The ROI of Improved Consumer Engagement

The case for modernizing your contact center to reach today's digital consumers, and *how the cloud can help.*

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INTRODUCTION

What does it cost to keep a customer? You might be surprised to learn that it's 6-7 times more expensive to attract a new customer than it is to sell to an existing one.[*] Maybe the question we should be asking ourselves is: What does it cost to keep a customer *happy?*

Today's consumers are returning most often to companies that deliver the kind of experiences that delight and inspire, that are personalized and intuitive, and that let consumers engage on their own terms, and in their own way. In short, consumers are reshaping what a modern customer contact experience looks like, and businesses are modernizing their capabilities to deliver the experience consumers expect. "Modern" doesn't just mean high-tech. It also means adopting a solution that is uniquely suited to adapt as your business needs change and opportunities arise. Fortunately, the capabilities of a modern contact center are now well within reach thanks to the ability to defray much of the up-front investment and free IT resources to focus on the core business.

Read on to learn how!

[*]White House Office of Consumer Affairs

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1. CONSUMER ENGAGEMENT MATTERS

As companies face tougher competition and feature parity, the customer experience has emerged as the new battleground for winning and keeping customers. And that translates to profitability. Forrester Research found that leaders in their Customer Experience Index (CXi) outperform the S&P by a factor of two.

Customers are Frustrated with Yesterday's Technology

Consumers are more mobile, social, empowered and impatient. They expect effortless service – and are more likely than ever to walk away from disappointing experiences, never to return.

Meet your customers where they are. Staying ahead of consumers' expectations has always been the most direct route to great customer service. The difference now is the speed at which those expectations are evolving. In 2014, over 68 percent of U.S. mobile devices in use were smartphones,[*] reflecting our growing preference for anytime access to data and connections. Consumers have an "always on" expectation for interactions that aren't satisfied by business' traditional nine-to-five hours of operation.

*Data from comScore MobiLens® and comScore Mobile Metrix® 2014 report

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They are also more self-reliant – turning to their social networks, peer groups, the web, mobile apps and other self-service options to get information and perform transactions fast.

However, it's no longer enough to simply offer multiple channels for consumer engagement. One of customers' biggest frustrations (68% of survey respondents*) is the need to repeat an issue numerous times before getting resolution. Delivering excellent service in the new "omni-channel" world hinges on the ability to provide a consistent experience across any channel and seamlessly transition between channels – both self-service and agent-assisted. This is not an unreasonable expectation when you consider that the smartphone itself is essentially a template for the omni-channel experience – the consumer's own unsiloed access to voice, chat, social, SMS, email, Internet and a wide range of other applications.

DID YOU KNOW?

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72% of customers surveyed have stopped doing business with a company because of a bad customer service experience.

Source: Aspect 2014 Customer Service Omnibus Survey

Among businesses in industries where products and costs are highly competitive, customer experience is emerging as the one true point of differentiation – and where you can best set yourself apart.

TIP

*Aspect 2014 Customer Service Omnibus Survey

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The Cost of a Bad Customer Experience

Poor customer service costs more than a tarnished reputation; it affects your company's bottom line.

Companies that fail to adapt will face consequences. It's easier than ever for consumers who feel inconvenienced or poorly treated to research alternate products and move their business to a competitor. Not to mention the fact that word-of-mouth remains the most trusted form of advertising, and in our hyper-connected world, word-of-mouth travels fast. It's estimated that consumers tell 21 friends[*] on average about a bad service experience. Imagine how much brand damage this kind of "sharing" can do on social media, where it's estimated that the average adult has 338 friends[†] on Facebook alone.

Your Key Takeaway?

You can't afford to ignore expectations for good service and an improved customer experience. Not even an aggressive pricing strategy is guaranteed to keep today's customers coming back. In fact, 86% of buyers say they are willing to pay more for a better customer experience.[‡]

TIP

In terms of the customer experience, you are not only competing with other businesses in your industry. If you are not technologically up to speed with anyone offering customer care, you are one of the laggards.

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2. MODERNIZING THE CONTACT CENTER IS CRITICAL

It's Not a Matter of If, But When

Failure to stay in front of customer needs and business requirements will cost you.

Lack of support for the capabilities, interaction channels and experiences today's consumers demand will result in a loss of customers and revenue. Additionally, aging technologies are more expensive to maintain, slow to scale and lack the agility to respond quickly to market opportunities. They also expose security weaknesses that put your business at risk.

Understand the Key Capabilies You Need
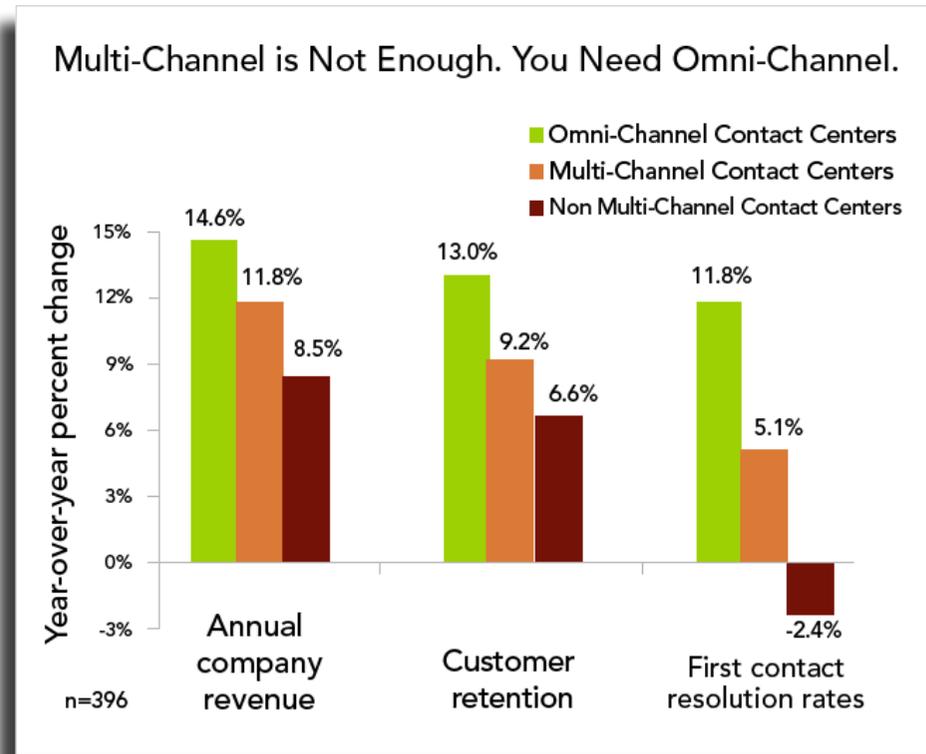
At the core of every modernized customer contact operation, you'll find these 6 capabilities:

1. Omni-Channel Engagement
2. Intelligent Self-Service
3. Consent-Based Outreach
4. Proactive Customer Care
5. Workforce Optimization
6. Advanced Call and Task Routing

Meeting new consumer expectations requires a modern, omni-channel consumer engagement solution.

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1. Omni-Channel Engagement

According to Aberdeen Group, businesses with an omni-channel strategy have reported a 55% annual improvement in number of customer complaints – meaning, omni-channel customer care results in happier customers.[*]

At the core of an omni-channel strategy is not only support for multiple channels, but the ability to enable seamless, integrated interactions across various agent-assisted and self-service touch points. The result of all these operations functioning seamlessly, which Aspect calls Experience Continuity, is to ensure that context is maintained when moving between channels. It not only reduced the age-old complaint of customers having to repeat themselves, but it elevates the quality of their experience by enabling personalization.

Multi-Channel is Not Enough. You Need Omni-Channel.

- Omni-Channel Contact Centers
- Multi-Channel Contact Centers
- Non Multi-Channel Contact Centers

Year-over-year percent change

Annual company revenue: 14.6%, 11.8%, 8.5%
Customer retention: 13.0%, 9.2%, 6.6%
First contact resolution rates: 11.8%, 5.1%, -2.4%

n=396

[*]Omni-Channel Contact Center: The Smarter Way to Engage with Customers, Aberdeen Group, November, 2014

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2. Intelligent Self-Service

Chances are, before a customer has even contacted your agent, he or she has made at least one attempt to resolve his or her issue through some method of self-service. For simple customer service tasks such as paying a bill or checking an account balance, 82% of survey respondents prefer a self-service option.*

Choose a "design once, deploy anywhere" self-service solution that supports omni-channel interaction across multiple touch points and is optimized for intuitive use by today's mobile customers. This kind of solution eliminates duplicate infrastructure investments, development work, maintenance and reporting while ensuring a better, more consistent user experience.

*Aspect 2014 Customer Service Omnibus Survey

3. Consent-Based Outreach

Just as consumers want the option to contact businesses on their terms and through the channels of their choice, they are also demanding the right to not be contacted. Regulatory guidelines established by the Telephone Consumer Protection Act (TCPA) governing how businesses are allowed to contact consumers on mobile devices have grown out of consumers' direct objections to unwanted communications. An important facet of the customer experience comes from knowing and respecting when consumers have given consent for proactive outbound contact, which safeguards the customer-company relationship and also helps businesses avoid potential fines that can result from violations, like those enforced by the Consumer Financial Protection Bureau (CFPB).

4. Proactive Customer Care

Your customers do want to hear from you when you have relevant and useful information to share. Proactive care takes into account the customer's preferred method of contact (voice, SMS, email) and the types of information he or she wishes to receive from your business. Smart, strategic outbound draws on business rules and CRM records to inform your customers of appointments, prescription refills, overdue payments and more – and enables them to interact with the automated system to take action or transfer to an agent for assistance.

5. Workforce Management

A comprehensive Workforce Optimization solution ensures you have the tools to maximize agent performance and productivity, including workforce planning and scheduling, surveying, coaching, eLearning and analytics. These capabilities not only optimize contact center operations, but also empower agents to deliver a better experience. In the two short years between 2012 and 2014, surveyed businesses became almost twice as likely to rank quality of customer interactions as the number one priority driving contact center WFO programs.[*]

*Contact Center Workforce Optimization: Secrets to Unlock Agent Productivity and Performance, Aberdeen Group, May 2014

6. Advanced Call & Task Routing

Providing great customer service depends on maximizing CRM systems, experience continuity data and customer-provided information to intelligently route inquiries. But once the customer interaction is finished, you need to quickly, consistently and completely deliver on the commitments your agents make. Research shows that companies with integrated back office activities enjoy a 97% greater annual improvement in customer satisfaction rates, compared to those with poor back office activities.[†]

Strong back office software allows managers and supervisors to rapidly adjust tasks and resources to ensure business objectives are met. The ability to capture work across any channel, including manual processes, lets you see how well the back office is delivering on what the front office promises.

[†]Aberdeen's October 2013 Advanced Case Management: Empower the Knowledge Worker study

DID YOU KNOW?

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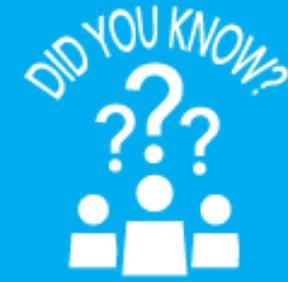
According to Aberdeen, businesses that lack a modern omni-channel customer engagement strategy are also twice as likely to incur increases in customer service costs, compared to those with such an approach in place.

Source: Omni-Channel Contact Center: The Smarter Way to Engage Customers, Aberdeen Group, November 2014.

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3. BALANCING COSTS WITH BENEFITS

Research shows that rising contact center operational costs are a top challenge impacting organizations' ability to deliver superior customer experiences. Companies must identify ways to reduce these costs while increasing revenue through improved customer satisfaction.

Despite clear evidence indicating that best-in-class businesses are more likely to invest in newer customer contact technologies than poorer-performing peers,[*] knowing where to invest and what systems will help you achieve the best return can be a challenge. Retrofitting, piecemeal upgrades, and complex workarounds are a short-term fix to a long-term problem. At the same time, upgrading and future proofing your contact center technology doesn't have to come with a complete business systems overhaul.

How Cloud and Hosted Solutions Can Help

Cloud solutions make it easier for businesses to deploy the technologies needed to efficiently engage and serve consumers – without upfront capital expenditures, ongoing maintenance fees or having to overprovision for failover, seasonal bursts or future needs.

[*]Omni-Channel Customer Care, Aberdeen Group, Oct. 2013

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A cloud contact center solution provides immediate access to new functionality as it is available – without expensive, time-consuming upgrades. It also enables you to deploy new applications in days rather than weeks or months. Finally, the cloud gives you access to modern systems that significantly ease changes, such as updates to network announcements, call menus and routing, and provides the agility and performance needed to quickly take advantage of opportunities, support new marketing campaigns and deliver targeted messages.

Hosted solutions offer many of the same benefits as SaaS cloud offerings while giving customers the option to deploy in a dedicated environment and more flexibility for complex integrations. Additionally, a combination of cloud or hosted and a premises solution can be used.

DID YOU KNOW?

According to Aberdeen Group, companies that deploy their contact center in the cloud enjoy 27% lower annual contact center costs compared to their peers. They are also far more likely than their counterparts using an on-premise model to experience improvement across several key measures such as company revenue, customer retention and profitability.

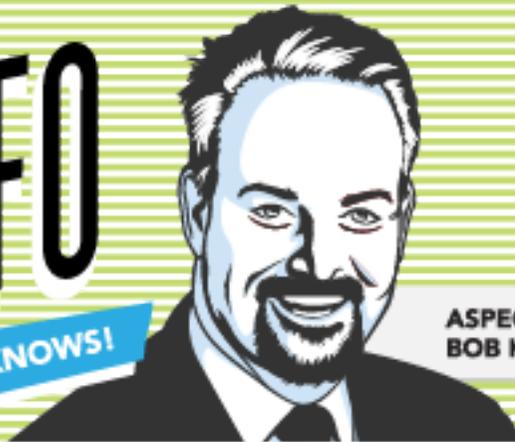Source: The Hidden ROI of a Cloud-Based Contact Center, Aberdeen Group, Jan. 2013.

TIP

Don't just go to the cloud to save money. Look at its ability to increase operational agility and access to functionality that improves the customer experience.

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ASK A CFO
HE KNOWS!

ASPECT CFO,
BOB KRAKAUER

APPENDIX:

CLOUD CONTACT CENTER FAQ

Understand if the cloud is right for you. Bob Krakauer, Aspect CFO, offers answers to some common cloud questions.

FAQ: **How does the move from a CAPEX model to an OPEX model impact financial planning?**

The migration of a company's software procurement from a capital expense to operating expense can better align cash flows to operational benefits that can be expected from a cloud solution. You no longer outlay all of your cash for software and hardware at the start of a project. The associated asset and future depreciation is removed from your balance sheet.

Traditionally, savings are measured in terms of operating expenses, but in a cloud or hosted model, you will need to also factor in savings from the costs you can avoid such as premises maintenance costs (which continue even after a system is paid for), IT infrastructure and staff savings, telecommunications cost remediation and costs related to upgrade and patch

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installations. These potential expenses are avoided in a cloud or hosted deployment.

IT infrastructure needs and technology advancement are becoming less and less predictable as the risk of technological obsolescence increases. An OPEX model can free capital that would otherwise be needed for IT CAPEX and enable mission critical objectives for IT. It also enables flexibility to scale with changing requirements.

FAQ: What factors should go into a contact center TCO analysis?

If you have an on-premises solution, think about all the costs, the obvious and hidden, not so obvious, of what you are spending now. Data center hardware, software integrations, real estate, utilities, staffing, ongoing maintenance and upgrades (not to mention disaster-recovery, vendor costs or losses due to unpredictable outages) can add up, especially if you need to keep high capacity available for seasonal spikes in traffic. Compare that capital burden to a predictable, recurring expense from your operating budget for a cloud solution. Based on the capacity you use, you can generally reduce risk and implement a future-proof solution at a lower overall total cost.

FAQ: How can a cloud solution increase our time to value?

SaaS-based cloud solutions offer on-demand capacity for businesses to innovate and respond quickly to new market opportunities, as well as make real-time updates in response to business demands. The model also enables new capabilities to be adopted as they become available and facilitates regular upgrades without concern for compatibility issues or regression testing. It's also important to consider how a cloud provider may be able to help you speed implementation through easier integration and packaged apps.

FAQ: **What costs are often not included in "pay-as-you-go" cloud pricing?**

You know you'll be paying for agent seats - but you should ensure there won't be hidden charges for product support, administrative fees for increasing capacity during seasonal traffic spikes, or expensive riders to ensure the uptime service level you need. Also, ensure you understand both inbound and outbound telco charges if you aren't bringing your own lines.

FAQ: **How can we position ourselves for innovation and competitive differentiation?**

A cloud solution can help you shift your focus and resources to managing your business – not a technology platform. Cloud infrastructure streamlines the process of developing, testing, deploying and refining new customer-facing communications applications. You also benefit from the cloud vendor's R&D team, whenever new features and functionality are added to the core product. Ask for their roadmap.

FAQ: **When does a cloud deployment model not make financial sense?**

Cloud deployments are generally scalable to any size implementation and can be delivered on secure, PCI-compliant networks, but nothing is one size fits all. Look for a vendor whose suite of products includes hybrid, hosted, managed and on-premises options in case a business case comes up for those during the discovery process.

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Are there additional deployment options that offer similar benefits to a SaaS cloud offering?

Yes. As mentioned previously, a SaaS solution may not be right for every company. Additionally, some companies will require a migration path as they "pivot" to the cloud. Hybrid, hosted and managed services are all alternative deployment models that also offer cost savings and operational efficiencies, while helping your company focus on and improve the customer experience.

LEARN MORE!

See what a difference a modernized contact center with the right technology and an empowered workforce can have on the customer experience, and on your bottom line!

Meet Your Financial Objectives While Positioning Your Contact Center for Long-Term Growth

With over 40 years experience helping businesses like yours build, innovate and evolve their contact centers, Aspect is now leading the way in helping you invest in stronger, more successful, modern, customer-company relationships that will lead to long-term loyalty, more referrals, and increased revenue.

Discover how the cloud can help you:

- Manage rising consumer expectations
- Keep pace with rapidly evolving technologies
- Balance your budget while increasing revenue

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