAL MEDIA MANAGEMENT AND OWNERSHIP

The evidence that the social media channel was originally set-up as a marketing route rather than as customer service support can be seen within this section. Despite the increasing numbers of customers choosing to use social media for customer support, 48% of respondents report that social media is handled by an in-house team based outside the contact center, usually marketing, PR or corporate communications, with 4% letting an outsourcer handle it.

33% of respondents reported that they have a dedicated social media team working within the contact center, and a minority have a dedicated multichannel team working within the contact center location, which may or may not answer telephone calls as well (NB multiple choices were allowed, so totals may add up to more than 100%).

Figure 22: How is social media managed?

When considering the management of social media by contact center size, larger operations are far more likely to have a dedicated social media team within the contact center. Small and medium operations may well rely on a non-contact center-based corporate team to handle their social media, with over a quarter of large operations handling social media as part of the entire customer interaction mix, including telephony.
The role of social media, and how it is managed, is heavily influenced by who holds the budget. For the majority of respondents, it is the marketing department that holds the money for social media, with the customer contact department only responsible for this channel’s investment and finances in a small minority of cases. Larger contact centers are somewhat more likely to hold a social media budget, but such respondents are still in a minority. As social media continues its move away from being primarily a marketing channel towards being a key part of the customer contact mix, it would make sense for the contact center and customer support operation to take more responsibility for the strategy and budget of this channel, but there is little statistical evidence of this happening as yet.
THE EFFECTIVENESS OF SOCIAL MEDIA

Uniquely, social media has taken off as a customer service channel as a result of customer demand, rather than businesses’ enthusiasm for promoting a cheaper service channel. The following chart shows how channels fit customers’ needs, and we can see that social media for some customers can provide a very positive experience with a very low pain point, at virtually no cost of time or money: the customer complains, loudly and in public, so the business reacts quickly and effectively. For the customer, this is great: it is the business for whom the popular methods of social media handling are not optimal: not only do they have to carry out their business in public, reacting quickly and without being able to authenticate the customer’s identity, but they often cannot handle the query without resorting to another channel such as phone or email, which provide more privacy and functionality. In such cases, they are not even seen by the outside world to be reacting quickly and effectively or to have solved the problem. Both customers and companies are finding out what works with social media and what does not. Crucially, as with any channel, success will only come when a channel delivers a successful experience for both sides of the equation.

Figure 23: Possible customer experience of social media channel

Social media

- Perceived effectiveness: The customer says “Jump”. The business asks “How high?”
- Channel availability: Via PC or smartphone
- Ease of use: Simple to send a tweet or write on a wall – no queue
- Low cost of use: Free
- Painlessness: Venting frustration at a company can be a positive experience...
- Speed of conclusion: Immediate response and personalised service
Despite respondents’ insistence earlier in this report that social media was generally not the best channel for unhappy customers to use to make a complaint, the following table tells another story. 63% of respondents that offer social media as a customer service channel consider it to be extremely useful for acting directly on negative comments and complaints picked up from customers - a statistic that is growing rapidly. In fact, this ability to address unhappy customers immediately is second only to monitoring what is being said about the company, which has grown in importance once again this year.

Of concern for both businesses and customers, there seems to be very mixed opinions on whether social media is actually providing customers with a fully-supported customer service channel. 33% feel strongly that they are doing so, whereas 13% feel that they are not, but year-on-year the positive opinion is growing.

Earlier in the report, respondents stated that call recording and speech analytics were not felt to be supporting the business to learn more about its competitors, and there is little sense here that social media is providing this information either. It may be that businesses are focusing their efforts upon learning what their customers are saying about their own products and services, rather than worrying too much about the competition, but all of these solutions offer opportunities for competitive advantage.

Figure 24: Usefulness of social media for business activities
There is some debate about the best way to handle social media inquiries. While it is possible for requests via social media to be analyzed (often by keyword spotting), prioritized and then routed to the agent team most capable of dealing with these specific inquiries, it is not just the same as a phone call or web chat. An almost instantaneous response is expected by some customers, with the attendant pressure that such a service level places upon the organization, but social media does not exist within the same one-to-one paradigm as other customer service channels.

Target response times for handling a social media customer service request are somewhere between a phone call / web chat on the one hand and an email on the other. 36% of respondents try to answer within the hour, but 56% state that they will probably take longer than an hour. Over time, it is likely that customers’ expectations of social media service levels will move more towards the immediate than the ‘fire-and-forget’ nature of email or letters, and businesses should prepare themselves for handling this.

Figure 25: Target response times for handling a customer service request via social media
The majority of respondents offering service via social media will put the interaction into the customer’s file as if they’d made a phone call, with analysis of the interaction being undertaken by around half of respondents to ascertain whether the insight can be fed into the wider business processes.

44% of respondents state that they can escalate this to a phone call if required (note as well the high level of email escalations, suggesting that phone calls are still the ‘go-to’ channel). Only 20% of respondents state that they take customers through security (probably via direct messages).

This low figure for security checking should be viewed in context with the higher figures for those who say they add social media interactions to customer records: it would be imagined that before the customer record is opened and amended, security and identification processes would have been completed, so these findings are a little contradictory as they stand.

Figure 26: Service requests via social media: value-added options
Although SMS accounts for less than 1% of inbound interactions, for many companies it is a vital part of proactive outbound customer service, often used as confirmation or reminders. It does not require the customer to own a smartphone, so it is quite a democratic and ubiquitous channel.

There are numerous instances of its success:

- **Appointment reminders**: reducing the number of no-shows makes a significant difference to cost and outcome
- **Statement of arrears**: a cheap and efficient way of reminding debtors, a significant proportion of whom will pay without further contact
- **Credit balances**: most banks offer this as a service to customers to make sure they have the opportunity to avoid an overdraft
- **Delivery notification**: reduces wasted delivery time and helps the customer plan their time
- **Confirmation of sale**: provides reassurance to the customer and can be linked to an e-ticketing system where appropriate.

For many companies, SMS works as a final step to bring a multichannel/omnichannel customer experience to a successful conclusion. Where the customer is invited to reply, creating an inbound SMS interaction, this is often handled by automation: for example, responding to a customer survey. SMS has a huge advantage over many other channels in that the vast majority are read within a few minutes of being received, and is far cheaper and less intrusive than a phone call from a live agent. Most businesses rightly use SMS as a personalized customer service channel, rather than a marketing tool: many consumers feel very protective about their mobile device and while they are happy to receive communications that are clearly meant exclusively for them and which make their life easier, the inability to ignore an SMS means that the allowances made for bulk marketing received by email and direct mail will not be applied to SMS.

It is possible to bridge the gap between service and sales through offering value-added cross selling and upselling built on top of the proactive customer service being offered. For example, a car rental company could send an SMS to let the customer know that their reservation is coming to an end, but also offer a link to extend the rental period within the body of the SMS. Of course, many retailers will keep loyal customers up-to-date with any upcoming sales through SMS, and for the most coveted brands, customers will actively welcome this.
As a call avoidance strategy, SMS’s ubiquity and delivery/open rate is exceptional. It is also suitable as a 2-way communication channel akin to web chat (which can be very fiddly to carry out on a smartphone via a non mobile-optimized website). Of course, if businesses expect customers to read their SMS immediately, the customer will have the same expectation of the business, so correct resourcing of inbound SMS channels must be taken into account.
Despite the rapid growth in the use of web-based services, the importance of the voice channel has not diminished in absolute terms:

- Customers still find voice the most convenient, flexible and quickest communication channel in many instances, especially in older demographics and for complex enquiries.
- Customers’ expectations continue to rise. Not only do they seek out competitively-priced goods and services, but they require quick, efficient service as well.
- The general level of awareness of identity theft as a real issue has also grown, and customers expect to see that their private and personal information is protected by those organizations with which it is shared. The voice channel still provides customers with the greatest level of confidence.

Figure 27: Advantages and disadvantages of telephony self-service

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fantastic cost-cutter: 6 or 7 IVR calls cost less than a single person-to-person call</td>
<td>Can be inflexible to change IVR options, due to proprietary nature of many existing IVR solutions</td>
</tr>
<tr>
<td>Captured customer data from an IVR enables key CTI (computer-telephony integration) solutions, such as screen popping &amp; skills-based routing, to take place</td>
<td>IVR menus difficult to visualize for customers, leading to stress and dissatisfaction. Users may feel “there is no end in sight” and become frustrated.</td>
</tr>
<tr>
<td>Frees agents from repetitive work, reducing staff attrition and improving morale</td>
<td>Long-winded menus annoy customers, where shorter ones can reduce the options and functionality</td>
</tr>
<tr>
<td>Allows agents to spend more time doing high value-add work, like cross- and up-selling, and complex customer care and loyalty work</td>
<td>When overdone, self-service can be seen as a low-cost option aimed at helping the business, not the customer. Overuse of IVR makes customers feel as though the company does not value them</td>
</tr>
<tr>
<td>Reduces queue times and call abandonment rates, improving customer satisfaction for those needing live agent help</td>
<td>Expensive, proprietary hardware has kept businesses locked into existing suppliers in the past, although open standards and cloud-based delivery has alleviated this issue somewhat</td>
</tr>
</tbody>
</table>
Looking at the prevalence of voice self-service, 40% of respondents - very similar to last two years’ figures of 43% - offer a full telephony self-service channel, with the finance and TMT/technology, media & telecoms (B2C) sectors leading the way.

Figure 28: Overall proportion of calls handled entirely through self-service (only in respondents which offer telephony self-service)

<table>
<thead>
<tr>
<th>Proportion of calls handled entirely through self-service if offered</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; quartile</td>
<td>48%</td>
</tr>
<tr>
<td>Median</td>
<td>31%</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; quartile</td>
<td>9%</td>
</tr>
<tr>
<td>Mean</td>
<td>36%</td>
</tr>
</tbody>
</table>

Even amongst those respondents for whom telephony self-service is a vital part of the customer contact strategy, it’s no use trying to shift every customer service interaction onto IVR self-service because if customers don’t want to use IVR, they will “zero-out” (press 0 for a live agent, or try to find a similar shortcut). It is worth reiterating that if callers agree to try a company’s self-service system rather than talk to an agent, there is an implied contract that if the self-service session is unsuitable, the caller should be allowed to speak with an agent.

Figure 29: Proportion of self-service sessions ‘zeroed-out’ to an agent
Overall, a mean average of 21% of calls that go into the self-service option are “zeroed-out”: instances where the customer decides that they in fact wish to speak with an operator, which is up once again from the previous years’ figures (2014’s statistic was 18%, and 2013’s 13%).

NB, 1st quartile performance for 'zeroing-out' is 4%, the median is 18% and the 3rd quartile is 33%, which indicates that this is not simply the case of respondents coming from a relatively small number of contact centers where self-service failure rates are high.

If this increase in ‘zeroing out’ is a structural trend within the industry, this should be of concern, suggesting that self-service systems are increasingly not offering what customers need. The following table looks in more depth at the reasons for abandoning self-service sessions.

There is a broadly positive correlation between the size of the contact center and the proportion of self-service sessions that are abandoned in favor of speaking to an agent: the larger the contact center, the more often customers ‘zero out’. One possible reason for this might be that larger operations are trying to do too much with their self-service. There is some evidence to suggest that this is the case, as it is very noticeable that respondents from larger organizations tend to have far more options in the auto-attendant functionality of their IVR solution, and this tendency to offer a great deal of functionality and options may apply to IVR’s self-service functionality as well. Overly complex or long-winded IVR functionality will tend to encourage session abandonment, and this may well be what we see here.

Due to the potential additional flexibility and functionality offered by automated speech recognition over DTMF IVR, we would expect the zeroing-out rate (which can be viewed as connected to customers’ rejection of the self-service option) to be lower for speech recognition than DTMF IVR. However, once again this year, the opposite is the case:

- In contact centers where the majority of self-service is offered through speech recognition, the mean zero-out rate is 28%.
- In contact centers where the majority of self-service is offered through DTMF IVR, the mean zero-out rate is 19%.

Without interviewing these respondents in more depth, there is no certainty as to why this is happening. It is possible that customers are simply more used to DTMF IVR; that speech recognition often offers an option to speak to an agent early in the script (which is taken as the easy way out); or that customers do not know what to say to an automated system to make it work, so look to speak with a live agent. That customers may actually currently prefer to choose from a finite group of options is an interesting conundrum, and one which deserves more attention from the industry.
By a considerable margin, respondents agreed that the main reason for abandoning self-service sessions is that the self-service function simply does not offer what the customers want. While this at first glance may appear negative, it is the case that even in the most commoditized and transaction-driven environments, a substantial proportion of customers will want to speak to a person: either because the system does not allow them to do what they want, there is a complicating factor involved, or simply that they wish reassurance or have multiple questions. In such circumstances, it is the customer’s choice to abandon the session, and this does not have to be a particularly negative experience as long as a clear exit path that leads to a live agent is marked early in the process. Situations where businesses hide their agents from customers, making them go around in IVR loops, are the ones that give all telephony self-service a bad name.

One in five respondents agree that having too many options presented to customers as a major reason for them seeking human assistance, and it is noticeable that over half of respondents believe that the customer simply does not trust the system, preferring to have human reassurance that the request they have made has been carried out, or the information they are looking for is actually correct.

Figure 30: Reasons for abandoning self-service sessions
VISUAL IVR

The audio-only nature of DTMF IVR places limitations upon how user-friendly the experience can be for a customer. There has always been a trade-off required between functionality and usability, which manifests itself in the number of menu options and levels that made available within the IVR system.

The rapid growth in smartphones has meant that it is now possible to offer a visual representation of IVR menus on a device which will then be used to call the business. Because it is far quicker to read text than to listen to text being spoken - some studies show that a caller can navigate a visual IVR menu between four and five times quicker than a DTMF IVR menu - the customer experience is improved without sacrificing any functionality or options. Furthermore, visual IVR can be used to send video presentations while waiting for an agent, for educational or marketing purposes, or to answer the self-service requirement (for example, pushing the relevant YouTube clip in order to show the caller how to do something). Due to the nature of visual IVR, it is easy to see how this can fit into an omnichannel customer experience, as it is merely one of many channels that a customer can access through a smartphone.

Many businesses that use DTMF IVR have made long-term investments in this technology, and retiring the system entirely is not desirable. Giving existing IVR functionality a visual interface simply means that the IVR’s path can be shown as a picture on a website or smartphone, with callers touching the selection that they require without having to listen to all of the options or to go up and down levels or branches. This has the dual benefit for the customer of being far quicker than listening to IVR menu options, and of being significantly more likely to get them the correct information or to be routed to the department most appropriate to their needs. Visual IVR menu systems integrate with existing DTMF structures and reuse the same VoiceXML scripts, meaning that any changes made to the existing DTMF IVR system will be automatically replicated regardless of channel or device.

Visual IVR offers companies the ability to develop value-added applications for their customers, rather than simply provide a visual representation of existing IVR menus. For example, in cases where very specific expertise is required, visual IVR can be used to help the caller self-diagnose where in the organization they need to be going, rather than have to speak to a front-line agent who will then have to ask them the same questions in order to route the call to the appropriate resource.

It is worth noting that despite the huge uptake in smartphones and mobile apps, it is very unlikely that customers will find it convenient to have an app for every company with which they deal. Like apps, a visual IVR option provides businesses with an opportunity to display corporate branding and deliver an improved customer interaction experience.
Figure 31: Visual IVR: benefits for businesses and customers

<table>
<thead>
<tr>
<th>Business</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost reduction through improved call avoidance and more accurate routing, improving first contact resolution and decreasing call transfer rates</td>
<td>Greater granularity of routing, and improved functionality means that callers are more likely to arrive at the place where they need to be. Consistent functionality shared across IVR channels and customer devices means that customer engagement and confidence in using the system will be improved</td>
</tr>
<tr>
<td>Leveraged existing IVR investments, without having to rip and replace</td>
<td>Significant decrease in customer effort to access self-service or call routing capabilities</td>
</tr>
<tr>
<td>Reusability of existing scripts lowers development costs</td>
<td>If the agent has contextual information, there is less likelihood of the caller having to repeat information</td>
</tr>
<tr>
<td>Contextual information gathered within the visual IVR session can be popped to agents, giving an improved understanding of the customer’s journey, reducing agent handle time and customer frustration</td>
<td>As more customers are finding the correct information without having to call the contact center, this means lower wait times for the customer base in general</td>
</tr>
</tbody>
</table>

Building a business case for visual IVR may involve looking at the self-service ‘zero-out’ rate for your specific industry compared to your own statistics, considering your call transfer rate and listening to the voice of the customer via call recording or speech analytics as they comment upon their IVR experience.

Carrying out a specific IVR customer experience survey is also a good way of gaining accurate insight into what might turn out to be a significantly negative experience for some of your customer base.
WEB SELF-SERVICE

For businesses, by far the major advantage to having customers use web self-service is the fact that the cost per support session is estimated to be between 40 and 100 times cheaper than a live call to an agent.

Research has stated that 58% of calls to the contact center result from bad website service or a failure in another channel. Quite apart from the current importance of this application, research shows that as customers become more educated and experience many different qualities of online self-service, their expectations increase across the board which puts pressure on other organizations to keep up or even exceed the current benchmark performance.

Put basically, most customers will visit a website first; if they cannot find what they’re looking for immediately they will try self-service; if the self-service experience does not give them what they want immediately and accurately, they will either call the business or go elsewhere. In cases where the customer is tied into an existing business, this will result in a higher cost of service and decreased customer satisfaction. In cases where the web visitor is only a potential customer, a failure in the self-service process on a website will mean the almost-certain loss of a sale. In all cases, providing effective web self-service options - with a clear path to escalation to a live agent, along with any contextual customer specific information - is in the best interests of the business.

In terms of pure self-service, the website can provide various options for the customer, ranging from the most basic search and static FAQ functionality, to personalized virtual agents and dynamic FAQs.

SEARCH

Since corporate websites first came into being, businesses have offered search tools for customers to look through indexed information, based on keywords found in these documents, in order to answer their questions without the need to call the business. While such functionality has the advantage of at least being familiar, indices grow, documents get old and out-of-date, and customers become educated that there are more sophisticated and effective self-service solutions available, with customers’ opinions of standard search functionality suffering as a result.

With only a blank text entry box to guide them, the onus to search successfully is with the customer, who has to try to ‘get into the mind of the business’ and phrase the question or search terms in a way that fits the business and its internal jargon. However, this is not always possible, and customers have a limit to the maximum number of times that they will attempt to search, or how many pages they will read from the numerous documents that a wide keyword search can bring back, claiming that it has answered the query. The customer then has two possibilities: to engage the business through a high cost channel such as telephony or email, or worse, to find an alternative supplier that can help them without going through this high effort process.
Search functionality does have its place: for example, if a customer wanted to find out very specific information about a product that had an unambiguous name (for example, ‘SDK36479 installation’), a search on this particular term would at least bring back documents that had a high level of relevance to this product and how to set it up. However, if the customer had a query that used keywords that were very popular and widely found elsewhere (for example, “What are your delivery times?”), typical search functionality might return every document that contains the word ‘delivery’, relying upon the customer’s patience and goodwill to find the correct answer for themselves. In the case of very large companies, this could bring back potentially hundreds or thousands of documents, many of which could be out-of-date and have been superseded. The major problem with search functionality is that it pays close attention to the answers, but very little to understanding the question or the customer’s thought processes.

It is one thing to be presented with a long list of documents while sitting in front of a large screen of a PC, where scrolling up and down the page is not an issue. For the same flawed search functionality to be placed onto a mobile website, expecting the user to zoom in and out, scrolling up and down, and then to potentially scan through numerous documents whose text is too small to read properly is probably a step too far even for the most enthusiastic and loyal of your customers.

FAQS

FAQs - frequently asked questions - are one of the most popular forms of Web self-service. At its simplest, an FAQ list can simply be a group of static documents and/or text, categorized under wider thematic headings, and kept up-to-date manually. Solution providers state that perhaps 80% of questions can be answered by 20% of documents, however for most businesses, customer requirements change on an ongoing basis so it is unlikely to be the same 20% of documents that are most useful as time progresses.

More complex applications can use techniques such as text mining and fuzzy search (approximate string matching) to return documents that are not just an exact or very close match to the search terms entered by the user. Sophisticated FAQ technology will leverage natural language processing to deliver more accuracy than standard search functionality.

It is possible to minimize the use of manual updates and supervision by making the FAQ list more dynamic and self-learning through using responses taken from emails to customers who have asked specific questions, which will then dynamically enter the FAQ list at an appropriately high level. Being able to restructure the knowledge base on a regular and ongoing basis through automation is key to maintaining the usefulness and relevance of the FAQs. Unlike the virtual agent (below), FAQs by their nature provide the user with a list of alternatives, asking them to judge and choose the correct most relevant answer for themselves. While this process takes longer for the customer than the provision of a single answer, it is currently more closely aligned with the typical user experience, and thus has the advantage of familiarity. Providers of FAQ technology report that the typical reduction seen by customers in inbound live contact (such as email or telephony) is in the region of 25%.
VIRTUAL AGENTS

Virtual agents, otherwise known as virtual assistants, are software applications that engage customers in conversations in order to provide them with an answer to their queries. They may be personalized to reflect the company’s branding and often act as the first point of contact between the website visitor and the business.

Virtual agent functionality ‘understands’ the context of what the customer is asking, with the result being more akin to that of an empathetic human who also has had access to what the customer has been trying to do. For example, if asked “When can I expect my delivery?”, the context and the required answer will be different depending on whether the customer has placed an order and is enquiring about its status, or has only a hypothetical interest in turnaround times in case they decide to place an order.

When the virtual agent application has low confidence that it has returned the correct result, it is able to escalate the customers query seamlessly to a live chat agent, who then has access to the self-service session history, enabling a greater chance of a successful resolution without repetition. Further detail is available within the ‘Web Chat’ section of this report.

Of these three methods of web self-service, by far the most prevalent is that of the FAQ, which is used by 72% of businesses that offer telephony self-service as well. The free text search of the document library is rather less well supported, and only 32%. Virtual agents are still employed only by a very small proportion of respondents, usually those within large enterprises.

Figure 32: Web self-service methods
NATURAL LANGUAGE PROCESSING

While some knowledge base solution providers state that 80% of questions can be answered by 20% of content, it is each business’s decision to decide how the remaining 20% of queries will be handled (and of course, all documents will change over time as customers’ requirements and the businesses’ products are not static). Some will consider that this is a reasonable proportion to be handled by more traditional means, such as the contact center, whereas others will leverage expert internal resource, as well as customer communities and forums to fill these knowledge gaps. It is not just the publishing of information that is vital: it is feedback on its accuracy and success from the wider user community and any automated systems which will help the business to fine-tune the knowledge base. Processes to gather this feedback should be put in place and continually revisited to check their effectiveness, and it is possible to add successful answers to the knowledge base very quickly if a response from an agent (for example, via email or web chat) has been marked to be successful.

In all cases however, one of the keys to successful knowledge management is continually monitoring, updating and publishing the most accurate and in-demand information. Businesses should consider setting internal service levels for the knowledge base, for example only returning documents and suggested answers that have over a specific score for relevancy, and no more than a small number of answers per enquiry. If customers are trained to expect a self-service or virtual agent experience that returns pages and pages of documents that bear little relevance to their original query, they will very soon abandon self-service entirely. It is also vital that the information contained in the knowledge base is available consistently across all channels, whether through a virtual agent or human agent.

One of the keys to successful automated service, via telephony or website, is for the user to be able to describe their issue in their own words, rather than feel that they have to use specific terms or a stilted, incomplete account of the issue. Natural language processing-based systems encourage users to describe their issue more fully, asking follow-up questions if there is any degree of ambiguity in the initial request. One of the obstacles to overcome for NLP-based systems (whether through speech recognition or text recognition) is that many Internet users have been trained to use keywords, believing that simplifying the description of their issue will lead to greater levels of accurate response (or at least, fewer instances of the dreaded “Not Found” message). In fact, NLP works best with longer and more detailed requests, and it is a challenge for businesses and solution providers to encourage and support users of the system in using the solution in an optimal way.
Many current self-service systems are inflexible and structured rigidly in their information flow, so as to handle simple, unambiguous service requests by customers (such as account balances). Generally speaking, these are very successful at delivering this information, and customers will often choose a familiar and effective method of handling the simplest enquiries. However, historical interaction volume information shows that the number of live calls received by contact center remains steady: although the contact center is the primary channel choice for only 12% of customers, two-thirds of interactions with the business still come via live telephony. This suggests that the various methods of using self-service and the supporting knowledge base still have a very long way to go before customers rate them as highly for effectiveness and timeliness as they do the traditional contact center.

New channels such as social media, email and web chat have grown rapidly in popularity, yet the vast majority of interactions involving all of these channels are still along same lines as the traditional contact center telephony model: that is, a customer making a request to a live agent. Although web chats and emails tend to have slightly lower costs than telephone calls, the differential between these is far smaller than between a live phone call and a self-service phone call. Of course, not only are businesses missing out on huge potential cost savings, but one of the main customer experience problems still exist: that of having to wait until an agent is available to answer the query.

Expanding the boundaries of self-service outside the simplest and least ambiguous requests will be one of the main challenges over the next few years. Success in this will mean not only greatly reduced costs for businesses, but also improved customer experience through higher first contact resolution rates, through the customer’s channel of choice.
The rapidly decreasing cost of mobile bandwidth, coupled with the huge improvements in mobile network capabilities means that businesses can be ambitious in what they are attempting within this channel, as they can have a high level of confidence that what they can imagine today will be technically possible within a couple of years, if not a matter of months.

Research from Netbiscuits\(^1\) shows that 91% of customers who have a poor experience with shopping on a mobile site will abandon it: some may intend to return via a PC, but many others will search elsewhere: there are no allowances made for sub-optimal mobile web experiences.

Offering a mobile customer experience tends to mean offering a smartphone app and/or a mobile version of a website, and the next section of the report looks at what this means for businesses and customers.

**MOBILE WEBSITES**

A mobile website differs from a full website via a mobile browser in that it offers a mobile-optimized alternative which is easier to use. Mobile optimization overcomes some of the constraints around using a smartphone to access the web, such as tiny fonts, excessive scrolling and difficult-to-press buttons.

Mobile websites usually do not try to offer every single item available on the full website, but they focus upon the information and processes that most users will want in order to act or make a decision. Ease of use is vital: text must be fully displayed on screen, buttons must be clickable and businesses have to consider minimizing the use of graphics to achieve quicker load times in areas with poor mobile data services although this is becoming less of an issue as 4G and cheaper data becomes more widespread.

Bearing in mind that a mobile site generally cannot support every type of interaction that a customer may want, businesses may consider that allowing mobile users to access the main website is a good idea. Contact details should be clear, and offering a seamless route from self-service into supported service via email, web chat or telephony is very desirable.

The increasing usage and support of WebRTC is certain to offer new possibilities to live mobile customer contact, and the WebRTC / Video section later in this report gives more detail.

\(^1\) Quoted at [http://mobilemarketingmagazine.com/34-per-cent-abandon-poor-mobile-experiences](http://mobilemarketingmagazine.com/34-per-cent-abandon-poor-mobile-experiences)
It is beneficial for businesses to understand why customers are using a mobile site rather than waiting until they are in front of a PC: the request may be related to what they are doing at that current time, and so waiting is not appropriate. Generally, customers will be more task-focused on a mobile device than a PC, so the emphasis should be on delivering quick, simple, high-volume interactions. For example, by looking at the current use of their full website, a bank may discover that a high proportion of users want to check their bank balance or view recent transactions rather than set up automatic bill payments or order foreign currency. Consequently, the mobile version of the website may focus only on a small number of high-volume interaction types.

SMARTPHONE APPS

A good app may provide a superior user experience to a mobile website, due to the greater level of design. However, they tend to be much more expensive to build, and unlike a mobile website, a new one has to be developed for each smartphone platform. Additionally, company apps will tend to be free to download, so there is little opportunity to make money directly from them.

Smartphone platform market shares show that Android and iOS shipments account for over 95% of the market\(^2\), so businesses could decide to produce only two flavors of app, which would actually support the great majority of the smartphone market.

A native application developed for a mobile device can use some of the device’s capabilities to enhance the customer experience. For example, a smartphone app can prompt drivers at the scene of a car accident to provide and capture the correct information, including photos. Such an app could also use GPS to give the exact location of the accident for use by the insurance company.

Industry estimates for building an app vary considerably depending on what they are trying to do, but many sources indicate that a cost of £20,000 / $30,000 upwards (per platform) is very feasible. The cost of developing a mobile website is less, and only needs to be done once. Whether an app is suitable for a company depends on their budget and their customer base. It may be that the superior branding associated with apps is seen as being well worth the expense, even before factors like increased sales conversion rates are taken into account.

\(^2\) [http://www.idc.com/prodserv/smartphone-os-market-share.jsp](http://www.idc.com/prodserv/smartphone-os-market-share.jsp)
37% of this year’s survey respondents stated that they offer mobile functionality for customer service, with a further 36% having definite plans to do so.

Larger contact centers are more than twice as likely as those in the small and medium sector to offer an app or mobile website for customer service.

**Figure 33: Use of mobile functionality (app, mobile website) for customer service, by contact center size**

<table>
<thead>
<tr>
<th>Contact Center Size</th>
<th>Use now, no plans to replace/upgrade</th>
<th>Use now, looking to replace/upgrade</th>
<th>Will implement within 12 months</th>
<th>Will implement after 12 months</th>
<th>No plans to implement</th>
<th>Don't know / NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>24%</td>
<td>13%</td>
<td>20%</td>
<td>16%</td>
<td>19%</td>
<td>8%</td>
</tr>
<tr>
<td>Large</td>
<td>37%</td>
<td>20%</td>
<td>20%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Medium</td>
<td>17%</td>
<td>10%</td>
<td>21%</td>
<td>10%</td>
<td>34%</td>
<td>7%</td>
</tr>
<tr>
<td>Small</td>
<td>18%</td>
<td>8%</td>
<td>21%</td>
<td>28%</td>
<td>18%</td>
<td>8%</td>
</tr>
</tbody>
</table>
Although some vertical markets had relatively low response rates which can skew the figures somewhat (e.g. insurance), those in the finance and retail distribution sectors are most likely to be offering customer service via mobile functionality.

Those in the more B2B-oriented sectors (for example, manufacturing, B2B services and B2B TMT) are least likely to be doing so.

Figure 34: Use of mobile functionality (app, mobile website) for customer service, by vertical market
As the following chart shows, of the respondents which provide mobile customer service, 80% offer a mobile version of their website, for example, by having the most popular elements available, speedy load times, optimized graphics, improved readability and scrolling, etc.

58% of respondents offered a smartphone app service, with larger respondents more likely to be doing so. However, only 27% offer the same mobile support for sales, with smaller operations being more likely to try to win new business through investing in an app. This latter finding may simply be a statistical blip, and future years’ surveys will look to see if this is a definite pattern.

Figure 35: Mobile customer communication methods (by contact center size) – only those offering mobile service
CROSS-CHANNEL ESCALATION

A considerable amount of service functionality available to the mobile consumer is unsophisticated and often divorced from the rest of the customer experience. Put simply, if the customer tries to use a mobile app or website but cannot successfully do what they want to, in many cases they will be forced to initiate a service request via another channel, such as email or phone, which will be treated by the business as a separate request without any understanding of the history, activity or effort that the customer has already undertaken. No business where this occurs can describe itself as being truly ‘omnichannel’.

Gathering, understanding and using the contextual data that can surround the mobile consumer will be key to pushing the uptake and functionality of this channel forward. The plethora of channels immediately available to the mobile consumer - including voice, web browsing, SMS, social media, and web chat - encourages the customer to act immediately for all their service or information requirements, rather than wait until they are in front of a desktop computer.

In cases where the user needs to pass through security - and also where other reasons mean that the customer cannot complete their interaction solely through mobile browsing or using an app - businesses should consider how they will keep the customer or prospect engaged with the business.

Figure 36: How can mobile customers escalate their query to an agent? (by contact center size)
The easiest way to support cross-channel contact is to offer a telephone number on the mobile website or inside the app, and 76% of respondents do so. However, the user/customer must often start their request again from the beginning, as many respondents will not credit the security and identification process that the customer has already been through, nor will the browsing history be passed onto the agent. Effectively, the customer may as well not have used the mobile channel at all, which is a negative for them and their attitude towards this channel in the future.

Providing an email address is the second most popular escalation method, which does allow the pre-population of fields in an email form (user details, account details, type of issue etc.) although only a few respondents do this. However, email is a slow medium even when done correctly, and the user will not get an answer in real time. Sales operations prefer to encourage mobile browsers to contact them through a more immediate channel, to reduce the chance of losing a sale.

32% of respondents using the mobile channel state that they offer scheduled call-backs to customers. While this is a positive and proactive response, the user is often left in the same situation as if they had called in the first place, as the agent will often have to take them through security and establish what the problem is.

32% of respondents were offered a web chat option within the mobile site or app, this being the channel most closely resembling the activity the user is already undertaking (i.e. using the mobile device to look for information, and typing rather than speaking). Web chat is more immediate than email and offers a chance to move between self-service and assisted service seamlessly, with the agent being able to push links and video to the user in real-time. The difficulty in typing on a smartphone screen means that this is still not a perfect solution. WebRTC will also offer wider opportunities for live communication on a mobile device.

Similar to last year’s findings, a significant minority of respondents state that upon escalation, an agent is provided with some information about the customer, most often only the customer’s name, rather than anything more closely linked and relevant to what the customer was trying to do, their account details, or where they are currently located. As such, this means an escalation from the mobile channel will rarely provide a quicker customer experience (for example, by jumping a call queue or by having details of the mobile session already undertaken screen-popped onto the agent’s desktop).

Figure 37: What information is passed to an agent after escalation from the mobile channel?

<table>
<thead>
<tr>
<th>Is this information passed to the agent from the mobile channel?</th>
<th>Proportion of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer name</td>
<td>48%</td>
</tr>
<tr>
<td>Account information</td>
<td>39%</td>
</tr>
<tr>
<td>Customer location</td>
<td>19%</td>
</tr>
<tr>
<td>Browsing history</td>
<td>13%</td>
</tr>
</tbody>
</table>
LIKELY FUTURE DEVELOPMENTS IN MOBILE

Looking to the future, solution providers are keen to offer technology that ties the mobile channel in more tightly with the existing voice and data customer support channels, providing a single integrated user experience regardless of initial channel choice and any cross-channel movement by the customer. One of the key ways to do this is to offer live agent support more easily (for example, through clicking an icon within an app), which provides a context-relevant, geographically-supported and personalized customer experience. The movement between self-service and live service is currently very difficult for many customers - it is certainly not seamless - and actually may involve abandoning the mobile channel entirely as a failure in order to start afresh with another channel. As the customer has chosen originally to use a mobile channel, even a successful outcome with another channel will risk leaving the customer dissatisfied with the company, and less likely to use the mobile channel in the future. There is also the danger that because the organization is unaware that a failed mobile session has been the root cause of a live contact, it will underestimate the reality of cross-channel interaction failures. WebRTC will offer businesses the chance to offer easy click-to-call or click-to-video directly from the website, which could make transition from self-service to assisted service far less painful.

On moving from self-service to assisted service, mobile service applications should gather the browsing history, customer information and the context of the session in order to pass this to a live agent. Smartphones are enabled with GPS tracking, so businesses should look to leverage this capability to deliver better customer experiences where possible. In fact, the inherent capabilities of the mobile device offer businesses huge opportunities to impress their customers, including location-specific information, such as local broadband outages, or the ability to leverage photo-taking functionality on the phone to provide the agent with a clearer picture of the situation (which may be particularly useful for insurance claims, for example).

SMS and outbound calling also offer opportunities for businesses to deliver proactive customer service through the mobile channel, creating a positive attitude. Furthermore, location-specific device information also allows businesses to deliver timely service and relevant marketing messages which can be positives for the customer at that specific place and time.

It is not just the customer interaction points that will become more integrated. Brick-and-mortar stores are also becoming more integrated with their digital component, in order to provide correct inventory levels at store- and company-wide levels, thus matching the capabilities of their dot-com competitors while being able to take advantage of being able to provide in-store services to customers.
Like any technology, application or channel, mobile service has to be seen to pay its way. Quite apart from the importance of fulfilling a customer demand, there are numerous elements to consider when looking at return on investment:

- Call avoidance due to increased use of self-service, although the difference made to the number of IVR sessions should be taken into account: customers may simply be swapping one self-service method for another, rather than avoiding expensive live calls.

- Increasing the accuracy of routing by leveraging mobile and customer data means that calls are more likely to go to an agent that can resolve them first-time, impacting positively upon first-contact resolution, call transfer rates, average handle time and customer satisfaction.

- Decreased call handling time in cases where mobile browsing information and other contextual data is passed to an agent, enabling them to reduce effort duplication.

- Improved customer satisfaction and decreased customer effort is likely to lead to improved loyalty, revenue and customer advocacy.

- Contextual information, such as geographical location, enables greater cross-selling and up-selling opportunities based on improved knowledge about the customer and their circumstances.
With 900m active users of Facebook Messenger\(^3\) and over 1bn WhatsApp users\(^4\), organizations should at least have a watching brief over these tools where customer contact is concerned.

Messenger/WhatsApp have the benefit of familiarity with customers, and businesses may wish to investigate including these types of interaction within their agents’ web chat screen. As many users live their lives permanently logged into these applications, there is an ease-of-use and ubiquity associated with them.

The applications allow historic records of interactions to be kept (which is not the case with all users of web chat), and there is a great advantage over social media such as Twitter and Facebook: messages are private, which not only allows customer identity verification, but also reduces the damage to a business through public negative messages. Unlike most web chat, these applications allow the sharing of images.

The familiarity of these applications will work in favor of agents as well as customers, which will reduce training time and cost. Businesses will also need to consider what is an acceptable service level for these channels: as detailed elsewhere the report, web chat is perhaps closest to the telephony channel’s service level target, whereas social media is more akin to email. Although Messenger/WhatsApp are types of social media, they will be used as web chat from the customer’s perspective and should be resourced according to similar expectations.

WhatsApp, especially, is often used as a closed, group-based application, and there may be pushback from segments of the customer community that do not currently associate the use of these applications with business communication. The challenge to businesses will be to persuade customers that letting them into their social circle is worth the effort.

The Forrester brief on Customer Service through Facebook Messenger\(^5\) contains more information about these options.

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While not a channel in itself, WebRTC (Web Real Time Communications) is an API definition that supports browser-to-browser applications for voice calling, video chat, and P2P file sharing without the need of either internal or external plugins⁶.

It allows customers to start a video or voice call from the web browser (which may be via a desktop computer or smartphone, perhaps as an escalation from an existing web chat session), which means the organization’s website can then offer video or voice contact center functionality in a seamless manner, with customers able to request live communication with the business without the need to download specific software or seek out the phone number and break off from what they are doing on the website. Two-way video communication is likely to be of more interest to mobile users, as their smartphone device already comes enabled with a camera and microphone, unlike many desktop computers which may not have this functionality or whose users have it disabled. One-way video, to protect users’ privacy, is perhaps a more likely option in many instances, as is click-to-call.

The announcement⁷ in April 2016 that Apple would support WebRTC within its WebKit engine that runs the Safari browser is a major step forward for next-generation customer support, enabling voice, video and collaborative communications directly from a website without the need for additional software. While mainstream use of click-to-video has been a very long time coming, WebRTC offers the opportunity to businesses to engage customers face-to-face where appropriate, offering the browsing customer a route straight into the contact center without any breaking of channel or extra effort.

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⁶ https://en.wikipedia.org/wiki/WebRTC
⁷ http://www.nojitter.com/post/240171589/apple-jumps-on-the-webrtc-bandwagon
END-USER QUESTION 1:

“WEBRTC IS BEING TALKED ABOUT INCREASINGLY - WILL THIS IMPACT OMNICHANNEL CUSTOMER CONTACT?”

WebRTC is an underlying technology that, when implemented, accelerates the trend to embed real-time communications into web-based business, customer service, and collaboration applications. It will impact omni-channel customer contact because it is quick, easy, personal and digital; this fits experiences consumers seek and prefer, so it will become a unifying element of omni-channel.

WebRTC enables omni-channel technologies such as click-to-call via the web. During an already-started chat conversation, the chat agent is able to transfer consumers to the call center at any time without losing the context.

Furthermore, it enhances contact center productivity as it gives agents the ability to initiate a call directly based on real-time website behavior, even if the consumer is not identified, i.e. when there’s a risk of shopping cart abandonment.

Call center agents are able to see where the consumer is coming from, what a chat agent might have already discussed with them, and what they were looking at on the website.

The great thing about WebRTC is that it is multi-modal. Agents can utilize any combination of content (audio, video, data), and it can be initiated by either the user or the brand.

Yet, there are a few obstacles that need to be overcome before WebRTC makes a real impact, one of them being browser limitations. Not all browsers have come on board to supporting the same standard, as WebRTC is still in the early stages.
Interaction recording captures the data that is crucial for the success of customer analytics, and with the rapidly-increasing volumes of non-voice interactions, the recording and availability of emails, web chat, SMS, social media messages and even self-service sessions means that businesses have a far better chance of understanding and improving the customer journey.

Survey respondents using interaction recording were asked about non-voice interaction storage, such as screen recording and multichannel interactions. Large contact centers were likely to use a single recording platform that handled the storage of every sort of interaction, offering the opportunity to get a complete picture of a customer interaction by tagging interactions with non-voice metadata about the nature of the call and its outcome, allowing the later application of rich analytical functionality.

A high proportion of small and medium operations stated that they do not record text-based interactions or the agent’s screen. This seems strange due to the increasing volumes of email and web chat, and the difficulties in proving what a multichannel agent has said within the conversation.

Figure 38: Storage of recorded non-voice interactions, by contact center size
Survey respondents were asked which interaction recording functionality they would most like to add or improve. Of the seven choices provided, four stood out as the most popular. In order:

- increasing the speed of search and playback
- improving the ease of use for supervisors and trainers
- providing better data management information systems and reporting
- adding and improving multichannel capabilities.

The two highest rated improvements are both about improving the usability of the existing solution, rather than adding any new functionality, and would impact positively upon the daily experience of supervisors and managers.

There is also significant demand for higher quality of data to feed into the reporting process, and many respondents also acknowledge that recording is moving out of the voice-only territory, and will need to be able to handle multichannel with similarly rich functionality.

Figure 39: Most useful additions or improvements to interaction recording solution
Our surveys show that there is an increasing requirement for multichannel/omnichannel analytics, including email, text chat, IVR and web browsing sessions, to get the full picture of the customer's real journey in a single interaction, in order to identify and improve any channels that failed to fulfil their requirements. However, the use of multichannel / omnichannel analytics is currently much lower than voice analytics in the US industry.

Figure 40: Use of historical, real-time, screen and multichannel interaction analytics functionality (from only those respondents who use analytics)

<table>
<thead>
<tr>
<th>Interaction analytics type</th>
<th>% respondents using this functionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical speech analytics</td>
<td>77%</td>
</tr>
<tr>
<td>Screen / text analytics (i.e. agent desktop activity)</td>
<td>46%</td>
</tr>
<tr>
<td>Real-time speech analytics</td>
<td>38%</td>
</tr>
<tr>
<td>Multichannel analytics (i.e. email, web chat, social media, etc.)</td>
<td>23%</td>
</tr>
</tbody>
</table>

For example, improving self-service optimization is often a quick win that can provide immediate economic benefit to businesses: in the UK, a mean average of 9% of calls that go into an IVR system are 'zeroed-out' - rejected by the customer in favor of an operator - and in the US, a staggering 26% fail the self-service test. Businesses using customer contact analytics to review these failed self-service sessions will be able to categorize many of them in order to improve the processes at a macro-level. Common findings from the analysis of these calls is that the IVR system was poorly worded, menu choices were not intuitive or did not match current service choices. Other failures occur through mistakes in IVR routing, and there may also be problems with a lack of customer awareness that various activities can be carried out by self-service.

Integrating desktop data analytics into speech analytics allows businesses to tag valuable data automatically - such as account ID, product name and order value - from CRM, helpdesk and other servicing applications to recorded interactions. This additional desktop data can be used to enhance automated classification across channels, which allows more targeted and efficient analysis centered on key business issues, such as customer churn, differences in call handling patterns between employees, frequency of holds/transfers associated with order cancellations and upselling and cross-selling success rates.
Getting rid of the silos between channels will allow the customer to be identified at the beginning of their ‘journey’, and for the business to be able to analyze the efficiency and effectiveness at each stage, whether mobile app, website, self-service application or live call. The end goal is for businesses to understand where customers make their choice, where they drop out, and where the profit is within the multiple processes along the customer journey.

Customer contact analytics offers the ambitious business the greatest potential for improvements in business processes, but there is a great danger of underachievement with so many departments and divisions potentially involved. The marketing and website departments are the non-contact center areas most likely to be benefiting currently from insights about customers' views, but there are also examples of how delivery, provisioning, billing and even warehousing departments have learned from the analysis of customers' experiences in the contact center. For example, tracking customer comments and outcomes after the advent of a marketing campaign can mean the difference between success and failure. Messages that are incorrectly understood can be identified and altered quickly before the contact center becomes swamped with calls about the issue.

The quality of insight and its actionability is totally dependent on a swift reporting process, simple yet rich intelligence, the ownership of process improvement at senior level and before/after comparisons to prove success. Cross-department rivalries or poor communication are a real risk to this.

Multichannel/omnichannel analytics can analyze any source of text using the same underlying methods and tools, so that audio transcription and email transcription can both be mined to give business insight. A relatively small proportion of businesses currently include web chat in their analysis, but as dedicated teams in large operations will tend to handle this, and volumes are relatively very small, this currently has far less importance than analyzing audio. Often, a business will not know with whom they are conversing in a web chat, so it is much more difficult to pull in other relevant data that would provide detailed analytics and insight.

However, some businesses are now asking how they can extract more information from customer interactions, not just for the contact center’s use, but for business data analysts and financial analysts as well. Customer contact analytics is likely to be merged into the wider ‘Big Data’ arena, with the insights being beneficial for the commercial, financial and operational sides of the business, as well as the customer contact division.
Future customer contact is likely to become along polarized lines: for everyday, mundane tasks, the customer will choose the website or mobile app for self-service, leaving the contact center to deal with those interactions which are complex or emotive for the customer (as well as there being demographics for whom the contact center will continue to be primary). With the website becoming the first port-of-call for many customers, the analysis and understanding of the success (or otherwise) of pre-call web activity is a valuable source of knowledge about how effective the main portal to the business is being, as well as being able to give businesses greater insight into why people are calling. Manually analyzing thousands of web sessions and linking them with specific customers and their phone calls is impossible, so there is a great potential for multichannel/omnichannel analysis. Adding in other channels such as self-service, social media, web chat, SMS and email should make the mix more complex and more potentially suitable for analysis.

The use of multichannel/omnichannel analytics has grown considerably in the past two years, but it should be noted that the vision is not about optimizing customer contact within each siloed channel, nor even being able to monitor the quality of an email or chat agent in the same way that businesses are now using analytics to improve the performance of a phone-based agent. Rather, it’s about being able to understand all of the stages along the customer journey - understanding where potential customers drop out; the overall effort that the customer has to put in; the point at which buying decisions are made; the suboptimal points where customers get confused and have to place a call into the business - these are the promises that customer journey analysis makes. There will come a time when all data generated within a business will be able to be cross-correlated to provide insights not only to the customer contact department but also to parties such as marketing, operations and finance, so they have greater insight about issues such as price elasticity and revenue maximization. The ability to prove to senior management that the actions and insight held within the contact center has a distinct and measurable impact on the entire company – and as such is not simply a cost center - is likely to improve its visibility and credibility which should help to create a long-term holistic view and assist further investment.
Respondents were asked to assess which channel they personally would use if they had a complaint as a customer of their own organization. While a relatively small proportion of interactions are complaints, their emotional nature and the potential to alter a customer’s perception of the business - whether negatively or positively - means that understanding them casts light on the real importance and opportunity that each channel possesses.

A majority of respondents said that the telephone would be the best channel, with email and social media having some support. There is little preference shown for writing a letter - which is the traditional channel of complaint - with even web chat being given more support by respondents. Only 2% gave the diplomatic answer that there would be no advantage to choosing one channel over another within their own organization.

When these findings are viewed in the context of the customer channel preferences shown next in this report - where customers express a strong opinion for email over telephony - it can be hypothesized that there is a gap between channel preference and its current ability to deliver: bluntly, if you want something done, grit your teeth and pick up the phone.
DEMOGRAPHICS AND CHANNEL PREFERENCE

The ‘customer of the future’ is actually the customer of today for many businesses: mobile phone providers and many retailers rely very much upon the 18 to 24-year-old demographic, with insurance companies (especially motor) and banks trying to attract new customers who need their first current account, loan or credit card.

Common sense dictates that the way an 18-to-24-year-old wishes to communicate with the business may differ dramatically from the preferences of a 70-year-old. Yet it is not only current intergenerational preferences that need to be taken into account: the ways in which customers of any age communicate with businesses is perhaps driven more by the options available to them and their effectiveness as to any existing habit.

NB: the following set of charts is taken from a large-scale survey of UK citizens (ContactBabel does not yet have equivalent US statistics).

Figure 42: Preferred method of contacting a business, by customer age
Key findings include:

- As we might expect, a far higher proportion of the two oldest demographics prefer face-to-face communications compared to those under 55.

- More surprisingly, the 65+ year old respondents are far more likely to prefer to communicate via email than are the younger demographic. 3% of older customers still choose writing a letter over any other form of business contact, and taken with the extremely high figure of 36% for email, this might suggest that measured, written communications of all types are still very much preferred by this demographic: the email has become the 21st-century letter.

- The youngest demographic are far more likely to choose a mobile-based contact method first (defined in the questionnaire as including social media, SMS or an app).

- Counter-intuitively, direct telephony communication with the contact center is a preference for 16% of 18-24 year-olds, compared to 12% of the older survey respondents. It should be noted that telephony preference varied greatly between age groups, with only 6% of 25-34 year-olds choosing this.
When looking at customer channel preference by gender, there is a slight preference expressed by women in favor of mobile and face-to-face, whereas men are slightly more likely to prefer website or telephony.

However, these findings do not express any great difference for channel preference between the genders.

*Figure 43: Preferred method of contacting a business, by gender*
The AB socio-economic group is more likely to express a preference for email, but even those respondents in the DE socio-economic group still place email as the number one preference in the greatest number of instances.

Conversely, the preference for face-to-face interactions is the inverse to email, 24% in the DE group preferring this interaction method, compared to only 14% in the AB group.

Apart from email and face-to-face, our respondent group displayed few other patterns of channel preference.

Figure 44: Preferred method of contacting a business, by socio-economic group

While the analysis of customer channel preference by age, gender and socio-economic group revealed some interesting findings, it is our opinion that the strongest conclusion to be drawn from current data is one of a generally strong unanimity of opinion: customers of any variety are more likely to prefer to use email to contact a business rather than any other channel. However, the fact that telephony accounts for two-thirds of the contact center industry’s inbound interactions, compared to just over 17% coming from email suggests that the latter channel simply is not delivering what is required in terms of successful customer contact.
Without further research into why email is the most popular choice, it is difficult to state categorically why this has been chosen as the number one option. However, it is unlikely that customers are particularly enamored by the hours or days it often takes to get an email response, nor by the inability to verify their identification, which is necessary for carrying out a fuller range of interactions, nor the effective absence of back-and-forth, dialogue-based communication. The key may lie in the lack of effort involved in sending an email, which requires no queuing time or even interaction with another person.

The widely-held belief that the voice channel is successful because “people like to talk to people”, should perhaps be rewritten “people have to talk to people because that’s the best way to get things done”.

**Smartphones: Changing Customer Expectations**

In discussions about multichannel customer contact, terms such as “channel switching” and “breaking channels” are often used to describe the unwanted but often necessary process where a customer begins an interaction on one channel, cannot complete it successfully and moves to another.

For the point of view of a customer, smartphones blur the boundaries between channels: if an interaction carried out on a smartphone moves from web self-service to telephony, it will be treated by the business in the same way as if the customer had moved from their PC to their landline, but these clear lines of demarcation do not exist on a mobile device – voice, social, email, SMS, apps, web chat and whatever comes next are all part of the same customer experience.

This has two sides: while a customer is less likely to feel that an inbound call followed by an outbound SMS or email is inconveniencing them by breaking channel, they will not make the same allowances for any disconnect in the standard of service caused by the business’ siloed approach to channel support.
There are two main factors that influence contact centers within any vertical market: the commercial activity within that sector, and customers’ requirements and preferences for contacting organizations.

It is not only the nature of the specific business vertical market that needs to be considered. The urgency, complexity and emotional importance of the interaction is perhaps at least as important as the nature of the business that is being called: for a customer calling a bank, a simple balance request and an urgent call about the progress of the mortgage application are very different types of call and should be treated as such.

The ‘Customer Interaction Cube’ is a structure developed to categorize the different types of customer interactions that businesses have to handle, considering the urgency, complexity and emotional input of the interaction from the customer’s perspective. Businesses could use this to analyze their volumes of each type of interaction, cross-referencing it with other variables such as the time of day these types of interaction are received, and the customer demographic preferences seen elsewhere in this report in order to support the relevant channels through the promotion of alternatives to live calls, and the correct levels of resourcing. Doing this will not only improve the customer experience, but also reduce the cost of service through anticipating the likely resourcing required and even proactively engaging with the customer on lower cost channels first.
Using this 2x2x2 cube as a structure, there are eight types of interaction, a combination of either low or high urgency, complexity and emotional input. Our hypothesis is that each of these eight interaction types may best be suited to specific channels, and that both business and customer could benefit from matching channel with interaction type.

The examples shown below of various scenarios and the channels most suitable for these are suggestions, and will differ between customer types, businesses and vertical markets, but may offer a framework for readers to build their own scenarios.

Figure 45: The Customer Interaction Cube and associated channels

<table>
<thead>
<tr>
<th>Emotional importance</th>
<th>Urgency</th>
<th>Complexity</th>
<th>Examples of interaction</th>
<th>Primary channel</th>
<th>Secondary channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Meter reading; casual product research</td>
<td>Self-service</td>
<td>Web chat</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Instructions on how to program a TV remote; find out about proposed planning / house building</td>
<td>Self-service</td>
<td>Email</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>Top up mobile credit; check payment has been made</td>
<td>Self-service</td>
<td>Phone</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Details of how to make an insurance claim; understand mobile roaming charges before imminent trip abroad</td>
<td>Web chat / self-service</td>
<td>Phone</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>Book train tickets for important engagement</td>
<td>Self-service</td>
<td>Phone</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Complaint about incorrect billing</td>
<td>Phone</td>
<td>Email</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Simple question about imminent desired purchase (e.g. delivery, personalization, return policy)</td>
<td>Web chat</td>
<td>Phone / social</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Household emergency advice; 911</td>
<td>Phone</td>
<td>Web chat</td>
</tr>
</tbody>
</table>
There are many other variables that could be considered alongside these that will impact the suitability of channels:

- Demographics
- Ownership of smartphone / broadband impacts upon channel availability
- Time of day (i.e. is this an out-of-hours enquiry? Is the customer at home, at work, or travelling?)
- Whether the request is specific to an account, or a generic issue (i.e. is it necessary to pass through security first?)

While the 2x2x2 cube can help businesses to estimate the current and potential volumes and resourcing required to serve the customer base, it is important to remember that similar types of customer interaction may require very different handling depending on circumstances. For example, a query about product delivery may be a small part of a wide-ranging research process carried out by a particularly thorough prospective customer, or a question may be asked by a customer who has just realized he’s forgotten about an important birthday and needs immediate, accurate information.

McKinsey talks about the ‘moment of truth’ in customer interactions, often occurring when the customer has an unexpected problem or has a high emotional stake, when long-term loyalty and customer advocacy can be won or lost depending on the outcome and the way in which it is handled. Businesses and their representatives should be aware that these relatively rare occurrences offer great opportunities. Recognizing and handling these moments of truth appropriately – moments which are defined as such by the customer, not the business - will have a far greater long-term impact on customer satisfaction and loyalty than the dozens of competently-handled, forgettable interactions that may have happened previously.

Although the 2x2x2 cube gives some indication of the types of interaction that are more likely to be ‘moments of truth’, which businesses may choose to be handled by their more experienced and empathetic agents, they are by their nature difficult to predict. Current real-time speech analytics solutions can indicate a measure of stress in the customer’s voice, flagging this up to the agent within the call, but agents should be in any case capable of recognizing this without technology. If the customer has already tried two or three other channels without success, even the most competent and empathetic agent will find it difficult to turn the moment of truth around positively.

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For this reason, a true omnichannel approach is vital which offers the same high level of service and knowledge through each channel. Equally important is the freedom for agents to act in ways appropriate to the situation – for example, if a ‘high-emotion’ interaction happens on social media, which can’t be handled on that channel (e.g. it needs to go through security, or is too complex and lengthy for a non-voice channel), the agent should be given the license to place an outbound call to that customer in real-time, rather than advise them to call the contact center. Although this will impact the social media channel’s service levels while the agent is away from it, the moment of truth offers the opportunity to lock-in that customer’s loyalty. For contact center operations traditionally run on a structured command-and-control basis, this may sound chaotic, but businesses have to decide if the occasional relaxation of their own procedures is an acceptable trade-off for providing the customer with something that they truly value. Agents need to be given carte blanche to deliver in ‘moments of truth’, and the training and support to recognize when this is happening.

This is not to say that ‘moments of truth’ necessarily have to be handled by a live agent. The popularity of self-service runs deep in the customer base, and the only reason that many customers abandon self-service at the point of crisis in order to ring the contact center is because self-service cannot deliver what they need. If companies focused their efforts on providing more sophisticated and reliable self-service applications, there would be no reason why self-service could not deliver at least as much customer benefit at these moments of truth.

For example, if a passenger misses their plane, they are then likely to engage in a long and complicated discussion with a live agent (either at the airport or in a contact center), involving alternatives, connections and payments. If, on missing the last call for the plane, the customer were immediately provided with an SMS or email detailing the various options available to them, which they could then select and rebook at once, this would be more convenient for the customer and significantly reduce the cost of service to the business. Perhaps more importantly, the customer would feel that the airline is looking out for them, creating long-term loyalty out of the negative experience of missing a plane.
BUSINESS FOCUS: CUTTING THE COST OF SERVICE

WHY AREN’T CHEAPER CHANNELS ACTUALLY CHEAPER?

In terms of customer contact, perhaps the main rationale for any business investment has to be cost reduction, assuming that any change does not have a negative impact on the quality of service. This has certainly been the case for self-service - whether through IVR or website – where, after the initial investment has been made, cost per interaction is extremely low.

When emails started to be used as a customer service channel in the late 1990s, the expectation from businesses was that this would be a low-cost alternative to voice. In fact, the reality for most businesses and customers was that it was a low-quality alternative to voice, and that it took just as much time and effort (and thus, expense) to answer an email as it did a phone call.

Looking at figures from hundreds of US contact centers, it seems fair to say that although there is some cost differential between email, phone and web chat, it is by no means dramatic. One of the main reasons for this - as detailed in the previous sections about email and web chat - is that there is still a relatively low level of automation being used in many businesses. For emails, it is also the case that if the query is not answered satisfactorily within a single response, the time and cost associated with multiple replies and possibly phone calls is soon greater than if the customer had simply called in the first instance.

Figure 46: Cost per inbound interaction (phone, email & web chat)

<table>
<thead>
<tr>
<th>Channel</th>
<th>Mean</th>
<th>1st quartile</th>
<th>Median</th>
<th>3rd quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>$4.14</td>
<td>$5.50</td>
<td>$2.75</td>
<td>$1.15</td>
</tr>
<tr>
<td>Phone</td>
<td>$6.69</td>
<td>$8.75</td>
<td>$4.39</td>
<td>$3.15</td>
</tr>
<tr>
<td>Web chat</td>
<td>$3.64</td>
<td>$4.60</td>
<td>$2.20</td>
<td>$1.10</td>
</tr>
</tbody>
</table>

Even if, inexplicably, businesses did not increase the level of automation and sophistication with which they answer web chats and emails, customers’ appetite for choosing to communicate with the business in the way in which they wish (often, a non-voice method) would make any reversal of the multichannel/omnichannel strategy impossible.
Unlike the UK, where higher levels of email automation are less associated with a greater proportion of emails being answered within the same day, US figures show a significant difference between response times in contact centers where less than 50% of emails are answered entirely manually (i.e. without any automation or templatization), and those which use some form of automation.

*Figure 47: Email response times, depending on use of automation*
GETTING PROACTIVE

As the previous section suggests, automation of inbound non-voice interactions is still a work in progress. While the increasing sophistication of systems will mean that the cost differentials between voice and non-voice will surely widen, businesses should certainly consider expanding the automation of outbound proactive customer service in order to improve the customer experience and avoid unnecessary inbound interactions regardless of channel.

Around 90% of outbound calling is done by agents, with 10% via automation. The opportunity exists for automated outbound service to expand - such as sending reminders and notifications to customers through an automated process - thus significantly reducing the cost to the business while improving the overall customer experience. Many customers will choose to seek clarification or a status update at some point in the buying process through making an inbound interaction. By sending a pre-emptive outbound message, the business is proactively assisting the customer to manage their interaction.

57% of respondents do not use recorded messages for any purpose, whereas SMS messages are used by around half of respondents, mainly for notifications and reminders. Only 39% of respondents do not send automated emails at all. Email is used particularly for outbound customer satisfaction surveys, with recorded messages being used most often for reminders, as are SMS messages.

*Figure 48: Use of automated outbound communication*
Without a single platform or customer interaction hub, the complexity of handling multiple channels increases greatly each time a new channel, device or medium is added to the customer service mix. The only constant is that - regardless of the method they choose to communicate with the business - customers want accurate, timely information delivered in a form with which they are happy. The challenges for the business are to provide a high quality of service which is consistent across the channels and to do so in a cost-effective manner. To do this, and break down the boundaries between contact channels that has been stifling the potential of non-telephony contact, a platform is required which automatically captures, processes, routes and reports on customer interactions and related activities based on a company’s specific business criteria, providing a view of each and every customer interaction. Customer interactions through channels such as voice, e-mail, fax, instant messaging and activities such as work items must be handled according to business-defined processes and strategies, avoiding the problem of rogue interactions that are left outside normal workflows, or favoring one channel (often, voice) to the permanent detriment of others.

The universal queue approach – which has been around for many years – can set priority levels to incoming calls, e-mails and chats, and offers the functionality to blend inbound and outbound calls into a single queue to allow agents to move between media as required. This approach also facilitates a single view of the customer across all channels, which is one of the key ways to improve the quality of service offered, as well as improving the agent’s confidence and morale.

Such is the theory. The reality for most businesses is that the requirements of their customer base, along with the opportunity to cut service costs have thrust numerous new channels into the customer service mix, leaving them with the headache of deciding how to implement and integrate new technology, recruit and train agents appropriately, and forecast and schedule the right staff to handle these new types of interaction. The easiest and quickest option has been to treat each channel separately, having agent silos and treating each interaction as being independent rather than part of a wider customer journey. If the customer changes channel, or contacts the business later about the same issue, they tend to have to start again from the beginning.

The “omni” element to omnichannel (meaning “all”) can be understood as reflecting the customer’s experience of interacting with the business: to them, an organization’s separate internal workflow and siloed systems are not just irrelevant, they are unseen. Omnichannel requires the breaking down of boundaries, not only between channels but also the ownership and management of the various relevant business processes and departments affected by customer interactions. This is why successful omnichannel implementations will require a senior management sponsor, with the authority and remit to make changes in any and all appropriate business units.
END-USER QUESTION 2:

“WHAT ARE THE STEPS WE NEED TO TAKE TO TURN OUR MULTICHANNEL CONTACT CENTER INTO AN OMNICHANNEL CONTACT CENTER?”

It is important to understand the difference between the terms “multichannel” and “omnichannel” as they have been used somewhat interchangeably in recent years.

Essentially, in today’s multi-channel contact center, teams deal with consumer interactions via “multiple” channels – such as phone, email, web, and letter. There is a level of expectation that each interaction stays on the specific channel. As consumers become more demanding, more channels, like social media, are added to this environment. However, the channels have been added in a siloed fashion – effectively, from the consumer’s perspective, independent of each other.

An omni-channel contact center, on the other hand, allows consumers to interact via multiple channels throughout the “one journey” – meaning that multiple channels are accessible to the consumer via every device (PC, tablet, smartphone) and with the ability to switch seamlessly between them.

Moving from multi-channel to an omni-channel environment means looking at your current contact center from three different perspectives.

1. **Customers**: How do they want to interact with you? How do you compare to the competition in their eyes? What channels are they using? Do they jump from one channel to another when they are on the move or when experience isn’t satisfactory? It is imperative to educate visitors and promote your brand’s various customer service options as well as to enable an effortless CX when customers move between the channels.

2. **Agents**: What skills do you currently have within the contact center? Working with traditional channels such as phone and email is at times quite different from working via digital and social channels. Regular skills training would be imperative for agents to work with the concept of one continuous customer journey, rather than several individual conversations – even if they aren’t the only agent for the customer. It is important that the agent digital workspace allows them to see the 360-degree view of the customer. For example, they should see the history of the customer conversations across the channels and the CRM record of the customer they are talking to.

3. **Infrastructure**: This is not just about looking at the technology you have in place to support your transition from multi- to omni-channel, but looking at the internal infrastructure of the organization – adopting a true omni-channel approach will require commitment from the entire organization. This will shift the focus in what you do for the customer, aligning everyone toward the same goal.

Customers are seeing the value in omni-channel services, and providing an excellent cross-channel customer experience is critical for every business to grow and sustain.
Esurance and modern customer engagement.

Nuance and Esurance work together to propel online sales growth and customer satisfaction.

The business challenge
To modernize its online customer engagement, Esurance partnered with Nuance Communications (TouchCommerce at the time) to create a professional, friendly and efficient chat experience that creates trust in the Esurance brand and maximizes sales of the highest quality to the business while maintaining a relevant and transparent experience for the customer.

The primary goals of the partnership were developed to propel online sales growth and customer satisfaction:

- **Quality sales** - selling the right product to the right customer at the right time.
- **Customer experience** - setting the tone, making the experience incredible and seamless from the get-go.
- **KPI improvement** - metric optimization through continuous program and chat agent initiatives.
- **Web intelligence** - use of chat intelligence and analytics to optimize overall customer engagement experience, accelerate customers moving to self-service and reduce chat volumes over time.

The solution and benefits
The solution for the challenge and the benefits for Esurance and its customers went hand-in-hand.

The plan to achieve these goals was derived from the well-established concept of delivering the right message to the right customer at the right time. Even today’s customers benefit from traditional ways (although dressed in modern technology. Here are a few of the strategies used:

1. **Targeting and business rules were prioritized for maximum efficiency**

   Esurance has a high volume of visitors and a lean team of agents. In order to better scale and prioritize the impact of chat, Esurance and Nuance refined business rules and targeting for maximum efficiency. For example, in the current chat experience, the chat button is more often displayed in areas of the Website where high-value targets showing purchase intent would be much more likely to see it, such as the lower funnel and error pages. Conversely, a page in the marketing section would not display a chat option unless a surplus of agents exists. Readjusting the queue according to business rule performance and optimized agent ratios has led to significant decreases in queue abandonment rates.

   Targeting site visitors in the lower funnel or error pages means that engagement tools, analytics and behavioral information are used to move highly motivated customers past their remaining objections so they will complete their purchases.

2. **Targeted proactive chat now accounts for more than half of chat-assisted sales**

   Previously, Esurance only offered reactive chat (ability for visitors seeking assistance to click to chat). In the new program with Nuance, visitors who are having trouble or seem likely to abandon their purchase receive a proactive chat from Esurance with an offer to help. The proactive chat invitations are not sent to all visitors; rather, they are highly strategic, governed by business rules and prioritization per advanced targeting technology from Nuance.

3. **Using a co-browse tool provided a near 50 percent increase in conversions compared to the site average**

   The use of a co-browse tool has had a major, positive impact on conversions due to increased efficiency and visibility in chat. It allowed Esurance agents to more effectively address issues that customers were experiencing on the site and to show customers how to effectively self-serve in future visits.

   As Nuance manages the optimization of the Esurance site, positive results grow every month—policy sales and chat interaction rates continue to rise. Why such outstanding results? The brand that sells insurance for the modern world used a tried-and-true marketing technique to lay a sturdy foundation: giving the right content—to the right people—at the right time.

Since optimizing its customer engagement program to cater to the self-service trends we see today, Esurance has been experiencing a significant increase in conversion rate and customer satisfaction. According to recent surveys, most of the company’s customers said that the online chat experience has saved them a call or email.

Note: The content for this case study was originally published in Carrier Management on November 9, 2016.
MULTICHANNEL, MULTIMODAL OR OMNICHANNEL? A SELF-ASSESSMENT

Recent years have seen the word ‘omnichannel’ introduced as describing the goal of customers being able to contact (and be contacted) through any channel they choose - switching between them during the interaction when appropriate, while taking any relevant data and history along with them - with a single, unified view of the customer’s journey being available to the agent or self-service system.

For the purposes of describing how far along the omnichannel process our survey respondents are, those who offer multiple communication channels to customers were asked to place themselves into one of three categories:

- **Multichannel**: "We offer a choice of channels to customers (i.e. several of voice, email, social media, web chat), from which they can use one in a single interaction. If they change channel, the context and history is lost"

- **Multimodal**: “We offer a choice of channels, and customers can use more than one in the same interaction (e.g. an agent can send an email or SMS to a customer while they are talking on the phone)"

- **Omnichannel**: “We offer a choice of channels, and can use more than one over multiple interactions, while retaining the history and context of the original enquiry. Relevant information follows the customer across channels and interactions”.

Only 12% of respondents described themselves as omnichannel, with more than twice as many assessing themselves as multimodal and 63% multichannel.

Figure 49: Multichannel, multimodal or omnichannel? (by contact center size)

This was not a factor of contact center size - smaller, sub-50 seat operations were the most likely to identify as either omnichannel or multimodal – and to some extent this makes sense, as the proportion of non-voice activity in smaller operations is generally far higher than in large contact centers.

Yet may smaller contact centers be setting the omnichannel bar lower? Do they really have the platform, infrastructure, applications and resources available to identify, route and switch interactions between agents and channels seamlessly while keeping all relevant data gathered in the course of the interaction? Without further individual investigation at a contact center level, it is not possible to give a definitive answer, so this finding should be treated with caution.
Respondents believe that there are three main barriers to omnichannel, any of which in isolation would be hard enough to overcome, but together appear to be quite daunting:

- the technology platform does not support a single view of the customer
- there is insufficient budget to carry out the required changes
- business processes are siloed and separate.

While these inhibitors to omnichannel are certainly formidable, they are not insurmountable. From a technical viewpoint, the starting point is to have a single integrated platform that is capable of identifying a customer regardless of the channel which they choose to use. This will mean evolving from the siloed, channel-focused point solutions that were put in place to handle a specific need, and using a services architecture that is extendable to different channels in the future. It is also important to have a master dataset for product and customer data which is a ‘single source of truth’ that can be drawn upon in real-time by any customer, agent or self-service application through any channel.
A key aim of omnichannel is to provide a consistency of customer experience, and this requires not only access to the same master dataset, but also the equal application of the same knowledge bases and business logic. There must be real-time data flow and updates between channels and databases, as without this, consistency is impossible. Putting such systems and processes in place will not only allow the seamless escalation of service requests within channels, but also will give the business a chance to use its automated systems to react to an escalation before it reaches a live agent, deflecting the cost while fulfilling the service request more quickly. For example, analysis of past interactions may indicate that if a particular customer has placed an online order, they are likely to ring the contact center within 2 days to check on its progress. Making the IVR aware of the customer’s history means that this call can be intercepted before it reaches an agent, and a personalized IVR experience (with the option to “Check your order status”) will reduce customer effort and the time and cost of the agent who would otherwise handle this.

For businesses which are currently handling multichannel interactions successfully, there will be little appetite for starting over with an entirely new customer contact infrastructure. The industry is now talking about customer engagement hubs / centers, defined by Gartner\(^9\) as:

> “...referring to a logical set of technologies and business applications that are engineered to provide customer service and support, regardless of the interaction (or engagement) channel. The goal of the CEC (Customer Engagement Center) is not only to provide service to customers as they move among communications channels — including social media and community forums — while retaining the customers’ context, but also to deliver the appropriate business rule to determine the next best action, information or process with which to engage the customers.”

This approach allows businesses to leave their working databases, CRM and multichannel contact applications and infrastructure alone, while being able to update and view an individual’s customer record at any appropriate point in the customer journey.

For most businesses, applying an omnichannel strategy to existing customers may be easier than offering the same capabilities to new prospects who are not on the customer database. In order to pass through any relevant interaction history and context between channels, the customer must first be identified, and this is far easier to do when the customer has logged in, allowing the system to verify them and access past information.

END-USER QUESTION 3:

“WHAT’S HOLDING BACK OMNICHANNEL?”

Organizational commitment – cross function approach is extremely important and relevant to make the omni-channel experience work. The commitment needs to start from the top, and the vision of the seamless customer experience across the channels has to have a buy-in across business functions.

Siloed, legacy technology - as companies continue investing in new interfaces to meet growing adoption of digital customer experiences, they will be bumping up against the limitations of their legacy technology more frequently. Companies may focus on fixing discrete paths of customer journeys, but the higher value CX they deliver may point out potholes elsewhere in the experience. Disconnected enterprise systems that have access to only partial profiles of customers are some of the major barriers to transform customer journeys from end to end.

Lack of understanding – understanding the customer intent and history goes a very long way in enabling success in the omni-channel contact center. It leads to personalization, right selling and a great customer experience.
THE SINGLE PLATFORM & SINGLE CUSTOMER VIEW

It is important to realize that omnichannel is not simply about implementing the right technology. While omnichannel obviously involves supporting multiple channels consistently along the customer journey, it is vital to understand and create the business process workflows that occur within each interaction type, not simply across customer service channels, but also reaching into the back office, financial and order management systems, the distribution process and any other business activity that is affected by the initial customer contact.

‘Consistency’ is a concept that should be at the forefront of any discussion of omnichannel, as it is perhaps the key to a successful customer interaction and applies to many of the elements within this strategy:

- Look-and-feel / branding across channels
- Unified knowledge base, both for the self-service and live agent environment
- Consistent pricing and stock levels available across all channels
- Single customer history, including the current customer journey and context of where they have been, updated across channels in real-time. This is particularly important at the boundary between self-service and live agent interaction: currently, the context and experience of the customer is usually lost once they move into the live agent environment - breaking down this boundary is vital to a successful omnichannel experience
- Functionality consistent where possible: for example, while it is not suitable to fill in a loan application on public social media, it is possible to carry out a web chat about a specific question on the loan application form while on the website.
The importance of master dataset and real-time updates cannot be overestimated. The following chart shows just how far most contact centers have to go in achieving even a small portion of this, as the majority of respondents do not even update customer records with details of non-voice interactions such as web chat, letters or social media interactions. Without this relatively basic information, omnichannel is impossible to achieve.

However, one positive finding is that customer emails will tend to be linked to the master customer record: the challenge is to make sure that all interactions are.

Figure 51: Do non-voice interactions show up on the customer’s record? (by contact center size)
One of the main irritants for a customer is having to contact the business on numerous occasions, often through different channels, about the same issue. Omnichannel promises a way in which this experience can be made less painful and more effective for both customers and businesses, by providing a single view of the customer’s journey - not just that particular interaction, but the entire experience - so that agents do not have to ask the same questions again and again, and can treat the customer’s request more effectively and intelligently.

A question was asked to respondents about how they identified the topics or reasons that caused customers to contact the organization multiple times. Knowing this should allow an organization to amend its business processes to reduce this demand, proactively assisting customers by removing a problem or issue entirely.

However, it is found that the majority of respondents rely mainly upon agent feedback to identify reasons for recurring calls, which as a method is very dependent upon the culture of the organization and the agents’ own initiatives. The second most-popular method was to run customer experience surveys, with some respondents also using supervisory monitoring and reporting. Very few used interaction analytics to identify the root cause of repeat calls, and this is an opportunity which will surely grow in importance in the future.

In fact, the analysis of data lies at the heart of the successful omnichannel strategy. Predicting what the customer wants to do next will not only improve the customer experience, but also avoid further multiple and unnecessary interactions between customer and business. Analytics and decision support systems work best where there is more data to learn from, and including non-voice channels within the data analyzed will help businesses understand the differences between customer actions and expectations, depending on the channel which they use. For example, analytics may show a business that customers buying an expensive product around Christmas time are more likely to ring the contact center immediately afterwards to check on delivery times: an automated SMS or email detailing delivery information and setting customer expectations is likely to reduce unnecessary inbound calls and customer effort.
PROVING ROI

While differing from business to business, moving from multichannel to omnichannel is likely to require significant investment in platforms and business process reorganization. As with any investment or restructuring, the business has to be convinced by the financial improvements that will follow.

In order to quantify the business case for omnichannel, businesses should consider how the following potential improvements could affect them:

- increasing cross-selling and upselling rates by making sure that the customer does not abandon the interaction through frustration caused by channel switching, and by responding to queries in an informed and timely manner
- increasing customer satisfaction and potentially reducing the cost of service by personalization and offering service through the customer’s preferred channel
- increasing customer loyalty and lifetime value through providing superior and proactive service at the moment of truth
- decreasing unnecessary calls by handling queries correctly early in the customer journey
- taking advantage of many customers’ preference for self-service by offering a powerful and consistent experience across all channels which will reduce inbound call volumes
- implementing a consistent cross-channel knowledge base which will provide consistent information to customers and agents regardless of channel
- the reduction in the cost of managing multiple vendors, point solution maintenance and upgrades that a single unified solution can bring
- a movement from self-service to live service in an omnichannel environment offers the opportunity for customer identity authentication to take place before the agent is involved, reducing cost and call length and improving service levels
- having the context and customer history on the agent’s screen will reduce call lengths and decrease customer frustration
- having a single workforce management solution that can handle multiskilled resourcing in an omnichannel environment will improve service levels across all channels and reduce time spent on manual scheduling. Intraday changes based on actual volumes within each channel will further optimize resources
- if a one-off issue (for example, related to a specific marketing campaign) suddenly becomes a major topic of customer interactions, templatized and consistent answers can be shared quickly across channels
• automatically moving agents quickly between channels based upon real-time interaction volumes improves service levels, removes the time taken to assign resources manually, and a single omnichannel desktop environment means that agents do not have to log onto applications manually

• a consistent and up-to-date knowledge base shared across channels means that it is more likely that a query will be successfully answered early in the customer journey, improving customer satisfaction and decreasing the duplication of effort and unnecessary cost as customers will no longer have to seek an answer through an alternate channel

• improving first contact resolution rates on non-voice channels will decrease inbound call volumes and improve the customer experience.

Businesses may wish to quantify volume of interactions that they received by type, perhaps using the 2x2x2 cube matrix shown earlier in the report. This will allow the identification of the types and volumes of interaction that are suitable for self-service or non-voice interaction, which will allow them to focus on the areas of greatest potential.

The measurement of omnichannel success is likely to be significantly different from the typical efficiency metrics associated with the contact center. There is likely to be increased focus upon customer-related metrics, such as NPS, customer effort and customer satisfaction, but it is vitally important to understand the more traditional measurements such as wait time, first contact resolution and interaction transfer rates also impact directly upon the customer experience, and consequently, customer satisfaction scores.

As time progresses, businesses are also more likely to include metrics such as number of channels used and % of calls deflected by self-service in order to appreciate and quantify the effect of the omnichannel experience upon the customer.
One of the major issues to overcome within most organizations that offer service across multiple channels and devices is this: who actually owns the space? Telephony is established as a contact center function, and some other non-voice customer channels also fall under its auspices, but social media is often still owned by marketing (who may also lay claim to mobile strategy), and the wider self-service functionality may be a remit of the IT function. This fragmented and inconsistent ownership of multichannel customer contact functions means that maintaining the same high and reliable standard of information and service across channels has become an even more considerable challenge, and the path to true omnichannel even more fraught.

It may not be possible or even desirable for a single unified group to take charge of all such functions. However, because the customer neither knows nor cares about the internal structure of the organization, a bridge between the channels must be created to ensure that a customer experience does not break down if the initial channel cannot handle all the customer’s requirements effectively, and the growth in cross-functional customer experience teams is a response to this issue.

As an example of this, the following chart shows that 44% of respondents named the IT function as the primary budget holder for mobile customer service, with only 15% stating that it was the responsibility of the contact center or customer service division, although 12% state that it comes under the broad ‘customer experience team’ banner. As an increasing number of mobile interactions start with self-service (which may be IT’s purview), and then moved to a live agent (the customer service/contact center function), IT’s strong involvement may be understandable, if not optimal for the customer or the business.

*Figure 52: Primary and secondary budget holders for the mobile customer service function*
END-USER QUESTION 4:

“NOT ALL EXISTING CONTACT CHANNELS ARE ‘OWNED’ BY THE CONTACT CENTER (E.G. SOCIAL, PHYSICAL SHOPS/STORES, FIELD SUPPORT, BACK OFFICE, ETC). HOW CAN EVERYTHING WORK TOGETHER AS IT SHOULD?”

This is no doubt a problem which many organizations have recognized, hence the creation of job roles such as Customer Experience Director, Head of Customer Journey, etc. These roles are different and distinct from marketing departments, sales, customer service and contact centers.

In order to achieve a successful omni-channel ‘shift’ you have to take a top-down approach – full commitment from the leadership team with a clear objective to the entire organization. All departments must be on board to achieve the same goal. This isn’t a marketing initiative, nor a customer service project, but an entire company ethos of customer centricity.

In addition, time and planning is crucial to ensure everything works as it should. This planning is best conducted in partnership with organizations that have extensive experience in such deployments and in the approaches that need to be taken.
APPROACHING THE OMNICHANNEL CHALLENGE

- Gather as much information as possible from customers, through analytics, customer surveys or preferably both: many businesses are doing this through a voice of the customer program. The aim is to understand which business processes are working, which are suboptimal and perhaps most importantly, which are most valued by the customer. Omnichannel is a journey, so focusing upon those areas which are most obviously broken will make sense, both from the customer’s perspective and also in proving the concept to stakeholders within the business.

- Set measurable objectives, using metrics that are directly related to the desired outcome. For example, if one of the aims of the omnichannel project is to reduce customer effort, it would make sense to consider first contact resolution rates, rather than agent occupancy rates. Metrics that are able to demonstrate ROI should be chosen wherever possible in order to demonstrate to and reassure stakeholders elsewhere in the business that the project is achieving financial success. As elements of the omnichannel journey go live, behaviors and outcomes that support these metrics should be tangibly rewarded.

- As with any large, cross-departmental project that may need to alter the culture of the organization, omnichannel will require a project champion at a senior level, with the authority and vision to influence and create change wherever required, backed by and reporting to a sponsor at the highest level of the organization.

- Identify as many of the customer journeys as possible (and their business owners), tracking them across channel, into the back office, financial and distribution systems, and back out towards the customer.

- Using a tool such as the 2x2x2 cube matrix shown earlier, identify volumes and uses associated with each customer channel, segmented by variables such as customer demographics and intent if possible. Identify the potential moments of truth and the knowledge and data required at each stage in the journey to identify gaps.

- A platform or hub will be required that allows every channel to access and update the customer’s master record as and when required, with real-time synchronization being of vital importance. Within each individual channel, consider the potential use of further automation: for many businesses, non-voice channels still rely upon manual input and there are considerable opportunities to reduce cost.

- Accept that omnichannel customer contact is an ongoing process, to be revisited and continually improved as the nature of business, customer preferences and new channels further evolve.
END-USER QUESTION 5:

“IS OMNICHANNEL MORE ABOUT TECHNOLOGY, PEOPLE OR PROCESS?”

Successful contact centers should shift from managing the channel to managing the customer experience independent of channel. This approach incorporates all of the elements mentioned here (technology, people and process) – some more than others. Obviously, omni-channel requires the adoption of new technologies that enable consistent and exceptional service across all touchpoints. And the process is foundational to the success of omni-channel transformation. Everyone needs to be in alignment with the destination and the way to get there. But perhaps the most important element of omni-channel engagement is the people. Not only the customers whose needs and preferences you’re catering to, but the people behind the scenes – the agents who bring the human touch to such a technical form of communication. It’s important to incorporate these three ingredients in the right proportions, according to your brand’s mission.
THE HUMAN ELEMENT

Concern that agents lack the skills and capabilities to handle multiple channels is not generally seen as one of the major inhibitors to omnichannel. Even in a multichannel or multimodal environment, a significant proportion of agents are asked to handle more than one channel, although in medium and large (50-200 & 200+ seat) contact centers, around 80% of agents handle only voice, with 15-16% handling both voice and text (including email, web chat and social media).

As has been found in previous years, smaller contact centers - which tend not to have the depth of resource (or non-voice volumes) available to operate a dedicated single channel team - are far more likely to have agents moving between voice and text interactions as required. This approach, whether ad hoc or through a more formal blended approach, has been proven many times in past years’ data to be positively correlated with improved agent attrition. This is not necessarily to claim causality, but it may be that a variety of work may impact positively upon agent engagement and attrition rates.

Figure 53: Multichannel agent capabilities, by contact center size
END-USER QUESTION 6:

“WHAT IS THE MOST EFFECTIVE WAY TO MANAGE AN OMNICHANNEL ENVIRONMENT? IS THERE STILL A PLACE FOR TEAMS DEDICATED TO ONE CHANNEL (I.E. PHONE, EMAIL), OR DO ALL AGENTS NEED TO BE ABLE TO HANDLE ALL TYPES OF INTERACTION?”

Multi-skilling staff has been many organizations’ first approach to managing an omni-channel environment. A 2016 survey found that half of the contact center industry is multi-skilling “nearly all” of their agents. There have been concerns about wasting agent resources (i.e. a web-chat team that is bombarded with chats while phone agents don’t have enough calls to keep them busy), so it is tempting to train all agents on all channels. Additionally, if agents handle multiple channels, fewer agents are needed, saving the organization in support costs.

However, experience tells us that this is not the way to go for a number of reasons:

- **Different channels require different skills** – you need to evaluate the specific skill set the agent needs for each channel. The chat, mobile, social, and email channel all require the same skillset that needs to be customized for each channel. These agents need excellent writing skills that need to be adapted depending on the channel – for example: you cannot leverage the same script for online chat and email, likewise a chat on PC will look different than a chat on smartphone due to the limited real estate on smartphone and the transient nature of the customer on smartphones. Call, however, requires a different skillset – just because you are great at customer interactions in writing, does not mean that you are effective on calls. In a call environment you need to have exceptional verbal skills, therefore it should be a different set of agents.

- **Managers are faced with complex scheduling** – if staffing for multi-skilled teams, managers will need to forecast average handle time of each contact channel when considering the varying agent skills.

- **Agent hiring can be more expensive** – agents who can handle many different channels must be highly talented, adept to fast learning of new technology and able to multi-task on a multi-level field. If not paying the more expensive salary for this level of worker, the company will be paying more for intensified training.
BEYOND OMNICHANNEL? THE E2E WORLD

Businesses’ interactions with customers are becoming a highly-polarized mixture of the automated and the personalized. Moving a large proportion of interactions onto self-service works for businesses and is increasingly popular with a customer base that is becoming more sophisticated and demanding in what it expects from self-service.

A few years down the line, we can expect to see self-service using increasing amounts of artificial intelligence, with personal technology applications seeking out the best deals on offer, or interacting with a business on behalf of customers. This leads to the conclusion that many customer-agent interactions will be exceptional, such as a complaint, an urgent or complex issue or a technical query that an FAQ or customer community couldn’t solve. It is also likely that whole segments of the customer base who don’t want automation at all will be handled directly by live agents in many cases.

Many self-service scenarios suggest a world in which customers speak directly to ‘intelligent’ systems, but the world of the ‘virtual intelligent personal assistant’ (VIPA) turns this idea on its head, postulating an e2e world (in which systems talk to systems), where the customer delegates many of their business interactions to a pseudo-intelligent device. The VIPA is something which isn’t yet widely available, but is being driven by improvements in technology and the desire of the customer to get the best deal with the least effort. Perhaps the most widely-used (albeit very basic) version of the VIPA is the iPhone’s “Siri”, which provides basic web search functionality based on speech recognition. It is still a very long way from being a true VIPA though.

Storing information on a VIPA device - such as personal preferences, financial details and individuals’ physical profiles - is the first step, and one can be done today. Customers of the future will instruct the device to research the best deals for products and services and to come back to the device’s owner with the best selection. The VIPA would ‘call’ the relevant contact center (which would in fact be either a number of back-office company systems or possibly a live agent in some cases) and even purchase the best deal without having to involve the owner in any way. The same principle applies to customer service: using the ‘Internet of things’ means that, for example, utilities meters would send their own readings to suppliers on request, and a manufacturer can detect when a part on an appliance is about to fail, and organize a replacement part and engineer visit with the customer’s permission.

VIPAs may be used in association with intelligent agents which roam the web for answers to questions or situations, and could act as a third-party broker between the customer and a business. Price comparison sites act today as a type of first-generation smart assistant but are entirely reliant on accurate and complete data inputs being provided by suppliers and the site’s owners. If VIPA technology could be relied upon to work and standards of interoperability between VIPA and businesses were implemented, then this immediate and extensive market knowledge could create a ‘perfect market’ for commoditized products and services, with major impacts on existing businesses. There seems little doubt that omnichannel as we understand it today is by no means the last or greatest challenge to customer contact that businesses will have to face, even in the foreseeable future.
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