

Multi-Channel Contact Center

Delight Customers where they Live

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Multi-Channel Contact Center: Delight Customers where they Live

Contact centers have long been key organizational stakeholders addressing customer needs, influencing their perceptions and word-of-mouth activity related to the company brand, products, and services. While its role in delighting customers is steadily growing, contact centers today are transforming to adapt to rapidly changing customer behavior. The past decade has brought significant technological advancements (i.e. mobile applications) altering customer behavior by empowering them with additional tools and resources they can use to make purchase decisions. Businesses are aware of this change, and focus on listening and engaging customers where they live – across multiple channels.

Between March and August of 2012, Aberdeen surveyed 487 contact-center executives regarding the most critical factors involved in their customer care programs. Findings from this research show that **more than half of all contact centers today are using six channels to interact with customers** (see sidebar). This Aberdeen Analyst Insight will reveal the business impact of multi-channel contact center programs (see sidebar), and demonstrate numerous best practices and technologies that help companies successfully utilize multiple channels to listen and engage their customers.

The Business Value of Multi-Channel Contact Centers

Research shows that businesses following a multi-channel customer care strategy achieve more than twice greater (9.7% vs. 3.9%) year-over-year improvement in customer satisfaction, compared to peers using only a single channel. While this validates the impact of multi-channel contact centers on delivering customer delight, it doesn't mean that simply adding additional channels to existing contact center programs will help businesses improve their performance results. Driving incremental performance gains through multi-channel contact center initiatives requires businesses to adopt a series of Best-in-Class practices. Table I illustrates the performance results enjoyed by contact centers adopting these best practices.

Table I: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> • 83% first contact resolution rate • 19.8% average year-over-year improvement in customer satisfaction • 4.7% average year-over-year improvement (decrease) in average cost per customer contact

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

Channel Adoption

Research shows that the following channels (listed by percentage of companies currently using) are used at least by half of all businesses to deliver customer care:

- ✓ Phone: 98%
- ✓ Email: 96%
- ✓ Web: 90%
- ✓ IVR: 76%
- ✓ Mail / fax: 76%
- ✓ Social media: 55%

Definition: Multi-Channel Contact Center

For the purposes of this study, Aberdeen defines "multi-channel contact center" as a term used to identify businesses delivering customer care programs across two or more channels (e.g. phone, live chat, social media and email).

Definition of Maturity Class	Mean Class Performance
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> • 51% first contact resolution rate • 7.3% average year-over-year improvement in customer satisfaction • 0.4% average year-over-year improvement (decrease) in average cost per customer contact
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> • 29% first contact resolution rate • 1.2% average year-over-year improvement in customer satisfaction • 0.2% average year-over-year worsening (<u>increase</u>) in average cost per customer contact

Source: Aberdeen Group, August 2012

The above table demonstrates the three performance metrics used to study how Best-in-Class multi-channel contact centers differentiate themselves from Industry Average and Laggards. The next section will provide an analysis of the key activities and technologies utilized by these top performing businesses.

Building Blocks of Best-in-Class Multi-Channel Contact Center Programs

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily multi-channel contact center operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing contact center data and exposing it to key stakeholders); (4) **technology** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business). These characteristics (identified in Table 2) serve as a guideline for best practices in multi-channel contact center programs, and correlate directly with Best-in-Class performance across the key metrics depicted in Table 1.

Table 2: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Agents are provided with the training and tools needed to be able to respond to customer support inquiries through multiple channels		
	72%	61%	50%
Organization	Organizational focus on ensuring contact center activities are in compliance with industry regulations		

Defining Metrics

The definition of each performance criteria in Table 1 is as follows:

- √ **First contact resolution rate:** The percentage of customer interactions where a customer request is properly addressed by the contact center without a need for repeat customer contact.
- √ **Customer satisfaction:** Year-over-year change in satisfaction of a company's customers. There are multiple ways to measure this metric, but as this measure is reported only on a year-over-year basis, it is agnostic towards the different approaches used to measure customer satisfaction.
- √ **Average cost per customer contact:** Year-over-year change in the average organizational cost incurred per each customer interaction.

	Best-in-Class	Average	Laggards	
	84%	75%	61%	
	Ability to provide agents with real-time recommendations to handle customer interactions across multiple channels			
	50%	43%	33%	
Knowledge	Detailed customer transactional information is available for the agent to help personalize each interaction			
	66%	56%	39%	
	Contact center information is extended to non-contact center staff (e.g. marketing and billing)			
	58%	48%	32%	
Enabling Technologies	<ul style="list-style-type: none"> • 75% Automated customer contact distribution • 70% VoIP • 56% Contact center analytics • 27% Text analytics 	<ul style="list-style-type: none"> ▪ 56% Automated customer contact distribution ▪ 60% VoIP ▪ 47% Contact center analytics ▪ 11% Text analytics 	<ul style="list-style-type: none"> ▪ 48% Automated customer contact distribution ▪ 48% VoIP ▪ 32% Contact center analytics ▪ 7% Text analytics 	
	Analysis of the overall cost / benefit of each channel used within multi-channel contact center programs			
	Performance	55%	42%	32%

Source: Aberdeen Group, August 2012

Process

As noted above, more than half of all contact centers today are using at least six channels to listen and engage their customers. However, how effective are they in utilizing each channel to deliver customer delight? Data indicates that top performing companies are 44% more likely (72% vs. 50%) than their peers to **provide agents with the training and tools needed to successfully use each channel** (i.e. social media). Companies providing this capability integrate multiple channels within the agent desktop, enabling their contact center agents to seamlessly handle multi-channel customer interactions without spending unnecessary time logging into different systems dedicated to managing separate channel activities.

In addition to empowering agents with the necessary tools and training to use multiple channels, another important activity that helps companies develop a long-term transformation plan is their agent hiring practices. Aberdeen's June 2012 [Workforce Management in the Contact Center: Optimizing Agent Scheduling and Productivity to Improve Customer Experience Results](#) study shows that multi-channel contact centers are 3-times more likely (33% vs. 11%) to use technical skills as a part of their agent hiring criteria, compared to their peers using a single channel to engage customers. This reflects their dedication towards building a talent pipeline of

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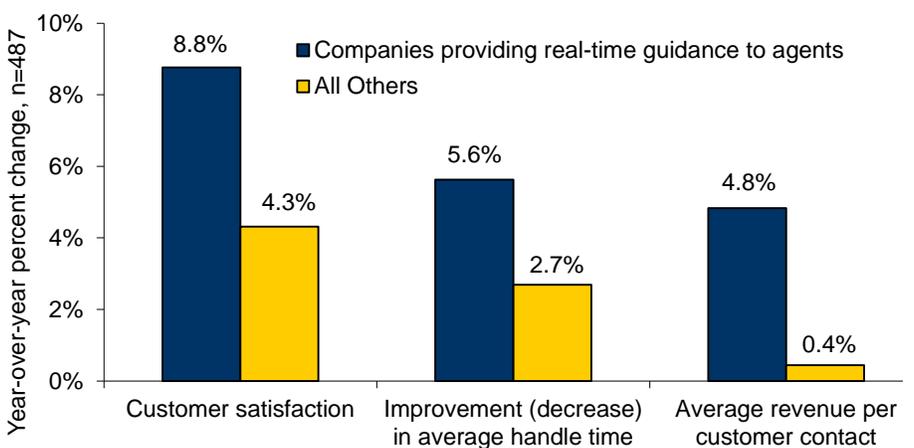
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agents who possess necessary skills to use new technologies and tools as a part of their business activities.

Organizational

Empowering agents with the ability to use their desktop to handle customer interactions across multiple channels provides companies with additional opportunities to improve their performance results. One such opportunity is real-time next best action guidance – this activity uses information input / displayed on agent desktop to **provide agents with recommendations to better serve customers across numerous channels**. For example, a customer seeking support through the company website might be routed to an agent. Based on the nature of customer inquiry, recommendations would be displayed on the agent screen to address the request through the agent desktop without logging into separate systems. These recommendations can be tailored regularly based on organizations' existing products, services, and customer-base. This capability is particularly useful for organizations where agents lack the necessary skills and knowledge to effectively use new channels to engage customers. Aberdeen's October 2012 [Agent Desktop Optimization: Agents can Finally Focus on the Customer](#) study shows that companies with this capability are 56% more likely (39% vs. 25%) to improve agent productivity year-over-year, compared to those that don't. Figure 1 demonstrates additional performance findings companies with this capability enjoy.

Figure 1: Actionable Real-time Agent Guidance Improves Customer Satisfaction



Source: Aberdeen Group, August 2012

Ensuring regulatory compliance is a critical activity closely observed by successful contact centers. In fact, 84% of the Best-in-Class indicate that they have a **formal policy to ensure that contact center activities are in compliance with industry regulations** such as [PCI DSS](#). As companies add additional channels to their existing customer interactions, it's crucial to ensure that activities across these channels are closely

Tip: Social Compliance

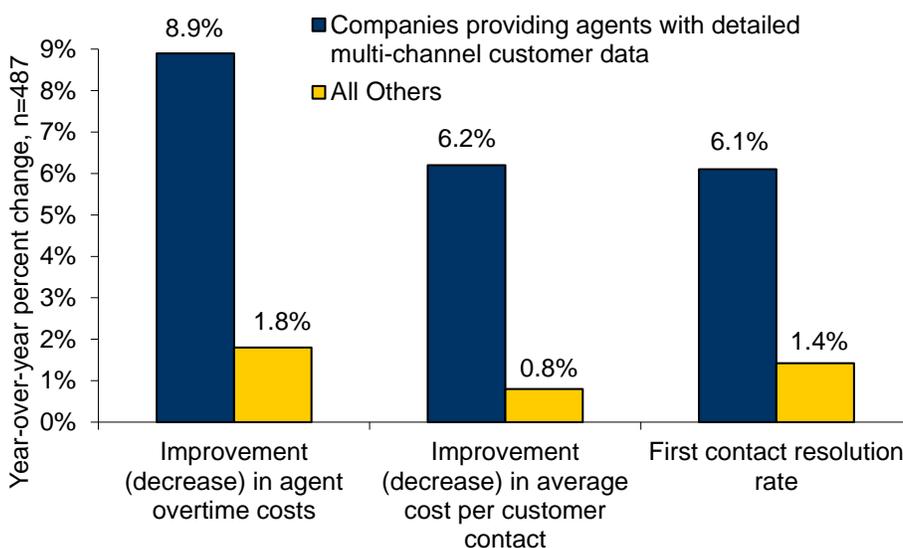
- ✓ If you are currently using social media or planning to use it as a part of your customer care activities, do you have a social compliance program in place? If the answer is no, then you might risk your brand image and furthermore, can face litigation if you are sending the wrong messages across social media portals.
- ✓ Social compliance programs can help your business reduce the risks noted above. Social compliance is a set of business activities that allow organizations to monitor inbound and outbound social media content, analyze them and finally archive, allowing companies to preserve an audit trail which would serve as an evidence to ensure governance. Read Aberdeen's February 2012 [Social Compliance: Protect Brand Equity and Ensure Governance](#) to learn how you can implement a social compliance program.

monitored to observe industry regulations. For example, a company that might add live chat as a new channel to collect credit card information for payment purposes should carefully evaluate if its new processes are in compliance with PCI standards that regulate the collection, storage and use of personal information (i.e. payment card). Failure to adopt this key activity would place businesses under substantial risk of litigation as well as losing hard-earned customer trust and loyalty.

Knowledge Management

When asked about the top goal driving their contact center activities, 83% of businesses using multi-channel contact center programs cited improving customer experience results and consistency. Success in delighting customers requires businesses to have a keen understanding of the specific needs of each customer. Multi-channel contact center programs provide companies with a unique opportunity to gain a deeper-level of understanding of their customers by accessing a wealth of external information on their activities and feedback. For example, companies can use social media monitoring tools to filter social conversations based on certain keywords, including their company name, products, services, etc. They would then integrate this information within their internal systems to enhance their view of customer behavioral data, which helps agents personalize each interaction based on customers' needs and historical activity. Top performing businesses are 69% more likely (66% vs. 39%) than Laggards to utilize this capability. Figure 2 demonstrates the performance results achieved by companies that **support agents with multi-channel customer interaction data**.

Figure 2: Empowering Agents with Multi-Channel Insights Improves Business Results



Source: Aberdeen Group, August 2012

The value of customer data is not confined within the limits of the contact center. Other organizational stakeholders (e.g. marketing, sales and billing) also benefit from timely and relevant customer information. As such, in addition to monitoring multiple channels to capture customer intelligence, the Best-in-Class also **extend contact center information to non-contact center staff** to support them with business-actionable insights that can help them do their jobs better. Data affirms the value of this collaborative process: companies pursuing such synergistic relationships achieve more than twice greater year-over-year increase (8.9% vs. 4.3%) in annual company revenue, compared to businesses where contact center and non-contact center staff are working in separate silos and are not sharing information pertinent to their multi-channel activities.

Performance Management

Findings revealed thus far present a strong business case regarding the value of multi-channel contact centers. However, it's important to note that simply adding additional channels to the existing customer interaction channel-mix is not adequate to drive Best-in-Class performance. Success in multi-channel customer care programs requires businesses to **determine the most relevant channels to listen and engage their customers** – this information can be gleaned through customer feedback. Tools such as online surveys, phone surveys and IVR surveys can be used to capture intelligence that can help companies understand the channels customers use most frequently to access and request information to address their needs – see sidebar.

In addition to determining the relevancy of each channel, success in deploying multi-channel contact center programs also requires businesses to **optimize the business impact/results associated with each channel**. While relevancy can be determined through customer feedback, channel effectiveness can be measured by assessing the overall cost and benefit of each channel. This measurement can be conducted by identifying the overall costs associated with delivering customer care through a specific channel (e.g. social media and live chat) and using historical data on customer care costs to determine the incremental impact of how each channel contributes in reducing customer contact costs and customer turnover. Best-in-Class multi-channel contact centers are 72% more likely (55% vs. 32%) than their peers to adopt this process, and drill-down on the overall impact of each channel used as a part of their contact center activities. Companies can use contact center analytics tools to analyze historical and recent channel performance data to determine specific trends and correlations. This technology will be further discussed below within the “Technology Enablers” section.

Fast Fact

Research shows that Best-in-Class multi-channel contact centers have 26% wider adoption (49% vs. 39%) of customer feedback management tools (i.e. IVR surveys) to glean intelligence on customer preferences regarding the channels they'd like to use to engage businesses.

Case Study – WEX Inc.

WEX Inc. is a leading international provider of physical, digital, and virtual corporate card payment solutions. Over the past 10 years, the company has seen a fundamental change in its customer care activities. Customer interactions taking place through paper, mail, and fax have dwindled to a minor portion of the company's business activities. This change was matched by substantial growth in online customer care activities. "As a business, one of our core objectives is ensuring delivery of timely and effective customer support to our clients. As customers became more tech savvy we determined that the best way to meet their evolving needs was to leverage the web. We added web based self-service tools and launched an active campaign to educate customers on their use. More recently we've added mobile capabilities as part of our multi-channel service strategy, which includes phone, IVR, email, mail and fax," says Jamie Morin, Senior Vice President of Client Operations at WEX.

At the same time the company evolved their service channels, the size of the overall business has grown dramatically. "In 1997 when I joined the company we had just over 1 million fleet cards in the market, and that was our only product line. Today there are more than 5.5 million fleet cards in the market here in the U.S. and we have substantial virtual card and prepaid card product lines as well. Despite this growth, the number of seats within its contact center have remained about the same," says Morin. Furthermore, WEX has experienced a slight decline in its volume of phone interactions. When added together, these changes indicate that the company was able to successfully handle the growing volume of customer care requests without incurring additional staffing expenses to grow its contact center. Commenting on the reasons why WEX has been able to continuously delight a growing customer base without adding substantial expenses, Morin explains, "We're focused on trying to make it easy to do business with us. We've discovered that when we do this the results are often highly scalable customer support systems. This added scale allows experienced service staff to focus on more complex customer needs. It's a win win."

In order to ensure they're using the optimal mix of channels to engage customers the company regularly surveys its customers to capture crucial information on satisfiers, dissatisfiers, perceived value for the money, and channel preferences. Additionally, two years ago they installed speech analytics tools to analyze day to day interactions with customers.

continued

Case Study – WEX Inc.

This combined with regular lead user focus groups helps the business stay close to customer sentiment and monitor how changes in products or services impact customer behavior and satisfaction. This information allows the company to proactively adjust to changing customer and business needs.

Another key activity supporting the multi-channel customer care activities of WEX is getting agents access to the right information quickly and easily. Like many companies WEX has a variety of back end systems that agents need to navigate to address customer needs. The company recently implemented a single user interface to access support systems providing much of the required information in a single consolidated view. Additionally, the company is piloting a knowledge management system to empower agents with timely and relevant insights needed to serve customers across different channels. Multi-channel customer support strategies have proven their success for WEX. In addition to helping the company consistently create positive customer experiences, it has enabled the firm to improve its agent utilization by providing customers with the ability to address their own needs through online self-service portals and mobile apps instead of connecting to a live agent. The next step in the company's multi-channel contact center initiative is to implement business processes to ensure consistency in customer interactions taking place across multiple channels.

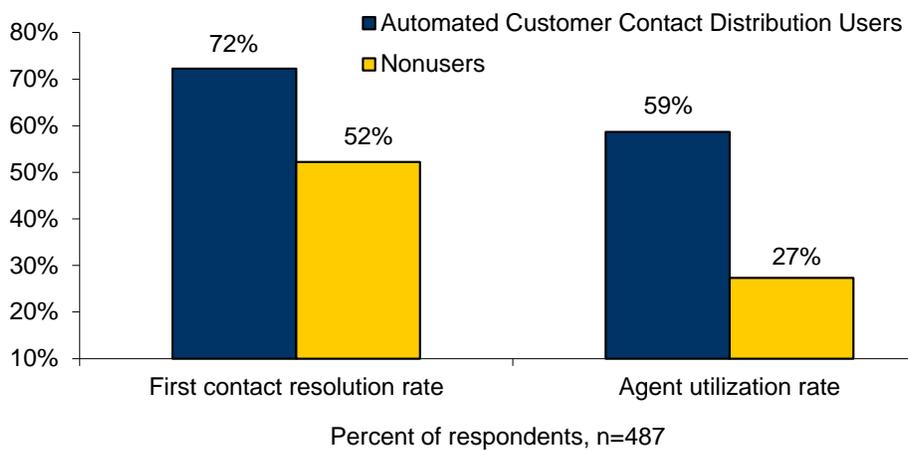
Technology Enablers

When it comes to leveraging technology tools to support multi-channel contact center activities, Best-in-Class companies utilize a variety of enablers:

- **Automated customer contact distribution:** This technology primarily leverages the capabilities provided by automated call distribution (ACD) tools, and adds next-generation contact center capabilities. While 98% of contact centers use phone interactions as a part of their business activities, more than half of all contact centers are using at least five additional channels such as social media and company website to deliver customer care. This means that simply focusing on connecting the right customer with the right agent through the phone is no longer adequate. Automated customer contact distribution tools allow companies to assign each multi-channel customer contact to agents who have the right knowledge and skills to handle customer requests through specific channels. It also helps businesses streamline their unified agent desktop technology deployment by enabling back-end integration and management of multi-channel customer contacts that will ultimately be handled through the agent desktop. In addition to the

clear benefits highlighted above, Figure 3 illustrates that users of this technology also enjoy stronger performance in key measures such as first contact resolution and agent utilization rates.

Figure 3: The Value of “Smart Routing” for Multi-Channel Contact Centers



Source: Aberdeen Group, August 2012

- **VoIP:** Best-in-Class use VoIP (voice over Internet Protocol) technology 46% more widely (70% vs. 48%) than Laggard businesses. This technology is generally perceived as an enabler helping companies digitalize analog voice signals; however it provides additional far-reaching benefits to businesses. As noted above, 98% of businesses use phone as a part of their contact center activities. Digitalizing customer communications within these businesses also allows them to integrate phone interactions with other multi-channel customer communications such as short message service (SMS). This integration can be done by storing the digital footprint of each multi-channel customer interaction within enterprise systems capturing and storing customer and contact center data. As a result, VoIP is a key enabler helping businesses establish a 360-degree view of customer interaction history across different channels.
- **Contact center analytics:** This technology refers to applying business intelligence tools to analyze contact center data for trends, patterns, correlations, and causation relationships. From the perspective of multi-channel contact centers, it reveals crucial insights such as which particular channels are more effective in delivering customer care and the key factors influencing costs and customer traffic volume across each channel. Aberdeen’s July 2012 [*Contact Center Analytics: How the Best-in-Class Reduce Operational Costs through Contact Center Data*](#) study shows that contact center analytics users enjoy 7.8% year-over-year improvement (decrease) in average cost per customer contact, compared to 0.9%

“By incorporating analytics within our contact center activities we can now tie individual agent performance to key measures that impact our business, and use this information as a part of our rewards and recognition program for contact center agents.”

~ Dale Hunter, Operations Manager, General Electric

improvement by non-users. Best-in-Class firms are 75% more likely (56% vs. 32%) than their peers to use this technology as a part of their multi-channel contact center initiatives.

- **Text analytics:** While contact center analytics tools help companies analyze structured customer and contact center data, the introduction of additional channels causes businesses to struggle with unstructured data (e.g., agent notes, social media activity, etc.) Text analytics tools help companies alleviate the challenges associated with analyzing unstructured information, and unlocks hidden insights that can significantly bolster companies' ability to improve their contact center activities and delight customers in a personalized fashion. Indeed, Aberdeen's January 2012 [*Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight*](#) research shows that text analytics users achieve far greater year-over-year improvement (7.2% vs. 1.4%) in customer satisfaction results, compared to non-users. This is primarily a result of their ability to successfully leverage unstructured data to listen and engage customers across multiple channels.

Recommendations

Whether a company is trying to improve its performance in multi-channel contact center programs from Laggard to Industry Average, Industry Average to Best-in-Class or maintain Best-in-Class results, the following actions will help spur the necessary performance improvements:

- **Provide your agents with the tools and training needed to effectively manage multi-channel customer interactions.** Research shows that one of the top challenges faced by 41% of multi-channel contact centers is disparate applications used to manage customer care activities across different channels. This results in agents utilizing multiple systems in order to accomplish their goals. Providing agents with training on how to effectively use these tools as well as integrating multi-channel systems harmoniously would help contact centers improve agent productivity by reducing use of disparate applications. It would also help deliver consistent cross-channel messages by ensuring that agents can access historical customer activity through their desktop. Data indicates that companies with this capability are 56% more likely (25% vs. 16%) to decrease their customer care costs, compared to those that are not using it. If your business is using at least two channels to deliver customer care and if you are not helping your agents with relevant training and tools to do their jobs better, implementing this process would help them become more productive and reduce your overall contact center costs.
- **Marry multi-channel customer data with your internal data to establish a cross-channel 360-degree customer.** Despite the benefits outlined above, delivering multi-channel customer care

Demographics

Of the 487 responding organizations, demographics include the following:

- **Job title:** Senior Management (20%); EVP / SVP / VP (12%); Director (18%); Manager (30%); Other (20%)
- **Department / function:** Contact Center (36%); IT (12%); Corporate Management (6%); Business Development / Sales (11%); Operations (9%); Other (26%)
- **Segment:** Telecommunications equipment & services (14%); Retail (13%); IT consulting/services (11%); Financial services (10%); Software (8%); Insurance (7%); Government/public sector (7%); Health/medical/dental devices & services (6%); Industrial equipment & product manufacturing (4%); Other (20%)
- **Geography:** Americas (66%); APAC region (10%) and EMEA (24%)
- **Company size:** Large enterprises (annual revenues above US \$1 billion)- 28%; midsize enterprises (annual revenues between \$50 million and \$1 billion)- 33%; and small businesses (annual revenues of \$50 million or less)- 39%
- **Number of seats:** Below 50 seats – 19%; 51 to 250 seats – 18%; 251 to 500 seats – 11%; Over 500 seats – 52%

is no easy task. Delighting today's customers requires businesses to understand the specific needs of each customer, and address them in a relevant and timely manner. Adding additional channels provides businesses with a wealth of information they can use to amend customer data stored in internal systems such as CRM and ERP. Technology tools such as social media monitoring, text analytics and database management help companies streamline this activity by gleaming crucial multi-channel insights, and integrating them within internal databases. Top performing multi-channel contact centers utilize these technologies as a key ingredient of their business activities. If your company is struggling with providing an accurate and timely picture of customer behavioral and feedback information to agents, this activity would help you address this challenge.

- **Leverage technology tools to optimize channel selection and usage.** Multi-channel contact center programs have several building blocks. A successful multi-channel contact center initiative involves capturing customer feedback to determine the most relevant channels, seamlessly integrating these channels to existing contact center activities on the back-end and continuously measuring their performance to ensure optimal performance results. Technology is a key enabler across each one of these activities. Survey instruments help companies listen to customer's voice / input to identify the channels they should use to interact with customers. Unified agent desktop tools help organizations empower agents with the ability to manage multi-channel customer interactions through their desktop. Finally, contact center analytics tools leverage business intelligence capabilities to enable companies with the ability to identify the effectiveness of each channel in improving customer satisfaction and reducing overall customer contact costs. Data shows that the adoption of these technologies is fairly well-spread across contact centers of varying sizes – small, mid-size and large. This indicates that adoption of these technologies is not determined by company size, but rather determined by an organization's focus on adopting best practices to achieve success through multi-channel contact center initiatives.

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

Related Research	
<i>Agent Desktop Optimization: Agents can Finally Focus on the Customer</i> ; October 2012	<i>Workforce Management in the Contact Center: Optimizing Agent Scheduling and Productivity to Improve Customer Experience Results</i> ; June 2012
<i>Virtual Contact Center Agents: Break the Boundaries</i> ; September 2012	<i>Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight</i> ; January 2012
<i>Speech Analytics: Listen to your Customers</i> ; September 2012	<i>Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential</i> ; September 2011
<i>Contact Center Analytics: How the Best-in-Class Reduce Operational Costs through Contact Center Data</i> ; July 2012	
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