THE BUSINESS VALUE OF INTEGRATING THE CONTACT CENTER WITHIN YOUR OMNI-CHANNEL STRATEGY

March 2014

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Report Highlights

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B2B and B2C organizations share objectives when driving their omni-channel CEM programs.

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Seamless integration between contact center activities and omni-channel efforts maximizes results.

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Agents spend 14% of their time querying multiple screens on their desktop to find information needed to help customers.

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Ninety-nine percent (99%) of companies use two or more channels to engage their customers.

This report will outline the business value and best practices of integrating the contact center with omni-channel programs in order to deliver a seamless customer experience across multiple touch-points.

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Integrating the contact center within omni-channel programs helps companies reduce unnecessary costs.

Definition: Omni-channel CEM

For the purposes of this research, Aberdeen uses the term "omni-channel CEM" to define strategic customer engagement initiatives designed to deliver seamless customer experiences across multiple channels (e.g., phone, social media, web, mobile, and email) and devices (in-store, laptop, and smart phone). The end goal of these programs is to ensure that the context and experience from each channel and device carries over to the next touch-points to ensure consistency of conversations via multiple touch-points.

Aberdeen defines CEM as a continuum of business activities across multiple touch-points (channels and devices) that are executed on an enterprise level to manage business activities across the entire customer lifecycle.

Customer expectations and behavior are evolving at lightning speed. While social media channels such as Facebook and Twitter are widely used by consumers to access and share information that influences purchase and loyalty decisions, neither social media portal existed up until the past decade (2004). Furthermore, the use of these channels just five years ago was much lower than today. These changes reflect the notion of empowered customers, a drastic change in buyer behavior over the past several years. "Empowered customers" refers to the existing or target clientele that know more about the company products and services than ever before, and can communicate this with a wide audience rather easily. This is facilitated by their ability to access a wealth of insights through the use of social media portals and tools such as smartphones and tablets.

Businesses closely monitor this trend, and rapidly reshape their own activities through omni-channel CEM programs (see sidebar for definition) in order to stay relevant in the eyes of empowered consumers. In fact, findings from Aberdeen's March 2014 study, _State of the CEM Market 2014: It's All About Better Use of Customer Data,_ shows that one out of two businesses use nine channels to listen to and engage with their customers. As the first touch-point that buyers often resort to for addressing any product / service issues, the contact center plays a critical role in omni-channel CEM programs.

Use of Omni-Channel CEM Programs is Non-Negotiable

Adopting omni-channel programs is not an overnight strategy; it's a response to enhance the existing CEM programs by better aligning them with consumer needs. Table 1, below, shows the top goals companies (both business-to-business and business-to-consumer) look to attain through their omni-channel CEM efforts.

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Table I: What Drives the CEM Executive's Agenda?

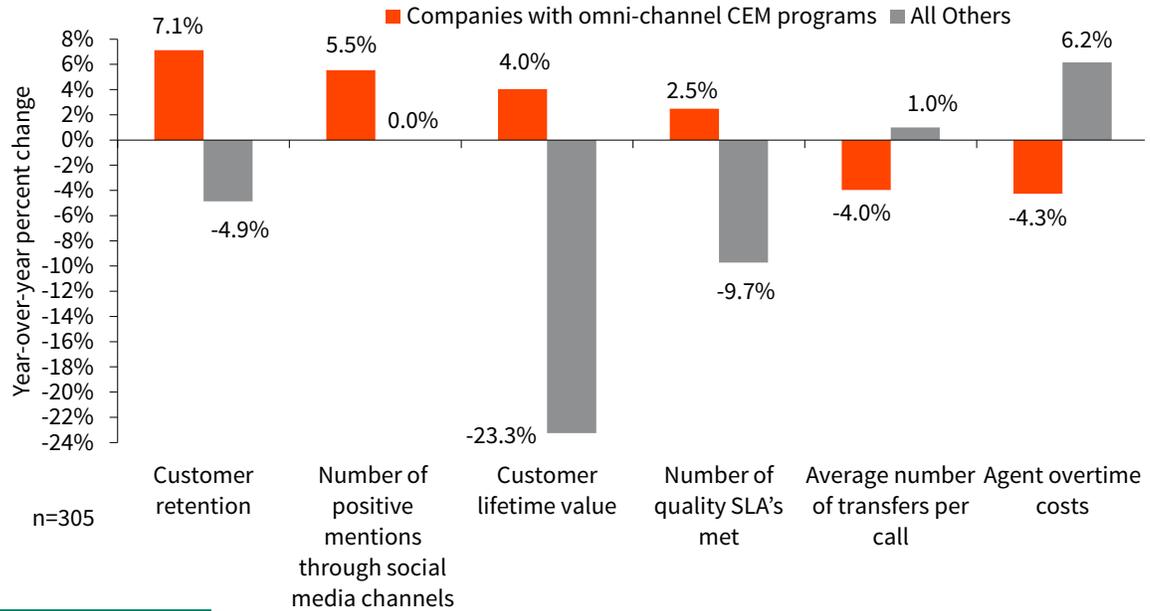| Top Goals Driving CEM Programs	B2B Companies	B2C Companies
Improve customer satisfaction	92%	89%
Retain existing customers	90%	88%
Increase top-line revenue	83%	82%
Increase brand awareness and loyalty	73%	75%
Increase number of net-new customers	72%	68%
Improve employee efficiency in customer interactions	71%	77%
Lower cost of customer turnover	59%	71%

Source: Aberdeen Group, March 2014

While the dynamics of their respective industries vary, B2B and B2C organizations share the same top objectives when it comes to their omni-channel CEM programs. They follow a two-pronged approach to delight customers (improving customer satisfaction and retention rates) and drive incremental revenue to top-line results. In other words, they are laser-focused on creating profitable customer experiences.

Figure 1, below, validates the importance of adopting an omni-channel strategy to drive profitable customer experiences. Businesses that ensure delivery of a seamless consumer experience across multiple touch-points enjoy a 7.1% increase in customer retention rates, compared to 4.9% annual erosion of the customer base within other firms. In addition to retaining more of their customer base each year, omni-channel CEM users also improve the lifetime value of these buyers by 4.0% annually, compared to a 23.3% decline in client value across other organizations. Growth in this latter metric indicates success in driving additional top-line revenue for the business.

Businesses that ensure delivery of a seamless customer experience across multiple touch-points enjoy a 7.1% increase in customer retention rates

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Figure 1: Omni-Channel CEM Programs Deliver Results

■ Companies with omni-channel CEM programs ■ All Others

Year-over-year percent change

- Customer retention: 7.1% / -4.9%
- Number of positive mentions through social media channels: 5.5% / 0.0%
- Customer lifetime value: 4.0% / -23.3%
- Number of quality SLA's met: 2.5% / -9.7%
- Average number of transfers per call: -4.0% / 1.0%
- Agent overtime costs: -4.3% / 6.2%

n=305

Source: Aberdeen Group, March 2014

Businesses integrating contact center activities with omni-channel programs outperform All Others in growing customer lifetime value

Definition: Interactive Voice Response (IVR)

IVR systems allow customers to interact with a non-human system through voice or keypad on phones. Companies use IVR systems for multiple purposes, including routing, self-service and collections.

While the findings illustrated above should be a strong incentive for firms to establish or nurture omni-channel CEM programs, companies can advance these benefits further. The secret to maximizing success in driving profitable customer experiences resides in ensuring seamless integration between contact center activities and omni-channel efforts. The next section will highlight the business value of this endeavor.

Role of the Contact Center in Omni-Channel Initiatives

As depicted in Figure 1, companies with an omni-channel CEM program enjoy a 7.1% annual increase in customer retention rates. Businesses that integrate their contact center within their omni-channel activities enjoy even stronger performance, growing their client retention rates 9.0% annually, as shown in Figure 2.

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Figure 2: Contact Center must be Integrated Within Omni-channel Efforts

Source: Aberdeen Group, March 2014
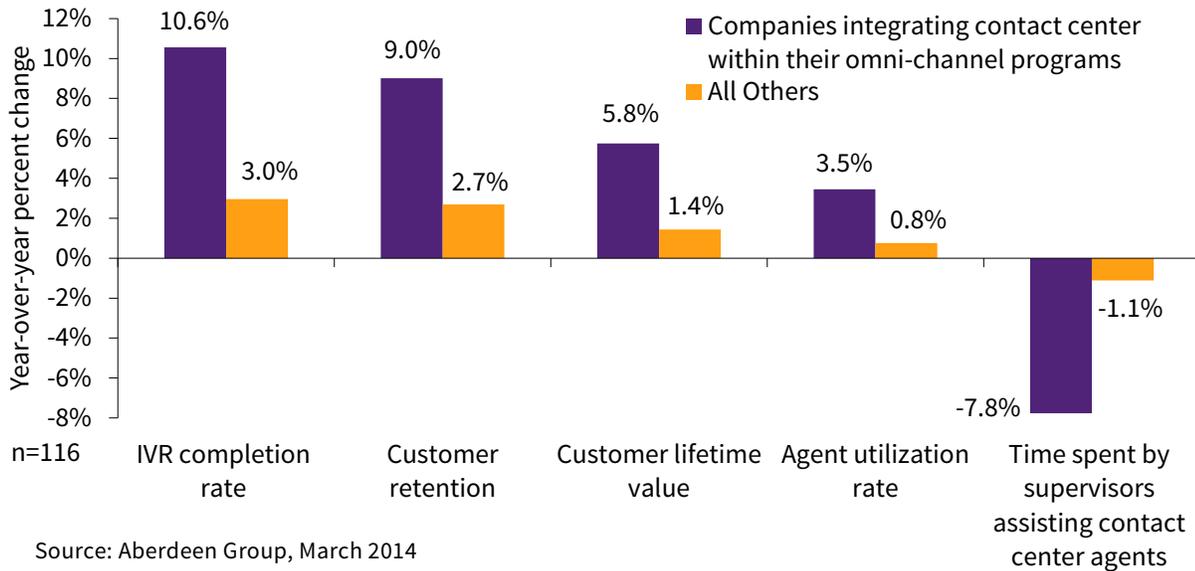
Furthermore, the integrators outperform All Others in growing customer lifetime value – a measure indicative of their ability to strengthen financial health through effective use of contact center programs as part of their broader CEM efforts.

In addition to helping firms enjoy additional revenue, integrating contact center within omni-channel programs also helps cut unnecessary costs. Companies with this integration in place enjoy far greater reduction in non-compliance frequency with external requirements, as well as supervisor time spent assisting contact center agents. By reducing the occurrence of both results year-over-year, companies enjoy incremental savings that boost their bottom-line results.

Best Practices in Integrating the Contact Center within Omni-Channel Programs

Integrating the contact center within omni-channel CEM programs is not an ad-hoc activity. It requires companies to implement a series of activities that helps them maximize

Integrating the contact center within omni-channel programs helps cut unnecessary costs

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Maturity Class Definitions

The following Key Performance Indicators (KPIs) were used to determine the Best-in-Class for Aberdeen's October 2013 *Omni-Channel Customer Care: Empowered Customers Demand a Seamless Experience* report:

- **Current customer retention rate** – Best-in-Class: 89% vs. All Others: 33%
- **Year-over-year improvement in annual company revenue** – Best-in-Class: 9.5% vs. All Others: 3.4%
- **Year-over-year improvement in first contact resolution rates** – Best-in-Class: 8.5% vs. Laggards: 1.6%
- **Year-over-year improvement (decrease) in average cost per customer contact** – Best-in-Class: 7.5% vs. Laggards: 0.2%

performance results – an attribute of Best-in-Class firms. The sidebar outlines how we've defined Best-in-Class organizations using omni-channel customer care programs, and illustrates their performance against other firms.

Figure 3 illustrates that activities aimed at empowering contact center agents with relevant and timely information are adopted more widely by top performers compared to All Others. These organizations are also far more likely to support the agent experience through the use of technology tools such as unified agent desktop. We'll discuss key technology enablers used by the Best-in-Class further in the next section.

Figure 3: Empower Your Agents with Relevant Knowledge

Percent of respondents, n=305
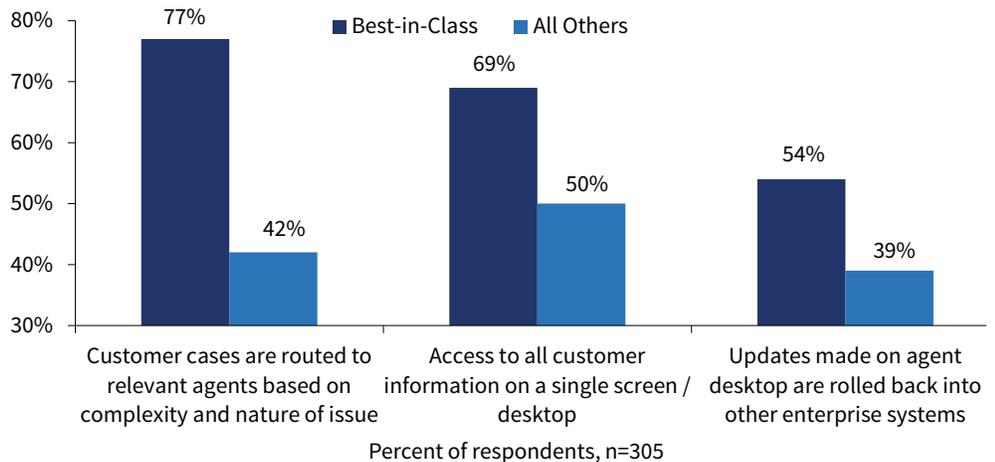
Source: Aberdeen Group, March 2014

As noted earlier, the top priorities driving both B2B and B2C companies to invest in omni-channel CEM programs are improving the customer experience and generating loyalty among current clientele. Delighting customers through the contact center requires companies to connect the right customer with the right agent – one who has the skills and knowledge to solve the particular issue (see more on this topic in the June 2013 *Workforce Optimization in the Contact Center:*

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Secrets to Improve Agent Performance report). The Best-in-Class are 83% more likely (77% vs. 42%) than All Others to have contextual routing capabilities (see sidebar) in place. This activity helps companies address customer needs through client channels of preference. For example, if the customer prefers to engage the business through a live chat session, they would be routed to an agent who can manage live chat interactions effectively.

Consistency in customer messaging is a key ingredient of omni-channel programs. However, establishing consistency is a daunting task when agents don't have visibility into prior customer interactions across different channels. For example, if the client is calling to check on the status of an online order past the expected delivery date, the agent would struggle to provide an accurate and timely answer without having visibility into the order management system through the agent desktop. Best-in-Class firms are 38% more likely (54% vs. 39%) than All Others to mitigate this risk by seamlessly integrating the agent desktop with other enterprise systems (e.g. CRM and ERP) that capture and store customer data.

Findings from Aberdeen's October 2013 _Next-Generation Agent Desktop: Address the Empowered Customer Trend with Happy Agents_ study reveals that, on average, agents use three screens during a typical interaction to access relevant data and address client needs. Respondents within this study indicated that their agents spend 14% of their time querying multiple screens on their desktop to find information needed to help customers. Assuming that a contact center has 200 agents scheduled to work at the same time and they cost the business $30,000 a year in salary and other expenses, **using 14% of these agents' time would cost the business approximately $840,000 each year** (200 x $30,000 x 14% = $840,000). Best-in-Class firms are 38%

Definition: Contextual Routing

For the purposes of this research, Aberdeen defines contextual routing as activities where companies capture the context of a customer contact (e.g. issue, prior contact and channel of interaction) using automated workflows to route each client to relevant agents who have the right skills and knowledge to solve those issues.

This capability differs from skills-based routing, as the latter primarily focuses on connecting customers with specific issues with agents that have the relevant skills to solve them. However, it doesn't factor additional context, such as if the customer has called before when routing to agents.
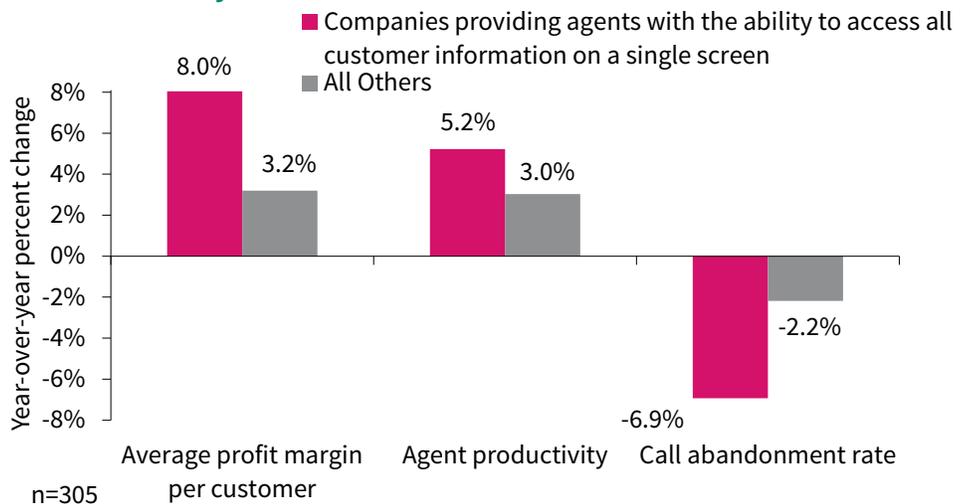
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"Our ability to conduct detailed analysis on the reasons driving customer contact provides us with enhanced visibility into the effectiveness of our contact center activities. We use these insights to constantly fine-tune our activities to improve customer satisfaction while reducing our costs."

~ Operations Analyst at the Customer Satisfaction Center of a Large Print Catalog and Online Retailer in the U.S.

more likely (69% vs. 50%) than All Others to empower their agents with technology tools such as unified agent desktop to reduce or overcome such unnecessary costs. Figure 4, below, shows that these businesses reap the rewards of streamlining the agent experience through use of technology.

Figure 4: Optimize the Agent Desktop for Greater Productivity

Source: Aberdeen Group, March 2014

Companies providing their agents with seamless access to relevant data reduce the customer churn costs associated with clients abandoning interactions (e.g. calls or chat sessions) and decrease unnecessary spend on agent salary expenses resulting from improvements in agent productivity. Furthermore, by helping agents with seamless access to relevant data, they better position cross-sell and up-sell offers based on client needs, resulting in 8.0% annual increase in customer profit margins.

Figure 5 shows additional activities Best-in-Class firms put in place to better integrate the contact center within their omni-channel programs. While providing agents with seamless access to client data is crucial to facilitate targeted cross-sell and up-sell offers, top performers go beyond that, empowering their

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agents to convert the contact center from a cost center into a profit center. Specifically, **all Best-in-Class companies provide their agents with detailed conversation guides (playbooks) to support them in their cross-sell and up-sell efforts.** For example, if a client contacts the business to check on the status of a recent online order and the agent determines that the consumer didn't purchase a warranty for the specific product, the guidebook would recommend that the agent suggest purchasing a warranty – while helping the shopper with their question on the status of their order.

Technology tools such as business intelligence help companies shed light on the unique impact of the contact center on omni-channel programs

Figure 5: Use Omni-Channel Insights to Deliver Personalized Care

Percent of respondents, n=305
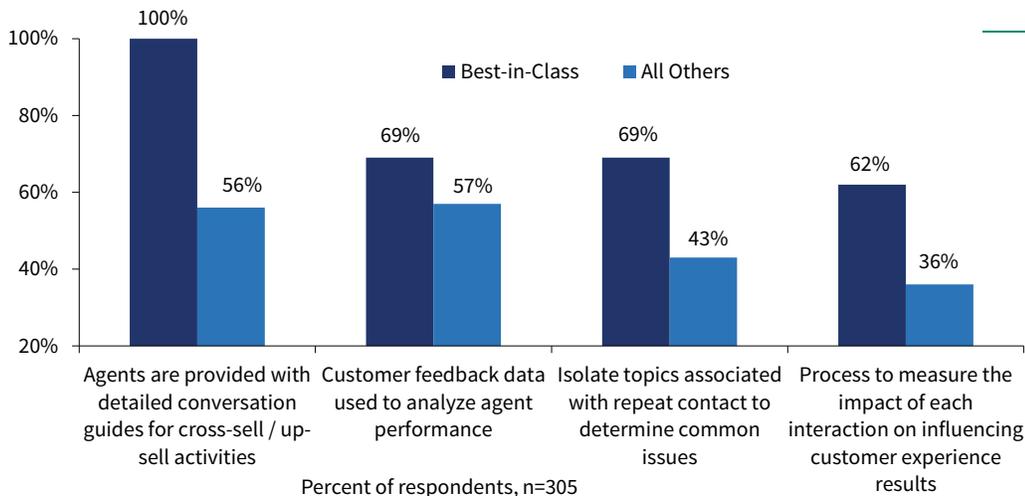
Source: Aberdeen Group, March 2014

One of the differentiating aspects of Best-in-Class omni-channel customer care programs is the focus on continuous performance improvements. This means that companies regularly capture a variety of data (e.g. marketing campaign performance, service resolution rates, customer feedback and shopper spend) in order to assess how each activity contributes to the omni-channel experience. Businesses that successfully integrate the contact center within omni-channel CEM programs are 72% more likely (62% vs. 36%) than All Others to have a formal process to identify

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how each interaction (including contact center activities) influences the customer behavior. By doing so, they can identify the unique impact each contact center interaction has on retaining a customer or increasing their lifetime value. Use of technology tools such as business intelligence helps companies shed light on the unique impact of the contact center on omni-channel programs.

Key Technology Enablers

Due to its very nature, contact center activities involve use of multiple technology systems. For example, a customer would need to access the company website to find a relevant phone number for support. They would call the number and connect with interactive voice response (IVR) systems designed to capture the reason for their call, which would then feed this insight into an automated call distribution (ACD) system to route the client to a relevant agent who can address the client needs. The agent would use a centralized agent desktop to access customer data, as well as other relevant systems (e.g. knowledge management) to access relevant product / service information to address the consumer needs. Meanwhile, a call recording system can be used to record this conversation in order to analyze this data through speech analytics tools. While the number of technologies and the combinations in which they can be used are many, this example shows that there is a wealth of technology tools available to manage contact center activities. Figure 6 shows those that are utilized more widely by the Best-in-Class, compared to All Others.

"In addition to helping our agents do their jobs better through a single screen, our desktop optimization activities allowed us to reduce the average time it takes to access and use contact center applications by 50%."
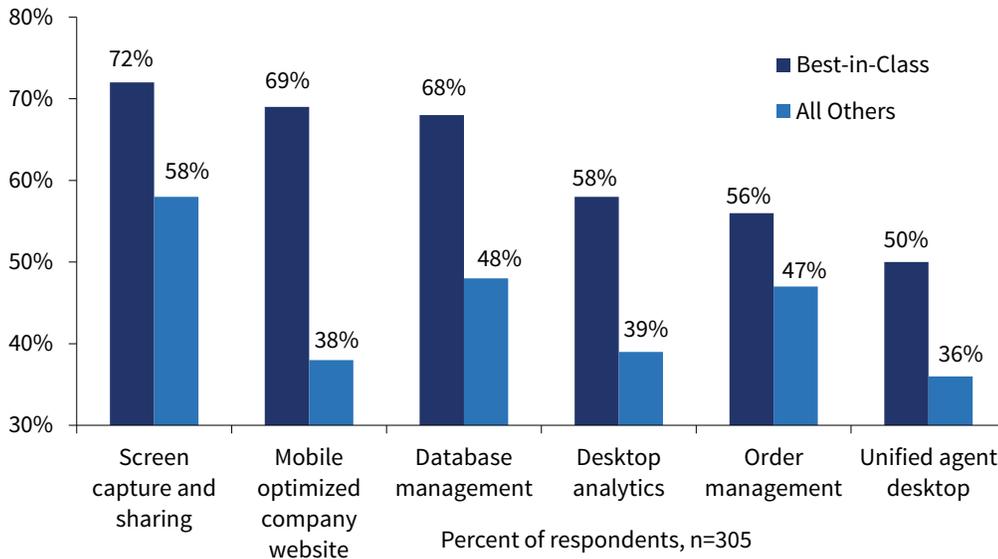
~ Customer Care Program Manager at Large UK Company

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Figure 6: Leverage Technology to Drive Ongoing Success

Percent of respondents, n=305

Source: Aberdeen Group, March 2014

As noted earlier, empowering agents with seamless access to omni-channel data and technology tools to enhance agent productivity are among the key factors that differentiate Best-in-Class firms from All Others. Use of technology tools such as unified agent desktop, screen capture and sharing, and desktop analytics, helps companies empower agents and unlock gains in productivity and performance.

Adding database management tools into the technology mix allows the Best-in-Class firms to enhance the quality of customer and operational data accessed and generated through the contact center as part of omni-channel programs. The use of this technology gains further importance when considering that only 6% of businesses within Aberdeen's March 2014 *State of the CEM Market 2014* study indicate that they are highly satisfied with the quality of customer data used within their omni-channel CEM activities.

Best-in-Class firms empower agents with seamless access to omni-channel data and technology tools to enhance agent productivity

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99% of companies are using two or more channels to interact with customers

Mobile devices (e.g. smartphones and tablets) are increasingly incorporated within shopping interactions, as consumers use these devices to access and share information influencing their purchase decisions. However, a poorly designed mobile website, or one that is not optimized for different mobile operating systems and screen sizes, hinders the user experience when consumers interact with the company mobile website. Furthermore, if the mobile website is not integrated with the contact center, it adds additional effort for the customer, where they would have to manually call the company and explain the nature of their issue to seek resolution. Companies that integrate the contact center with omni-channel efforts (in this case mobile website) provide clients with the ability to click-to-call or click-to-chat from the mobile website and automatically connect with a relevant agent, who has visibility into the path the consumer took within the mobile website. This helps them provide timely, personalized support without adding additional effort for the customer. Best-in-Class firms are 85% more likely to have this capability in place, compared to All Others. See Aberdeen's February 2014 _Mobile Customer Care: It's More than Hype_ research to learn more.

Recommendations

The dynamics of customer / company relationships continues to evolve at a rapid pace. The use of technology tools provides buyers with numerous ways to engage businesses for their product or service needs, and organizations are closely monitoring this change. In fact, Aberdeen's _State of the CEM Market 2014_ research shows that 99% of companies use two or more channels to interact with customers.

While adding multiple channels into the channel-mix is crucial to address the needs of today's buyers, the ability to deliver seamless messages across multiple touch-points is a key

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differentiator of Best-in-Class firms. Integrating the contact center within omni-channel programs is an important element to achieve this objective, as consumers typically turn to the contact center when they have issues with products and services. (Self-service interactions should be considered part of contact center programs as they focus on supporting client needs - a task primary driven by contact centers.) It's important, then, that the messages delivered as part of these contact center interactions are in alignment with other messages delivered earlier in the buying journey. Aberdeen recommends that companies adopt the following activities in order to better align omni-channel efforts with the Best-in-Class and incorporate the contact center as a key part of these efforts:

➔ **Don't look at omni-channel programs in silos.**
   Customer interactions span multiple stakeholders and touch-points in the business. Contact center activities should not be perceived as an after-thought designed to address client issues if and when they arise. Integrating the contact center as a key component of omni-channel programs helps companies reduce support costs, delight buyers and ultimately drive incremental revenue for the business.

➔ **Empower your agents.** Streamline internal data flows across different technology systems in order to provide your agents with a seamless view of omni-channel customer interaction history. Use technology tools such as a unified agent desktop in order to facilitate information access across different systems easily, resulting in productivity gains, reduced average handle time and increased first contact resolution rates.

➔ **Take a holistic look at performance management.**
   Omni-channel CEM programs involve multiple

components (e.g. channels, stakeholders and technologies). Assessing the performance of each pillar involved in those activities is crucial to understanding how they contribute to broader business objectives. In order to reap maximum rewards from integrating the contact center with omni-channel activities, companies need to assess contact center activity results as they impact the broader results across the customer journey. Use analytical tools to reveal these insights from the perspective of key metrics indicative of success for your business.

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For more information on omni-channel CEM, contact center or other related research topics, please visit http://aberdeen.com/_aberdeen/contact-center/CMAV/practice.aspx.

Related Research

State of the CEM Market 2014: It's All About Better Use of Customer Data; March 2014

Mobile Customer Care: It's More than Hype; February 2014

Big Data in the Contact Center; A Strategic Advantage; December 2013

Contact Center and CRM Integration: A Data-Driven Approach to Delight Customers; December 2013

Omni-Channel Customer Care: Empowered Customers Demand a Seamless Experience; October 2013

Contact Center Optimization: Use Data to Deliver Superior Customer Care; July 2013

The Rising Financial Impact of Customer Service; March 2013

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For 26 years, Aberdeen Group has published research that helps businesses worldwide improve performance. We identify Best-in-Class organizations by conducting primary research with industry practitioners. Our team of analysts derives fact-based, vendor-agnostic insights from a proprietary analytical framework independent of outside influence. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision making and improve business strategy.

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