SMART CUSTOMER SERVICE: FOUR STEPS TO LONG-LASTING CUSTOMER BONDS WITH OMNI-CHANNEL

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Report Highlights

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On average, contact centers use four channels to interact with customers.

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Lack of effective technology tools results in agents spending 15% of their time looking for multi-channel customer insights.

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The Best-in-Class are 31% more likely to serve customers through their channels of preference.

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The Best-in-Class are 44% more likely to have a strategic partnership with IT to ensure seamless flow of data across the business.

This report highlights how Best-in-Class contact centers design a smart customer service strategy by implementing four building blocks necessary to succeed in omni-channel programs. We'll observe how those building blocks help contact centers improve metrics such as customer retention rates and first contact resolution rates.

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Customer demands are rapidly changing, and contact centers must keep up. The answer is omni-channel — but only when implemented through the right strategy.

Definition: Omni-channel Contact Center

For the purposes of this research, Aberdeen uses the term "omni-channel contact center" to define businesses that have a formal strategy in place to deliver personalized **and** consistent customer experiences across multiple channels (e.g., phone, social media, web, mobile, and email) and devices (in-store, laptop, and smartphone).

The end goal of these programs is to ensure that the context and experience from each channel and device carries over across all other touch-points to ensure consistency of conversations via multiple touch-points.

Happy Customers vs. Reduced Costs: Contact Centers Must Accomplish Both to Succeed

The contact center is the nerve center of a business. Findings from Aberdeen Group's December 2015 _Omni-Channel Customer Care: Best-in-Class Steps to Success_ study show that on average, contact centers use four channels (e.g. phone, web, social media, and live chat) to interact with customers. Each contact center uses a unique channel-mix. However, all contact centers share a common characteristic: they require more data to manage customer conversations than ever before. That said, simply having access to more data is not enough to accomplish desired results.

Contact centers must become masters at using data captured across multiple channels in order to achieve their objectives. To this point, Table 1 illustrates the top five goals keeping contact center executives up at night.

Table 1: Customer Experience Is at The Top of the Contact Center Executive's Agenda

Top Goals (n=215)	All Respondents
Improve customer experience results and consistency	96%
Increase agent performance / productivity	81%
Improve brand loyalty	80%
Reduce customer effort for issue resolution	77%
Lower operating costs	73%

Source: Aberdeen Group, February 2016

As demonstrated in the above table, contact centers aim to accomplish multiple objectives in order to survive and thrive in the era of the empowered customer. First and foremost, they must ensure that all their activities result in improving customer experience results.

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Data also shows that contact center executives clearly understand the close connection between agent productivity and customer experience results. As detailed in Aberdeen's March 2014 *Streamlining the Agent Experience Reduces Unnecessary Costs* study, it is ultimately the human element that influences organizational success in creating happy customers.

Not providing agents with the right tools and information to do their job will result in sub-par agent productivity, increased customer effort, and ultimately lost clients. Poor agent productivity means that companies will need more agents to do the same job, hence decreasing agent utilization rates. Businesses that need more agents will incur greater labor costs, making it harder to attain another one of the objectives listed in Table 1: lower operating costs.

Accomplishing the objectives discussed above altogether is no easy endeavor. However, findings presented later in this report show companies that successfully build the foundation for omni-channel programs do indeed achieve their desired results. Before viewing those benefits, let's first take a look at the sidebar for the top challenges hindering organizations' ability to delight customers through omni-channel programs.

Roadblocks to Success

The most common challenge contact centers need to address to achieve better results is the complexity and inefficiency surrounding agents' ability to do their jobs. Specifically, being able to access the right information at the right time through the right technology tools. To this point, findings in Aberdeen's October 2015 *Agent Desktop Optimization: Three Strategies to*

Customer experiences are not generated by themselves. Agent productivity and performance play a vital role in influencing customer behavior.

Top Hurdles Impacting Omni-Channel Programs

Findings in Aberdeen's December 2015 *Omni-Channel Customer Care: Best-in-Class Steps to Success* study show that the top challenges influencing contact centers' ability to maximize customer experience results are as follows:

- Complex / inefficient / disconnected agent processes impacting agent productivity: 50%

- Lack of real-time access to relevant data: 42%

- Outdated technology infrastructure: 34%

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Agents spend 15% of their time looking for data across enterprise systems. This costs a 300-seat contact center $1.57 million each year in unnecessary costs.

Maximize Agent Productivity & Customer Experience study show that on average, agents spend 15% of their time looking for data across enterprise systems in order to address customer needs. The same study notes that this costs a 300-seat contact center $1.57 million *each year* in unnecessary costs.

Lack of up-to-date technology tools is another important challenge influencing omni-channel programs. The ability to ensure consistency and personalization of customer conversations across multiple channels requires companies to have the right tools to manage those conversations. As such, it's important for contact centers to establish a strategic alliance with IT to identify the right tools and add them within the current technology toolbox.

As in most things in life, setting a goal is only the beginning. Developing the right strategy and executing on it is what separates companies attaining their objectives from those that fall behind. The next section provides a brief overview of how designing the right omni-channel strategy helps Best-in-Class contact centers (see sidebar on Page 5) accomplish improvements across key performance indicators (KPIs) reflective of success in achieving the goals in Table 1.

Lack of up-to-date technology tools is an important influencer of organizational success.

Using the Right Strategy Determines Success or Failure in Omni-Channel

We used five KPIs to gauge organizational maturity in building and managing omni-channel programs — Table 2. Those metrics reflect a contact center's ability to delight customers and retain them year-over-year. They also indicate organizational efficiency in empowering agents with the right information and technology tools to minimize handle times and improve agent utilization rates.

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Table 2: Companies That Implement a Successful Omni-Channel Program Reap Its Benefits

Company Performance (n=215)	Best-in-Class	All Others
Customer retention rate	77%	35%
Year-over-year improvement in customer satisfaction rate	13.1%	-1.1%
Year-over-year improvement in agent utilization rate	9.2%	-1.0%
Year-over-year improvement in average handle time	7.2%	-3.9%
Year-over-year improvement in first contact resolution rates	6.8%	-2.6%

Source: Aberdeen Group, February 2016

The performance findings in Table 2 validate that overcoming challenges such as complex internal processes and an outdated technology infrastructure is indeed possible. Companies using the right strategy are rewarded with customer loyalty, enhanced agent productivity, and lower costs. The latter is an outcome of Best-in-Class firms requiring fewer agents to handle customer issues due to increased agent utilization rates, and hence decreased labor costs.

Let's now drill down into the four building blocks that enable Best-in-Class contact centers to outpace their competitors.

Four Building Blocks to Succeed through Omni-Channel

1. Know Your Customers and Optimize Routing Activities

Each customer journey is unique. For example, one client might prefer using web self-service for simple support issues and phone for more complex issues requiring agent assistance. Another buyer may prefer to use live chat instead of phone, and

The Aberdeen maturity class framework is comprised of three groups of survey respondents. This data is used to determine overall company performance. Classified by their self-reported performance across several key metrics:

- **Best-in-Class**: Top 20% of respondents based on performance
- **Industry Average**: Middle 50% of respondents
- **Laggard**: Bottom 30% of respondents

Sometimes we refer to a fourth category, **All Others**, which is Industry Average and Laggard combined.

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Companies using the right strategy for their omni-channel programs are rewarded with customer loyalty, enhanced agent productivity, and lower costs.

yet another one might prefer to have a video interaction with an agent after exploring the web self-service portal. In order to truly succeed in omni-channel programs, contact centers must be able to identify the unique channel preferences of each customer, and incorporate those insights within their routing activities. Figure 1 shows that the Best-in-Class are 31% more likely than All Others to incorporate customer channel preferences within routing activities (64% vs. 49%).

Figure 1: Master Managing the Customer Journey
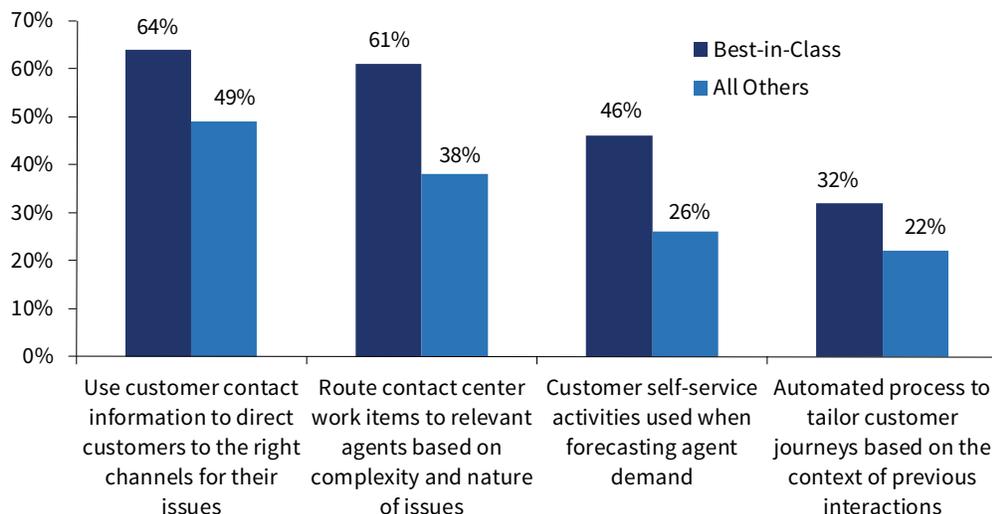
Percent of respondents, n=215   Source: Aberdeen Group, February 2016

➔ Related Research: "Voice of the Customer: How to Convert Feedback into Better Results"

To serve customers through their preferred channels, contact centers must capture voice of the customer data through online surveys or interactive voice response (IVR) surveys, and incorporate the channel preference of each client within existing account data. Once that information is available, the automated contact distribution (ACD) system would use it to route conversations through customer's preferred channels.

An important reminder is that while a customer might prefer a certain channel, that doesn't always mean that this channel is

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ideal to swiftly resolve client issues — see sidebar. As such, companies must also regularly analyze which channels work best in solving different types of issues. Combining this knowledge with customer channel preferences as part of the routing criteria will allow the business to direct the customer to the channel that requires the least buyer effort.

Top-performing contact centers also adjust their routing activities based on agent skills. Especially in mid-size to large contact centers that address issues for multiple products, agents are knowledgeable in handling only certain types of issues. For example, an agent who has technical expertise in handling service outage remotely has a different set of skills than another who has expertise in how to configure a product for certain use cases. Best-in-Class contact centers are 61% more likely than All Others to identify those unique agent skills and use them when routing customers (61% vs. 38%).

When implementing the aforementioned activity, companies must once again tailor workflows so that, upon identifying the customer issue through the IVR system or the self-service portal, each conversation would be routed to a relevant agent who has the skills to address it.

2. Master Self-Service

The second building block of successful omni-channel programs is treating self-service as an integral part of customer care activities. Findings in Aberdeen's February 2016 *Self-Service: Maximize Business Results by Helping Customers Help Themselves* study show that customers (especially Millennials) increasingly demand self-service to address their own needs. Businesses are

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What to Do When Customer's Preferred Channel is not the Best One to Handle the Issue at Hand?

Addressing buyer needs in customer terms is important. However, if data from historical interactions shows a certain issue is handled best through a channel that is different than the one preferred by the client, then we recommend you use that former channel. Buyers ultimately seek (rapid) resolution to their issues. As long as you don't add significant effort for the customer to use a different channel, you won't experience negative results.

➔ Read the full report, "Self-Service: Maximize Business Results by Helping Customers Help Themselves"

➔ Related Research: "Self-Service vs. Assisted Service: When's the Right Time to Use Them?"

Regularly monitor self-service data to forecast agent demand across other channels. This will help minimize overstaffing and understaffing in your contact center.

in tune with this demand. Data from the aforementioned report shows that 43% of contact centers have already incorporated self-service within their channel-mix, with more planning to do so throughout 2016.

Effective use of self-service helps contact centers address the challenges impacting broader omni-channel programs. Specifically, companies that do self-service well are able to deflect 33% of client issues, while others only deflect 17%. In other words, getting self-service right helps companies address 94% more issues without requiring live agent assistance (33% vs. 17%). As a result, companies that do self-service well require fewer agents to handle customer traffic, as they enjoy fewer inbound support requests.

Figure 1 shows that the Best-in-Class are 77% more likely to regularly monitor self-service traffic to forecast inbound customer traffic, compared to All Others (46% vs. 26%). Using analytical tools such as business intelligence and predictive analytics, organizations are able to reveal correlations between how changes in self-service data influence agent demand. This will ultimately help minimize overstaffing and understaffing in the contact center — important elements of reducing labor costs.

Yet another aspect of successfully incorporating self-service within omni-channel programs is to ensure that data captured through self-service portals is used to manage the customer journey. Specifically, when a client contacts the business within a short time frame after using the self-service portal, the agent serving the client should have visibility into the self-service history of the customer. This will enable the agent to ask the customer if assistance is still needed to resolve the issue inquired within the self-service portal. The Best-in-Class are 45%

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more likely to seamlessly incorporate self-service within the customer journey for such personalized conversations, compared to All Others (32% vs. 22%).

3. Manage the Agent Experience for Better Customer Experiences

Imagine a contact center where agents are not happy and don't have the right tools to do their job. Now, imagine another contact center where agents are provided with the right incentives and the technology tools to do their job well. Guessing which one will be more likely to excel at meeting customer needs shouldn't be too hard. To this point, findings from Aberdeen's November 2014 *Agent Desktop Optimization: Putting Agents in Charge of the Omni-Channel Customer Experience* study identified the leading factors that influence agent productivity. Interestingly enough, companies reported that access to effective technology tools is 88% more likely to influence agent productivity than compensation and benefits (47% vs. 25%). This shows that agents would prefer to have the right technology tools to do their jobs than get paid more.

When agents lack the right tools, they are more likely to struggle when doing their jobs, and hence, risk receiving poor compensation and benefits due to sub-par performance. On the other hand, access to the right technology tools will help agents attain their KPIs, one of which is creating happy customers. As a result, those agents will also increase their ability to receive additional benefits and compensation — a win-win scenario for the business and agents. Figure 2 highlights the supporting enablers Best-in-Class firms provide to their agents.

> **Getting self-service right helps companies address 94% more issues without live agent contact.**

> **On average, agents use three different screens to find relevant data needed to serve customers. Meanwhile, buyers need to wait as agents seek data to do their jobs.**
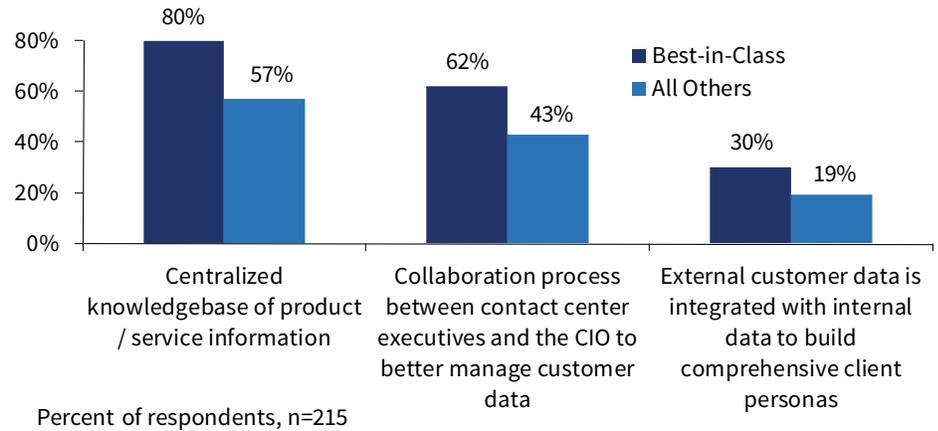
> **Technology tools have a more direct impact on agent productivity and performance than compensation and benefits.**

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Figure 2: Utilize IT Expertise to Enable Agents with Relevant Insights

Percent of respondents, n=215

Source: Aberdeen Group, February 2016

First, top performers are 58% more likely to build a more complete view of customers than All Others (30% vs. 19%). They do so by monitoring external data such as customer-generated social media content and incorporating those within existing account insights. Providing agents with access to those rich insights through a unified agent desktop helps agents with much needed intelligence to personalize conversations and ensure the consistency of messaging across all channels.

Empowering agents with customer data is important. However, companies must also ensure that agents have easy **and** timely access to relevant product and service data needed to resolve client issues. Those insights are often stored within a centralized knowledgebase that allows agents to search for articles designed to resolve specific issues. The Best-in-Class contact centers are 40% more likely than their counterparts to provide their agents with such a centralized knowledgebase (80% vs. 57%). Those top performers reap the benefits of empowering their agents through greater agent productivity and happy customers.

Provide your agents with a complete view of customers, through easy access to data captured across all channels via the agent desktop.

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4. Build a Strategic Partnership with IT

The building blocks we identified thus far have been focused on optimizing existing processes and making effective use of technology tools. The fourth key ingredient that helps successful contact centers in their omni-channel programs is establishing a strategic partnership with IT. To this point, the Best-in-Class are 44% more likely than others to have a formal program designed to foster collaboration and communication between the contact center and IT (62% vs. 43%).

As noted earlier, contact centers capture customer data through myriad channels. Data captured across each channel is stored within separate systems. For example, IVR data is often stored in a different system than live chat transcripts. Companies that are not able to unify all of those insights by integrating disparate systems risk missing the backbone of omni-channel programs: a unified view of customer data. Partnering with the IT team helps contact centers leverage the data management skills of their IT counterparts. In addition, when implementing new technologies, this capability proves invaluable for evaluating how any new solution would integrate with the current technology infrastructure, and hence minimize the likelihood of experiencing potential disruptions in the future.

Recommendations

Contact centers must master the art and science of managing customer experiences to establish and maintain a competitive edge. That edge should be sharpened by operational efficiency where agent productivity is maximized and service costs are under control. Achieving all those objectives at the same time is

> **Don't ignore the importance of partnering with IT. You shouldn't rely on IT for day-to-day operational activities, but using their data management skills will help with strategic tasks such as building and nurturing a truly data-driven customer service program.**

Analyze historical interaction results to identify which channels work best in resolving different types of support issues.

no easy task. However, through our research, we identified a leading group of contact centers that built the right foundation for omni-channel programs as a means to attain those results.

Building and executing the right omni-channel strategy helps Best-in-Class firms outpace their competitors across KPIs such as customer satisfaction rates and first contact resolution rates. If your performance is not yet on par with that of the Best-in-Class, then we highly recommend you implement the below activities to align your results with those of the top performers. If you are already among the Best-in-Class, then the below activities will help you maintain your current status as a leading-edge contact center.

➜ **Align your routing activities with customer preferences.** Every customer has unique preferences. If you don't currently have a VoC program to identify those preferences, and if you're not analyzing historical interaction data to reveal which channels work best in resolving certain issues, then you're falling behind. We highly recommend using business intelligence tools to observe which channels work best in resolving certain issue types. We also recommend using online surveys and IVR surveys to identify customer channel preferences. You should modify your ACD workflows based on those insights to enable customers to receive support in the most effective fashion.

➜ **Empower your agents with easy access to knowledge through effective technology tools.** Lack of agent access to account data related to previous interactions poses a significant business risk. It increases the likelihood of agents delivering conflicting messages than those received by the customer in earlier phases of their

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journey. This ultimately leads to frustrated buyers, and might even result in potential litigations. As such, if your agents don't have access to real-time and comprehensive buyer insights stored across all enterprise systems, then we highly recommend you provide them with a unified agent desktop that will address this challenge.

➔ **Incorporate IT as a strategic partner in your omni-channel program.** The ability to successfully implement and nurture the two activities above requires organizations to ensure seamless flow of data throughout the business. If agents don't have access to how customers respond to an email marketing campaign, then this means a lost opportunity for the agent to personalize the conversation. Similarly, if data on customer's self-service activities are not made available through the agent desktop when the agent is interacting with the same client, then this increases the likelihood of asking questions the buyer already answered through the self-service portal. Addressing those needs requires the data capture and management expertise of the IT team. If you're not currently partnering with your IT team to utilize their skills and expertise in managing data, then we highly recommend that you do.

Keeping IT involved helps companies make it easier to implement new technologies as they add new channels within the customer care channel-mix.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research
Self-Service: Maximize Business Results by Helping Customers Help Themselves: February 2016 _Self-Service vs. Assisted Service: When's the Right Time to Use Them?_: February 2016 _Omni-Channel Customer Care: Best-in-Class Steps to Success_; December 2015	_Knowledge Management in the Contact Center: Guide your Agents to Smarter Customer Interactions_; November 2015 _Customer Analytics: How to Make Best Use of Customer Data_; July 2015 _Contact Center WFO: How to Balance Customer Needs with Agent Productivity_; May 2015

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Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Boston, MA.