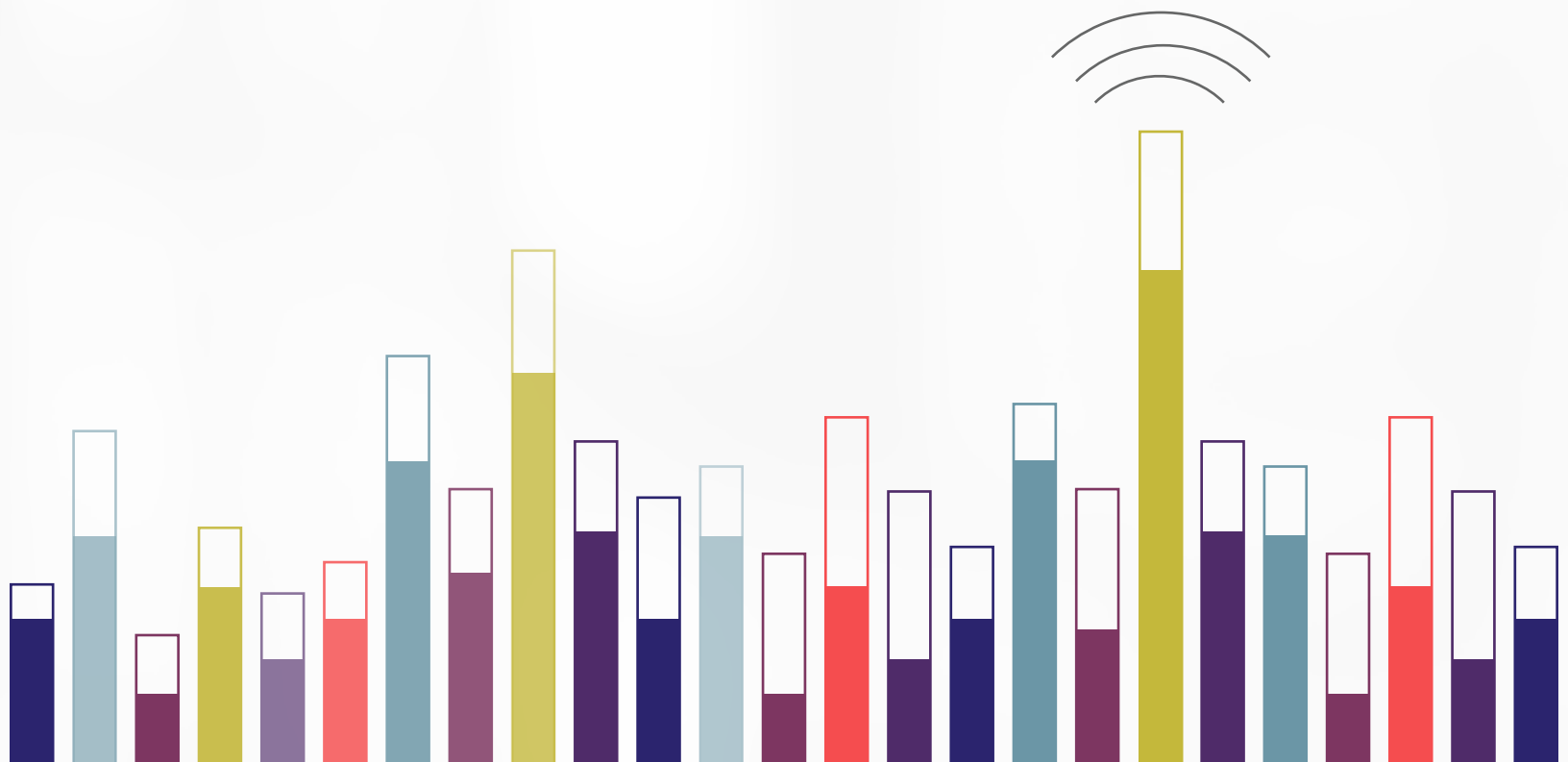


TRANSFORMING YOUR LEGACY CONTACT CENTER INTO A CUSTOMER EXPERIENCE CENTER

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Overview

Traditionally, operational efficiency was the primary goal when it came to contact center management. Times have changed, however, and the Best-in-Class today are focused on transforming their contact centers into customer experience hubs. Specifically, they care more about improving key customer experience measures, such as effort score and customer lifetime value, than improving operational metrics such as average handle time and agent productivity.

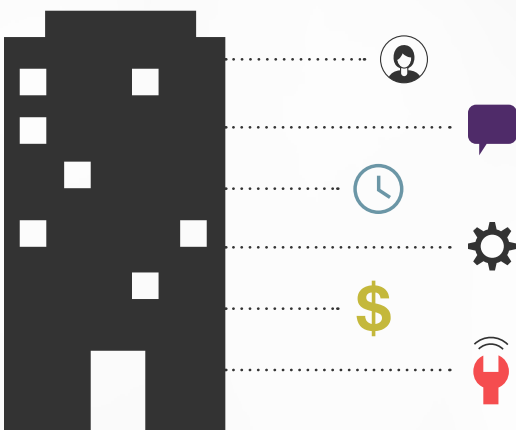
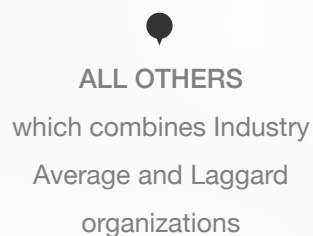
While this transformation elevates the importance of customer experience, it does not do so at the expense of operational efficiency. Instead, we find that the Best-in-Class pursue both operational efficiency and the steady improvement of customer experience.

This eBook will highlight the performance gains Best-in-Class firms achieve by taking a customer-first approach. It will also highlight the opportunity cost companies face when they don't evolve to a more modern operational mindset and set of processes. Finally, it will describe the building blocks top performers put in place to support superior results.

The Aberdeen maturity class framework places companies in one of three categories based on their self-reported performance across key metrics:



Sometimes we refer to a fourth category:



The Opportunity Cost of Staying with a Legacy Contact Center

A legacy contact center can be described as the support function of a business that responds to customer requests through traditional methods. Specifically, the legacy contact center addresses customer needs when the customer requests support, rather than proactively initiating interactions to address customer issues before they happen. An example of this latter approach would be sending proactive notifications to customers prior to a service outage, thereby helping clients anticipate the outage and decreasing potential customer frustration, along with the number of inbound requests seeking help related to the outage.

Another attribute of legacy contact centers is a keen focus on driving operational efficiency, often at the expense of managing customer experiences. This focus involves closely tracking metrics such as average handle time, agent productivity, and IVR containment rates with the aim of improving performance in these areas. Such performance improvements have been a top priority for legacy contact centers because they help reduce unnecessary costs while also serving as a gauge of effectiveness when it comes to handling customer issues. Unfortunately, while these metrics are important, they are not precise indicators of how well a firm manages the expectations of modern customers.

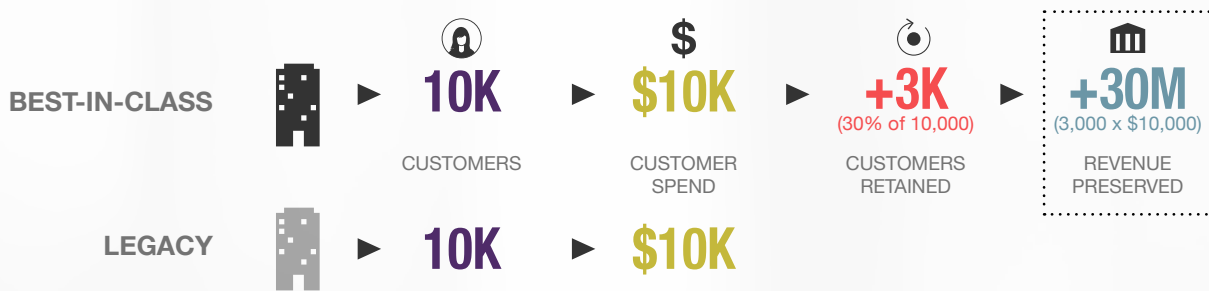
For example, today's empowered customers expect their interactions with a business to require minimal effort. They also expect their conversations with a business to be personalized to their needs and consistent across all channels (e.g., self-service, live chat, phone, and IVR). Frankly, operational measures such as average handle time and agent productivity can't provide a complete picture of how well a company is meeting (or exceeding) customer expectations. To do that, the contact center needs to be built around customer-centricity, and this mindset needs to be evident in every customer interaction. Such contact centers are a hallmark of Best-in-Class firms, and their effectiveness is reflected in their performance (Table 1), particularly when contrasted with the performance of those companies (All Others) maintaining legacy contact centers.

Table 1: Top Performers Have Happy Customers & Greater Operational Efficiency

	BEST-IN-CLASS		ALL OTHERS
Customer retention rate	83%	▶	53%
Improvement in customer satisfaction rate (YoY)	30%	▶	1%
Improvement in first contact resolution rates (YoY)	19%	▶	1%
Improvement (decrease) in average handle time (YoY)	17%	▶	-6%
Improvement in agent utilization rate (YoY)	13%	▶	-1%

Aberdeen used a series of key performance indicators (KPIs) to identify Best-in-Class organizations. These KPIs reflect success both in creating happy customers as well as in improving efficiency. To this point, Table 1 shows that the Best-in-Class retain 57% more of their customers than All Others. They also achieve a remarkable 29.8% annual increase in customer satisfaction rates, compared to a mere 1.3% among All Others. These findings strongly suggest that the Best-in-Class excel at meeting and exceeding buyer expectations. In return, customers reward these businesses with loyalty.

When faced with the opportunity to undertake activities that will help improve the customer experience, legacy contact centers fear that they will have to sacrifice efficiency. In reality, that's not the case; companies can drive efficiency and customer satisfaction at the same time. Let's assume two businesses; one observes Best-in-Class results and the other is a legacy contact center with poor performance. Let's also assume that each has 10,000 customers spending \$10,000 a year. As we've seen in Table 1, Best-in-Class firms retain 30% more of their clientele year over year. This directly boosts their financial results. How? Retaining 3,000 more customers per year (30% times 10,000 customers) means the Best-in-Class preserve \$30 million in annual revenue (3,000 customers, each spending \$10,000 per year) that they would have otherwise lost due to customer churn. In addition to the potential revenue lost due to customer churn, legacy contact centers also incur additional costs to replace the spend from lost clients. These costs are in the form of additional sales and marketing spend to attract new clients.



Interestingly, legacy contact centers that decide not to invest in improving customer experience, choosing instead to invest in greater efficiency, actually fall behind the Best-in-Class specifically in this area. Table 1 shows that Best-in-Class contact centers improve (that is, “decrease”) average handle time by 16.5% year over year, compared to a 6.0% worsening (increase) on the part of All Others. These Best-in-Class firms also improve first contact resolution rates by 15.9-times more year over year than those with legacy contact centers. In short, if you're running a legacy contact center and not investing in processes and technologies to build a modern customer experience center, you're missing out on:

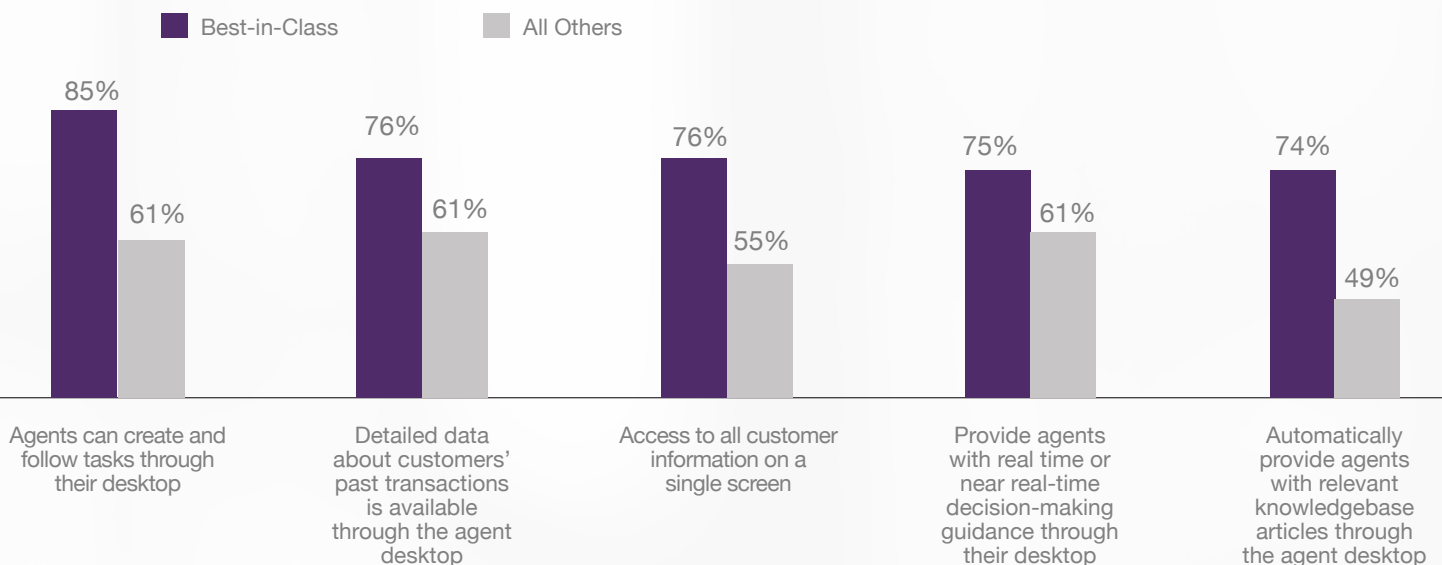
- ▶ Loyal customers
- ▶ Positive word-of-mouth from happy clients
- ▶ Cost savings associated with higher customer retention
- ▶ Greater efficiency

The Road to Transform Your Legacy Contact Center

One of the key differences between a legacy contact center and a Best-in-Class contact center is that the latter is truly focused on interacting with customers in a personalized fashion. This requires contact center agents to have visibility into the journey each customer takes with the business across all channels. For example, a customer might use self-service, but switch to live chat if they can't resolve their issue. The issue itself might be complex, and the customer might find that he or she needs to handle the problem through a phone conversation with an agent. If it comes to that, the responsible agent has to know this customer's interaction history – what happened in the self-service session; what happened in the live chat; what happened prior to the current issue – in order to truly tailor the conversation.

Aberdeen's 2017 Customer Experience Management research shows that 55% of firms use at least 10 channels to interact with customers. The number of channels involved in a customer's journey, along with the mix of these channels, will naturally vary across businesses. Whatever the mix, what's important is that agents are provided with timely views into the customer journey so that they can address buyer needs in a personalized way. Figure 1 shows that the Best-in-Class are 25% more likely than All Others to be capable of this.

Figure 1: Make It Easy for Agents to Do Their Job



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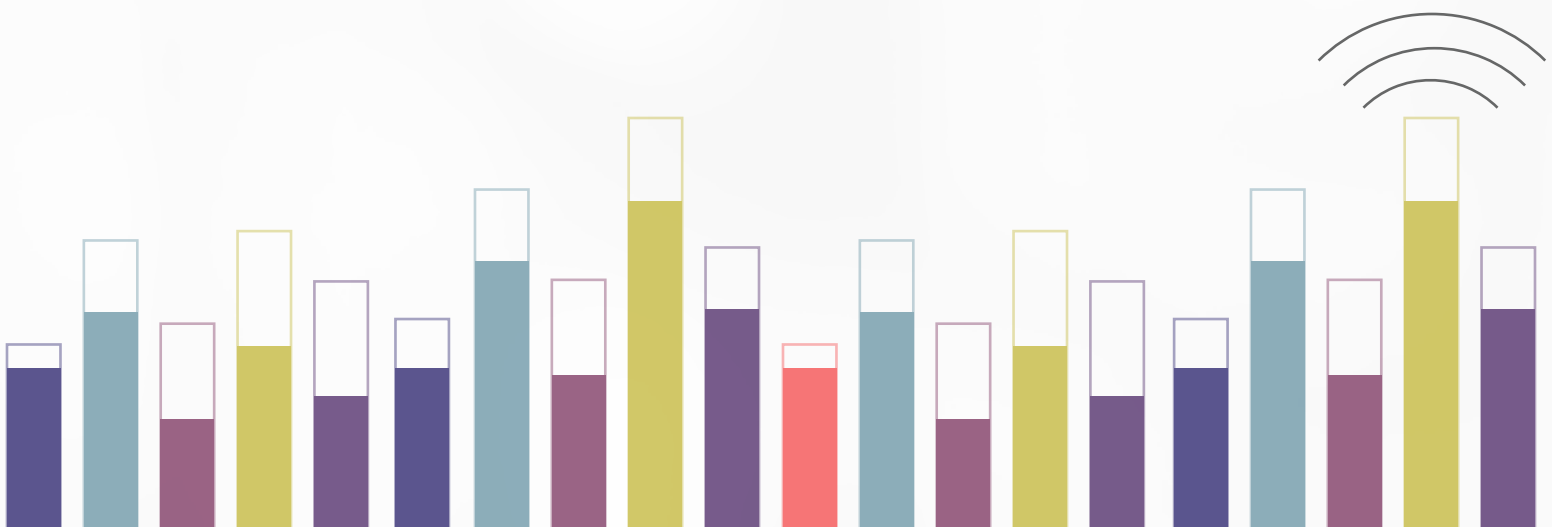
DEFINITION: IVR Containment Rate

This metric reflects the percentage of customer issues that are resolved in the IVR, without the need for the customer to speak with a live agent.

Companies use different systems to capture customer data across channels. For example, a business might use CRM, automated call distribution, IVR, and live chat systems. If these systems are not well-integrated with one another, the agents can't personalize conversations (or ensure that they're consistent across all channels). In fact, according to Aberdeen's 2017 Customer Engagement Analytics study, this lack of integration across disparate systems is the leading factor impacting an organizations' ability to use data to deliver omni-channel interactions.

Lack of integration also impacts agent productivity. Legacy contact centers might already use multiple systems, but if they are not integrated, agents must go into each system individually to find account data to learn about previous customer interactions. On this point, findings from Aberdeen's 2017 Agent Desktop Optimization study shows that on average, agents spend 15% of their time seeking the relevant insights needed to do their jobs. Best-in-Class firms understand the toll this takes on agent productivity; they are 38% more likely to provide agents with relevant insights in a timely fashion through a single screen on the agent desktop.

The time agents spend looking for information is not restricted to customer insights. It also includes the time to query a knowledgebase to find the right article to address customer issues. Top performers are 51% more likely to automatically provide agents with relevant knowledgebase articles based on the context of the issue. This requires having detailed views into the customer journey to determine what the issue actually is. It also requires building intelligence to query the knowledgebase and recommend the relevant article for the issue to each agent. Legacy contact centers, lacking integration across all systems, can't do this. As a result, they fall behind when it comes to improving agent productivity although, ironically, this objective is at the top of their agenda.



DEFINITION: Omni-Channel

For the purposes of this research, Aberdeen defines 'omni-channel' as a capability that enables organizations to deliver consistent and personalized customer messages across multiple channels.

Figure 2 shows that seamlessly providing agents with the right information at the right time indeed helps Best-in-Class firms personalize customer conversations. These top performers are 24% more likely to indicate that they tailor client interactions based on customer insights, compared to their legacy counterparts.

Figure 2: Make Each Interaction Relevant to the Customer



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Below are two important capabilities used by the Best-in-Class that are depicted in Figure 2.



SELF SERVICE

Earlier, we gave an example of a customer using self-service to resolve an issue. As a matter of fact, self-service has become an important part of the contact center channel-mix over the past decade. According to Aberdeen's 2017 Omni-Channel Customer Care study, 40% of contact centers currently use self-service portals, and another 27% are considering doing so. It's imperative that companies successfully manage self-service programs if they hope to effectively address customer needs and exceed customer expectations.

Figure 2 shows that Best-in-Class firms optimize the user experience when using self-service by tracking and leveraging the search queries used by customers on the website to populate the self-service portals with relevant articles. For example, customers might regularly search for "resetting account password." Knowing this helps the firm ensure that the self-service portal provides customers with clear instructions for resetting passwords.

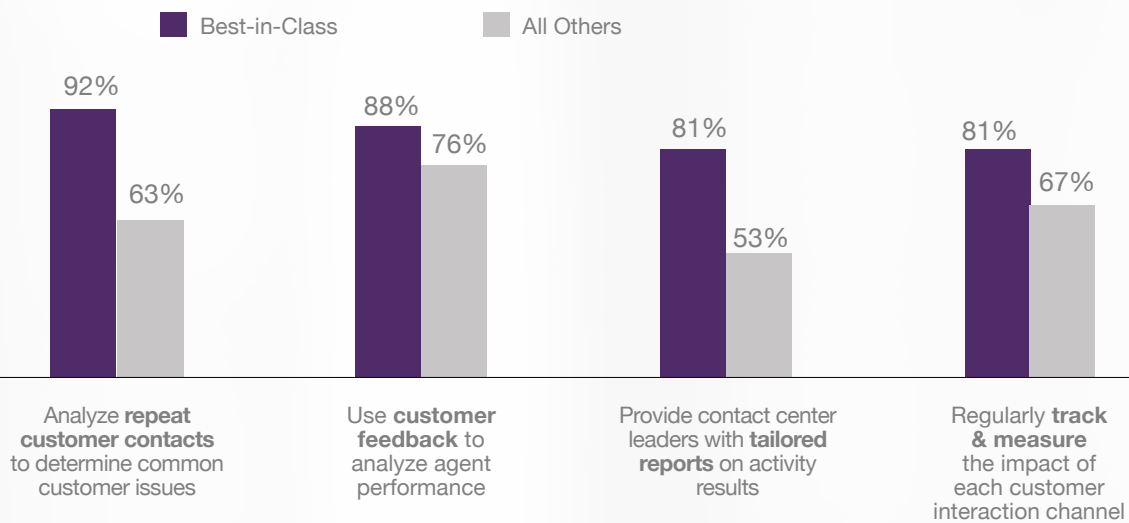


PROACTIVE CUSTOMER INTERACTIONS

When defining legacy contact centers earlier, we noted that, while these firms respond to customer requests, they don't often proactively engage customers or track customer sentiment and feedback to re-engage and help unsatisfied clients. Transforming the customer service mindset from one that's entirely reactive to one that's both reactive and proactive, when appropriate, requires putting in place relevant processes. One such process involves regularly tracking customer sentiment and feedback, and acting on the information gathered in a timely fashion. For example, a firm might use social listening tools to monitor social media conversations referencing the company name, products or services. When the firm detects conversations that are negative, it can then use this information to notify the relevant employee (e.g., a contact center agent or account manager) to open a support ticket and engage the customer expressing dissatisfaction. Data shows that Best-in-Class firms are 21% more likely to have such proactive engagement processes currently in place.

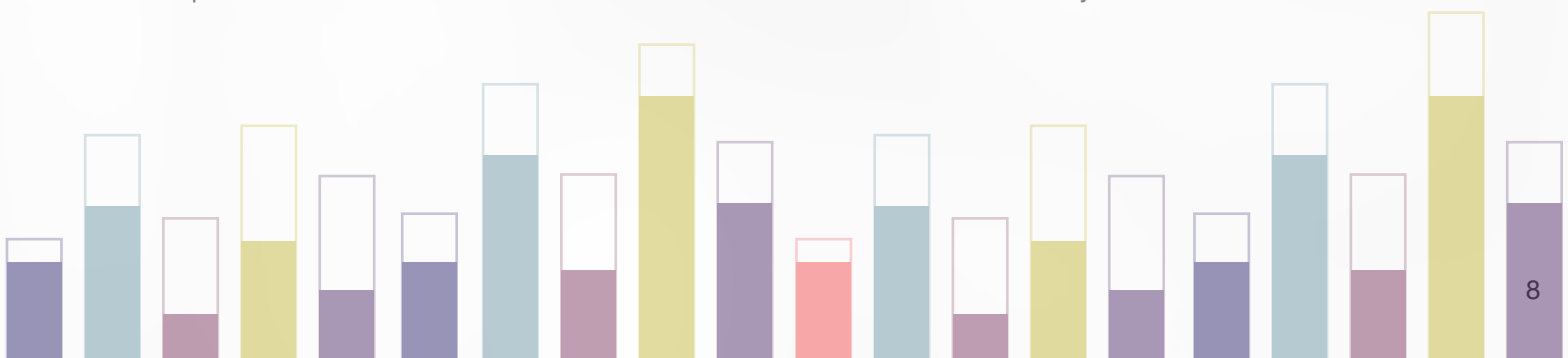
How do businesses know if their efforts to transform a legacy contact center into a modern customer experience center have yielded desired results? By implementing the activities found in Figure 3 (below). Specifically, Best-in-Class firms closely track both customer experience and operational KPIs on a regular basis. This allows them to assess whether their activities are indeed helping improve customer satisfaction while decreasing unnecessary costs and improving productivity. Top performers are 53% more likely than All Others to provide contact center leadership with tailored reports to manage performance. These reports can be tailored based on numerous criteria, including territory, customer interaction channels, demographics, products, and time of interaction.

Figure 3: Use Voice of the Customer to Gauge Your Performance



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An important metric that firms aiming to deliver a superior customer experience must track is repeat customer contact, i.e., the number of times a customer contacts the business about the same issue. For example, if a customer calls to seek help for troubleshooting a malfunctioning product and then calls two hours later, it's highly likely that the buyer is calling about the same issue and that the issue hasn't been resolved. Customer effort score is yet another metric helping firms gauge how they meet customer needs without the customer repeatedly contacting the business or expending significant effort. Figure 3 shows that the Best-in-Class have almost universal adoption of analyzing KPIs such as repeat customer contact to determine if their activities do indeed address buyer needs.



Data shows that Best-in-Class firms don't rely solely on KPIs such as customer effort score or number of repeat contacts to gauge their ability to meet client expectations. They also collect customer feedback through IVR surveys, online surveys, and email surveys. The resulting insights help them determine which agents excel at handling customer conversations and which ones need training and coaching. To this point, it's important that companies interact with customers through the customers' preferred channels. Figure 3 shows that Best-in-Class firms are 21% more likely to regularly track and measure KPIs (e.g., customer satisfaction) specifically by customer interaction channel. This helps savvy firms ensure that they're using the optimal channels for interacting with their clientele. As such, the Best-in-Class differentiate themselves from legacy contact centers without this capability and minimize the risk of losing customers due to poor alignment between customer preferences and the channel-mix used by the business.

Key Takeaways

We're living in a new economy. It is one where having better product features or more competitive pricing is not enough to lure and retain customers. The outstanding businesses of today compete by clearly understanding the needs of their customers and meeting them in a truly personalized and consistent fashion across all channels. Contact centers play a vital role in this transformation when they become an enterprise hub for managing customer experiences. This means that activities used by legacy contact centers are no longer enough to succeed.

To attract and retain the empowered customers of today, businesses must transform their legacy contact center into a modern customer experience center by embracing new processes and technologies. Doing so helps the Best-in-Class improve customer satisfaction rates, generate loyalty, decrease unnecessary costs, and drive efficiency.

Contrary to popular belief, building a customer experience center does not mean sacrificing efficiency. Best-in-Class firms show you can have both happy customers and an efficient contact center. They also realize that, unfortunately, focusing exclusively on efficiency can actually result in lost revenue. Don't let the processes and technologies of yesterday limit your success tomorrow. Implement the Best-in-Class activities highlighted in this eBook and enjoy sustainable success.

Read the Full Report

