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OMNI CHANNEL CUSTOMER EXPERIENCE

Not An Option, But A Strategic Necessity

A White Paper by Frost & Sullivan

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INTRODUCTION

Globally companies lose over US$300 billion each year due to poor customer experience with more than two-third of this being spent with competing entities. Poor customer experience results in customer churn and leaves equally adverse effects on brand's reputation. It is a well-documented fact that it costs more to win a new customer than to keep one. While bad customer experience can negatively impact revenues, the good news is, delivering a positive customer experience can be the #1 way to differentiate a brand even if the competitors have greater market share and massive marketing budgets. In fact, by 2020, customer experience is projected to overtake price and product as a key brand differentiator.

# CUSTOMER BEHAVIOR/TECHNOLOGY
- SKYROCKETING CUSTOMER EXPECTATIONS

Over the years, customers have become more knowledgeable about the technologies they own, use, and access. They are also more anxious and demanding of companies when these applications, products, and tools do not work.

CUSTOMER ATTITUDE

Customers today want timely, personalized and easy access to services – anywhere, anytime, through any device. They expect their queries to be dealt with by an informed expert, irrespective of the channel they choose.

○ Faster delivery of services and first-contact resolution are imperative for increasingly busy customers. Over 71% of customers value timeliness as a key to excellent services. They also want the interactions to be contextualized and personalized.

○ Reducing customer effort in seeking services is in high demand. Customers expect organizations to make it easier for them to interact and do business with them.

○ Price is no longer the sole factor driving purchase decisions. While many companies focus on price, over 60% customers are willing to pay higher for good quality services.

○ Internet self-services are becoming more widespread as customers increasingly go online to resolve their queries and feel empowered.

○ Customers are helping other customers through various means such as forums, blogs, review sites, social media and chats. The number of users sharing their experiences via multiple channels are rapidly increasing and significantly influencing customers.

Figure 1: Shifting Preferences of Customer Channel Usage

| | Human Agent | Email | DTMF IVR | Speech IVR | Others | Web (all devices) |
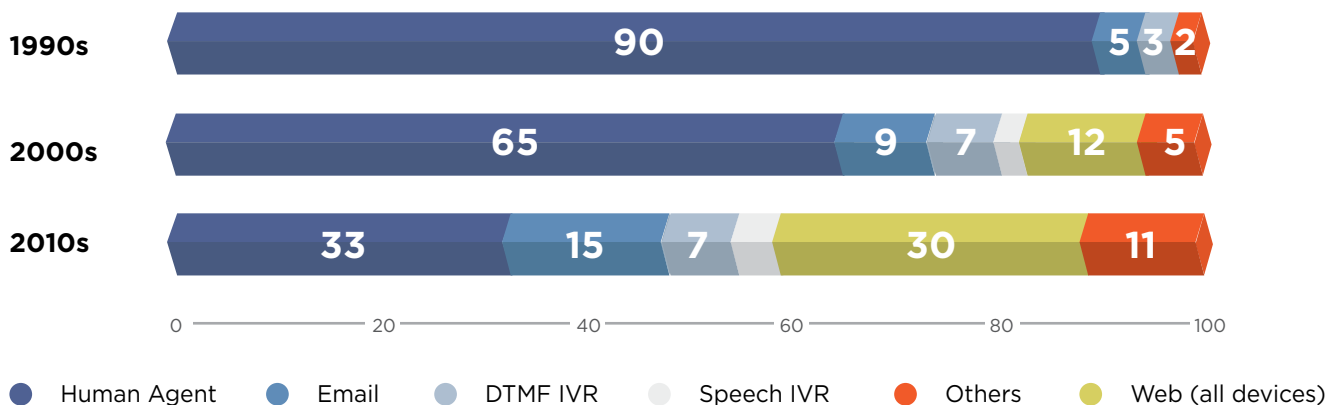
Source: Frost & Sullivan Global Customer Survey, 2014
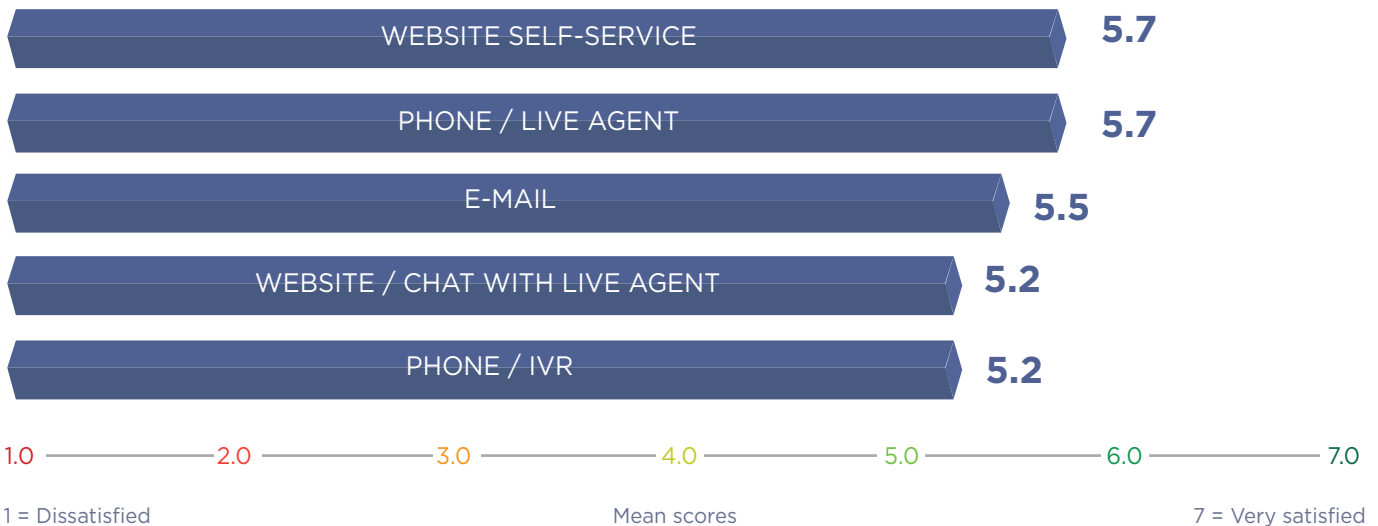
CUSTOMER TECHNOLOGY

Customers are embracing new technologies at a faster pace than the organizations serving and employing them. Today, mobile devices have become "unified interaction devices", combining communications and computing at affordable prices. Digitally empowered customers favor self-services, use social media extensively, and embrace multichannel contact. While the under-21 "GenZers" are setting the tone for a digital future, the older generation is not to be outdone either.

- The exploding popularity of smartphones and tablets is altering consumer behavior by offering on-the-go access to numerous channels, including voice, the web, SMS/text, social media sites and video chat. Global smartphone penetration soared over 50% of overall mobile ownership in the past year while penetration in the Asia-Pacific almost doubled (up from 25%) compared to the year before.

- Readily available connectivity is resulting in more customers managing their own customer relationships, reducing the influence and role of brands. Customers are increasingly sharing situational data, such as geotags and location information via their smartphones, in pursuit of better customer services.

- Customers use multiple devices including PCs/laptops, tablets and smartphones throughout the day to carry out different tasks. In fact, more than half of online customers use at least two devices daily. Over 60% customers in the Asia-Pacific reveal that they continually change the way they contact brands.

- While on a slower growth curve than mobile, social media is gaining a foothold as a viable customer interaction channel. Over one-third of customers in the Asia-Pacific who interact with a brand's customer services use social media.

Advanced multi-channel, Web-enabled smartphones are fast becoming the dominant consumer wireless device type, requiring changes in the contact center:

- Delivering relevant and personalized account information on the consumer's device or tablet display;
- Allowing navigation of the app using speech, touch, or typing;
- Offering one-touch access to agents;
- Displaying expected wait time if an agent is requested;
- Providing the option of an immediate or scheduled call back by an agent; and
- Using unique attributes of the devices' geolocation, video, and speech recognition.

Figure 2: Customer Satisfaction by Channels

Channel	Score
WEBSITE SELF-SERVICE	5.7
PHONE / LIVE AGENT	5.7
E-MAIL	5.5
WEBSITE / CHAT WITH LIVE AGENT	5.2
PHONE / IVR	5.2

1.0 — 2.0 — 3.0 — 4.0 — 5.0 — 6.0 — 7.0

1 = Dissatisfied   Mean scores   7 = Very satisfied

Source: Frost & Sullivan Global Customer Survey, 2014

Customers want their issues resolved irrespective of the channel, whether through self-service, support agents or face-to-face interaction. Such expectations are forcing brands to rethink their customer contact strategy and establish one that delivers a truly omnichannel experience.

Frost & Sullivan defines Omni channel as a seamless and effortless, high-quality customer experience that occurs within and between contact channels. It ensures that data and context from the initial contact carry over to subsequent channels, reducing customer effort, improving customer interaction, and enabling the business to tailor the customer journey.

OMNI CHANNEL ADVANTAGE: ORGANIZATIONS YET TO CAPITALIZE

Organizations that aim to offer a consistent experience across multiple channels need to capture interactions across each touch-point and make the conversation with the customer contextual. The power of understanding and moving toward an omnichannel customer journey combines everything we know about a customer's past, current and subsequent interactions from all touch-points into actionable information for the enterprise.

To establish this objective, brands need to ensure their technology, business processes, and governance work in a seamless manner. As daunting as this may seem to start, early involvement of an executive sponsor tasked with the end-to-end customer experience management and ability to assemble functional teams from customer care, IT to marketing and eBusiness may give the initiative the necessary impetus.

A fundamental aspect of an Omni channel is the ability to maintain context as customers switch across channels and devices at any particular point. Truly understanding the Customer Experience means having a grasp of the customer's interaction history and demographics, and looking at the entire journey from the moment the customer initiates contact (via any channel) through to issue resolution.

Successfully integrating the diverse channels customers use today into an organization's customer experience strategy translates to convenience, speedier services and more first contact resolutions. The distinctive values channels offer are as follows:

VOICE
Voice continues to be the most leveraged interaction channels for customer services. Companies need to offer customers the choice of speaking to a real person. While Interactive Voice Response is working well for simpler queries, calls to contact center today are more complicated and urgent in nature. The agent's attentiveness on the phone helps to develop a bond between customers and brands.

TEXT-BASED MEDIA
Over the years, voice has lost its place as the de facto channel in seeking customer services to numerous text-based options.

Email/Website: Many customers with a non-urgent question may send an email or check on the website's FAQ rather than call the customer service center and risk being put on hold.

SMS/Text: SMS offers brands a simple and cost-effective way to engage with customers especially for outbound notifications and proactive customer services such as appointment reminders and payment alerts. SMS is also used extensively as a querying tool to collect feedback on services.

Social Media: Solution providers are creating applications that facilitate listening, capturing, sorting and disseminating social media interactions to provide customer support. Responses should be handled professionally by trained individuals to boost the positive perception of the company across the commenter's entire social network.

Web Chat: Chat is becoming an important channel for customer contact, to supplement inadequate self-service instances or simply to offer assistance. The growing preference of customers for texting and instant messaging makes chat a familiar interaction, and one that allows them to multi-task while getting services. The richer chat functionalities available today, including collaboration, predictive analytics, proactive engagement, and personalization, elevates its proposition.
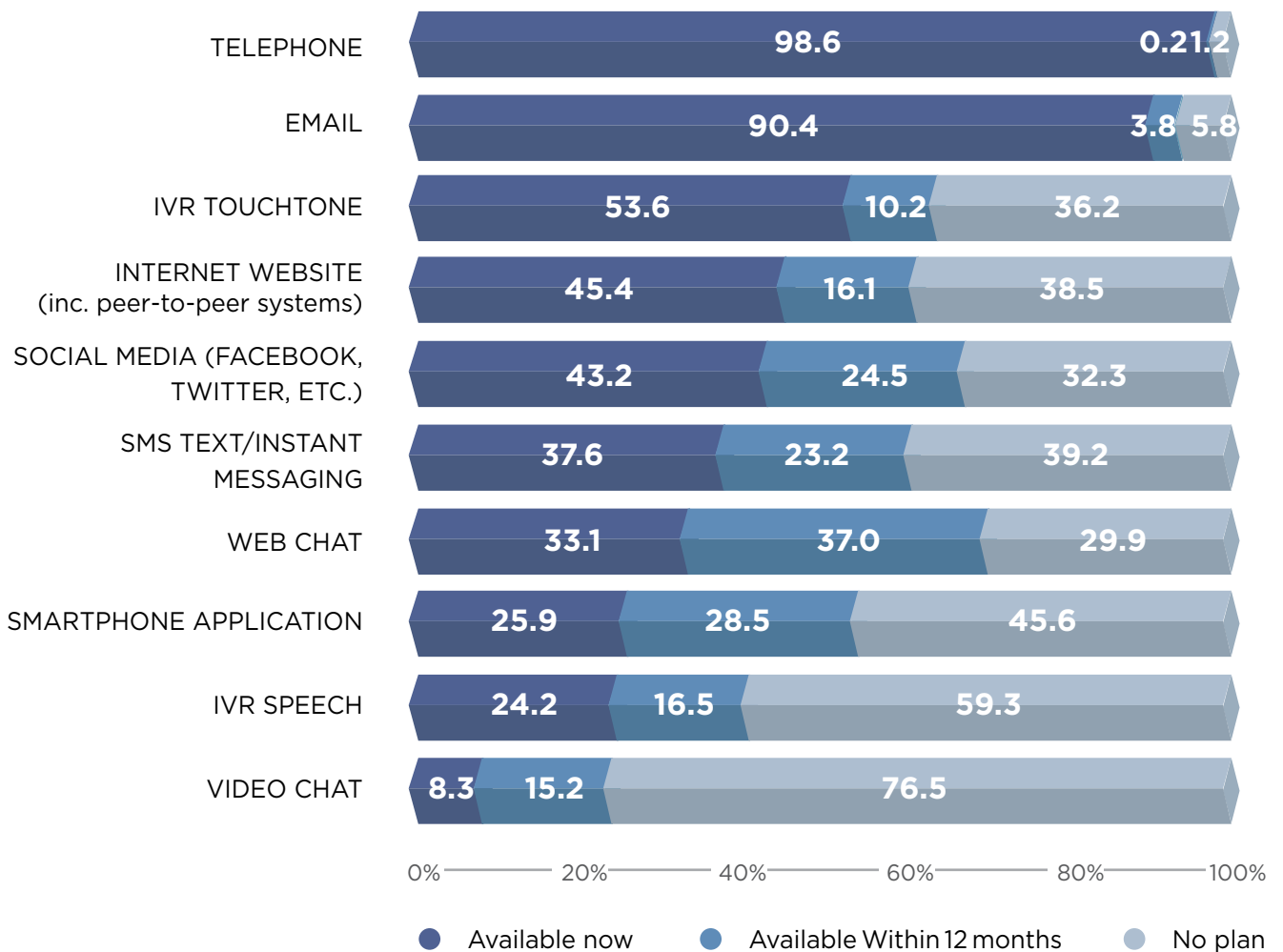
SMARTPHONE APPLICATION
Rich contextual data encompassing Transactional, Device-resident, Situational, Collaboration-enabled, and Application-driven can be gathered and shared with the attending agent to manage the customer experience efficiently.

VIDEO
While the adoption of video for customer interaction has traditionally lagged behind other channels, it can help brands create high-touch personalized interactions, adding a new dimension to web self-services.

Figure 3: Channels Managed by the Contact Center

Channel	Available now	Available Within 12 months	No plan
TELEPHONE	98.6	0.2	1.2
EMAIL	90.4	3.8	5.8
IVR TOUCHTONE	53.6	10.2	36.2
INTERNET WEBSITE (inc. peer-to-peer systems)	45.4	16.1	38.5
SOCIAL MEDIA (FACEBOOK, TWITTER, ETC.)	43.2	24.5	32.3
SMS TEXT/INSTANT MESSAGING	37.6	23.2	39.2
WEB CHAT	33.1	37.0	29.9
SMARTPHONE APPLICATION	25.9	28.5	45.6
IVR SPEECH	24.2	16.5	59.3
VIDEO CHAT	8.3	15.2	76.5

● Available now ● Available Within 12 months ● No plan

Source: Frost & Sullivan Global Customer Survey, 2014

Establishing an environment to supporting multiple channels is just the beginning in the journey towards Omni channel. However, the most important step is to eliminate the silos via an integrated multichannel platform where

the context of conversation flows across irrespective of channels. This would mean different interaction types are handled by a standard system and are queued universally and easily routed; agent desktops are unified; and recording, reporting, and workforce optimization capabilities are leveraged by and across all channels. Hence, organizations need to consider tools that support multi-channel engagements with benefits such as:

UNIVERSAL QUEUE/UNIFIED DESKTOP
Contact center agents access dozens of applications throughout the day, having to switch screens repeatedly during customer calls. This increases the cognitive load on the agent and lengthens the handling time of the call due to the agent multi-tasking and speed at which the screens refresh. There is a movement towards a unified desktop where new applications are widgets, enabling agents to view the needed information quickly.

PROACTIVE ENGAGEMENT WITH CUSTOMERS
A vital component of an efficient Omni channel strategy is ongoing customer engagement. It is about "lessening customer effort" and increasing customer satisfaction by anticipating what a customer might want before he or she has to contact the business. Examples of good use cases include proactive callbacks, gathering the voice of customers, and outbound IVR for alerts/notifications.

PERSISTENT CONVERSATIONS
A multi-channel attribute of chat is the concept of persistent conversations. With persistent chat, the application can track where the customer left off, so all history and context is still there, along with information on where the customer is in the application.

ANALYTICS
The power of a Omni channel contact center comes from combining everything the brand knows about a customer's past and current interactions from all touch points, predicting where future interactions may lie, and turning that data into actionable information. A real understanding of customer experience requires having a grasp of the customer interaction history and demographics, and entails looking at the entire relationship from the time the customer initiates contact (via any channels) through to issue resolution.

MOBILE CUSTOMER CARE
Dozens of solutions providers offer mobile customer care applications that enable customers to self-serve on their mobile devices and easily connect with a live agent if required. Rich Internet Applications (RIAs) built on open standards such as HTML5, coupled with speech recognition, video, geolocation, SMS, QR codes, and other technologies also empower users with self-service facilities.

WORKFORCE MANAGEMENT
Enhancements to Workforce Management (WFM) tools enable more accurate forecasting and staffing for agents handling multiple channels such as email and voice. Such tools help staff to manage peak loads and improve accuracy, cost, and services.

PUTTING IT ALL TOGETHER

Frost & Sullivan has put together Customer Experience 3.0 reference architecture that it believes delivers a true Omni Channel Customer experience while helping organizations with their growth & cost containment objectives. Key elements of this architecture ensure that it delivers rich experience, intelligent self-service, collaborative engagement & cloud enablement.

Figure 4: Customer Experience 3.0

OMNI CHANNEL MANAGEMENT - ANALYST PERSPECTIVE OF CUSTOMER EXPERIENCE 3.0 ARCHITECTURE
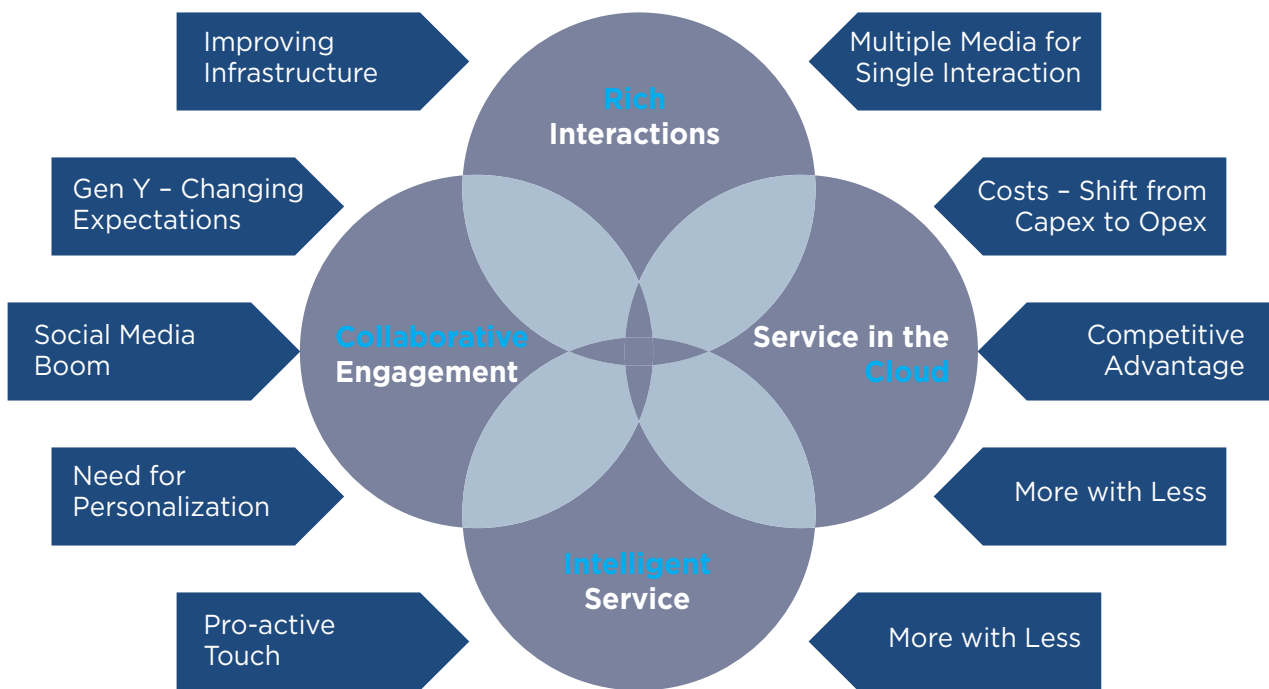
Source: Frost & Sullivan

Given the importance of strong customer experience to retain customers, organizations often face a dichotomy between delivering a rich customer journey and associated costs. About one-fifth of contact centers states that their contact channels are fully integrated, while a larger proportion is at various stages of integration, with close to 50% expecting to integrate fully by 2016.

Figure 5: Current and Future Integration of Contact Channels
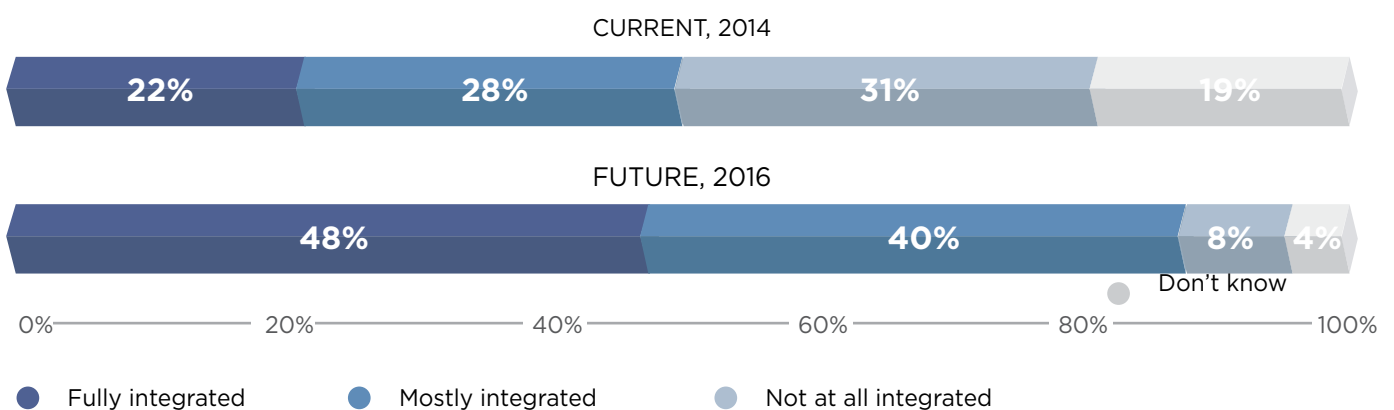
Source: Frost & Sullivan Global Customer Survey, 2014

The goal of every business should be to deliver a unified omnichannel experience across all channels so that it is seamless, consistent and integrated as customers move through them. This includes improving the Customer Experience by blending in customer channels outside the contact center and non-digital channels. The endeavor mandates that information flows freely across channels and is adequately stored, reported, and acted upon.

A HOLISTIC OMNI CHANNEL CUSTOMER EXPERIENCE STRATEGY IS NO LONGER A CHOICE; IT'S A STRATEGIC NECESSITY FOR ORGANIZATIONS. IT'S TIME TO TAKE ACTION AND TRANSFORM.

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ABOUT TETHERFI

Tetherfi, (a.k.a. Interlink) an Avaya DevConnect Partner, is focused on creating innovations that help organisations realise customer experience management expectations while helping their contact centers balance growth & cost containment objectives. Tetherfi OCM is a single integrated platform that enables unified, consistent, personalized, secure, dynamic & optimized virtual and live agent assisted marketing, sales, service & loyalty related customer interaction any time, any place & via any device.

Tetherfi was recently recognized by CIO Review magazine USA as "20 Most Promising AVAYA Solution Providers in 2015". To know more about Tetherfi, please visit www.tetherfi.com

ABOUT FROST & SULLIVAN

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