



# The State of Customer Experience

From Voice to Digital: An Industry in Transition



# Introduction

*“In the old world you devoted 30% of your time to building a great service and 70% of your time to shouting about it. In the new world that inverts.”*

**Jeff Bezos**, CEO of Amazon

By 2020, customer experience will overtake price and product as the key brand differentiator, according to a Walker study.

Company success now more than ever hinges around how a company deals with its customers. Positive customer experiences convert into sales. And conversely, poor customer experience leads to lost revenue.

Changing customer behaviors continue to present a challenge to every organization. Within a few years, digital contacts are expected to overtake voice as the consumers' preferred communications channel. But how are companies responding to this change?

This report draws on fresh research with insight from over 200 professionals involved in delivering the customer experience to provide a fresh look at the state of customer experience. It reveals an industry at a crossroads.

Customer experience professionals understand the challenges ahead, but they are preparing for the future against a back drop of outdated organizational structures and technology infrastructure, as well as dated processes and tired management practices.

This report presents our findings together with some clear recommendations that will help anyone involved in delivering a superior customer experience.



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# Our **methodology**

We undertook a survey with 200 managers and decision makers in contact centers across a range of vertical industries, spanning the public and private sectors.

Then, to put the quantitative findings in context and dig deeper into underlying trends and issues, we commissioned a series of focus groups with a broad range of decision makers in a wide diversity of contact centers by industry function and size. Job functions included Contact Center Owner, CEO, Sales Manager, Customer Experience Manager, Marketing Manager, as well as Contact Center Managers and Team Leaders.



# 1. Meeting customer needs: an impossible task?

Contact center decision makers strongly agree they are satisfied that “my contact center meets my needs as a customer”

47%

Expect digital interaction to overtake voice calls by 2020 or sooner

88%

Use customer experience as a performance indicator

35%

Meeting customer needs and doing it well is becoming a strategic goal for every organization. According to the Forrester report, Trends 2016 The Future of Customer Service, 95% of leaders say that providing a good customer experience is their top strategic priority.

Yet our report suggests the reality falls far short of this lofty goal. Only 47% of the respondents in our survey could strongly agree that “my contact center meets my needs as a customer.” And only one in three (35%) say they use customer experience as a performance indicator.

To be fair, it isn't all that easy to keep up with customer expectations for instant convenient service via any channel while keeping it all deeply

personal. The problem is that siloed organizations, aging technology infrastructures and dated business processes can get in the way of delivering the experience they know their customers want.

And with **88% of contact center managers expecting digital interaction to overtake voice calls by 2020 or sooner**, the challenges are only going to become more acute.



# What **YOU** can do

## 1. Measure outcomes

Our research suggests that customer service metrics have failed to keep pace with the focus on customer experience. Many contact centers continue to put more emphasis on efficiency measures than outcomes. Just over half (53%) consider customer satisfaction, 35% consider customer experience as a performance indicator, and one in four focus on reducing customer effort. Companies that take on board the need to change will be taking the first steps towards delivering better customer experiences.

## 2. Empower agents

Too often frontline customer service representatives just don't have the information – and are often not given the responsibility – they need to resolve customer inquiries in the first contact. Make sure you give agents the training and technology tools they need to create satisfied customers. Do your contact center workflows and scripts support your agents to make their interactions as natural and human as possible, or are they inflexible, robotic and frustrating for both parties?

## 3. Think digital

Digital contacts will overtake voice in the contact center. It is a matter of when, not if. That means fundamental changes to people, process and technology. It may sound obvious, but it's important to offer customers a range of communication channels, including self-service. Our research showed organizations across the board have been slow to adopt new channels. If you take the initiative now, you can make sure your organization is ahead of the curve.



Meeting customer needs:  
an impossible task?

## What options do you provide in your contact center?



51%

social media



49%

email



39%

web chat



21%

web self-service

*“Our current scripting doesn’t mesh with our system and it becomes difficult to match the call data with the script data. I think it’s very important that you have outcome-based scripting that integrates with the data.”*

**Focus group participant**



## 2. The effortless customer experience: myth or reality?

Just one in four focus on reducing customer effort as a customer performance indicator



Strongly agree they are satisfied their contact center can design and deliver seamless customer experiences across multiple channels



Agree or strongly agree they are satisfied that they can relate customer experience to revenue



The Effortless Experience reflects on to a growing body of research showing that rather than going all out to delight customers, simply meeting customer expectations consistently can have a significant effect on customer loyalty. Research also shows that a customer is four times more likely to become disloyal after a service interaction. Simply by making life easier for their customers, contact centers can transform their strategic value.

If you haven't encountered this new industry trend yet, then don't worry; it's only a matter of time. The effortless experience is the central thesis of a new book of the same name authored by Dixon, Toman and DeLisi of customer experience company CEB. It claims that dazzling customers with over-the-top service is simply not necessary.

The ideas in the book make sound common sense but have yet to be embraced in the contact center. While a huge majority (92%) agree that customer experience can be linked to revenue, just 25% of organizations are currently measuring customer effort and only 29% strongly agree their contact center can design and deliver seamless customer experiences across multiple channels.



# What YOU can do

*"It doesn't really integrate. We post a link on our systems which, with a click of a button, will then open up our client systems and then we get to work. But we host instructions and the information to assist the agents, FAQs and so on. So, it integrates without needing generally much IT work, but it has to be seamless..."*

**Focus group participant**

## 1. Identify drivers of customer effort

Around 30% of all customers report spending a high level of effort to resolve their problem. Often by the time a consumer makes a call to an agent they are already frustrated and ready to take out their anger on the next person they talk to. Switching from the web to the phone, having to re-explain an issue and having to repeatedly contact a company are three of the biggest causes of customer effort. Most of these can be avoided if your contact center is designed to resolve issues the first time. But first you need to identify them! And remember, your agents are often the best-equipped to tell you where the areas of high customer effort really are.

## 2. Offer self-service for simple interactions

Most consumers, across all demographics, prefer self-service for simple interactions. If your self-service options work effectively, you will satisfy customers and take the heat off your customer service representatives. Recent research from the world's leading air transport IT and communications specialist, SITA, showed that almost every flight is now booked using self-service technology; 75% of people use a website; only 4% say they will seek out a human. Whatever industry you are in, find ways to empower your consumers to self-serve, whether via a touchpad, the web or even a mobile app.

## 3. Make sure channels are integrated

The full impact of this one is currently greatly misunderstood and widely under-estimated by the industry. One of the biggest drivers of repeat contacts is consumers picking up the phone because their attempt to solve their issue via another channel has failed. Adding multiple contact channels and options without integrated processes will only confuse customers, create more effort and increase company costs. Our research showed that less than half (45%) can see all previous contacts on all channels in a single desktop system; a further 41% can see all previous contacts on all channels, but they are on separate systems. This is a tough one to solve, but your efforts will be rewarded.



### 3. Understanding the customer journey: priority or pipe dream?

Agreed or strongly agreed the contact center can play a key role in defining and proactively managing the customer journey between channels



Agreed or strongly agreed digital channels open up new opportunities for contact centers to own the customer experience



Strongly agree that I am satisfied our contact center has the ability to design and deliver seamless customer experiences across multiple channels



Understanding your customer journey is crucial for delivering positive customer experiences. And the customer service professionals who took part in our research clearly agree; a resounding 88% of decision makers in our research agreed the contact center can play a key role in defining and proactively managing the customer journey between channels.

However, it might be time for a reality check. A recent report by Econsultancy showed that companies are

five times more likely to identify marketers as being in the driving seat than any other teams, such as customer insight, sales or customer support. When it comes to owning the journey, the contact center doesn't even get a nod.

On a more encouraging note, when it comes to contributing to an organization's understanding of the customer journey, behind marketing (70%) there's a fairly even split between the other teams, with

customer service support (43%), sales (42%) and analytics (39%) being among the biggest contributors.

However, our study identified there is a huge amount of work to do if the contact center is to fulfill its potential as the natural hub of the customer experience; less than one in three (29%) could strongly agree they were satisfied their contact center can design and deliver seamless customer experiences across multiple channels.



# What **YOU** can do

## **1. Define your customer journey**

The customer journey represents a person's complete personal experience of being your customer. It's about understanding their experience from the moment they begin considering a purchase, and then working to make the journey toward buying a product or service as easy as possible. It's vital to remember that the journey typically starts long before a call to the contact center. But too many contact centers assume the opposite; that the journey starts the moment an agent picks up the phone. Yes, you might be checking all the boxes in our call flow process, but if that process isn't designed around the ideal customer journey then it just won't work.

## **2. Be proactive!**

The customer journey is almost inevitably going to involve multiple departments; it is the siloed nature of most organizations that makes it difficult to consistently deliver satisfactory customer experiences. Only by getting cross-functional teams together to identify pain points and come up with solutions as a group can organizations drive change. Whichever department you belong to, don't wait for someone else to initiate the process. By taking the initiative yourself, you will demonstrate your strategic value to the organization and most likely take the first step to your next promotion as well.

## **3. Invest in clever technology**

Understanding the customer journey is a continuous process. The pace of technological change and consumers' willingness to embrace new communication platforms means that your customer service operation needs the ability to re-configure your contact center within hours or even minutes if necessary. New cloud-based technology such as West's Cloud Contact Pro features a drag and drop menu that allows contact center managers to map out the best possible customer journey using real-time data - and react within minutes to changed situations.



## 4. A word about outbound: cold calling or a two-way dialogue?

Just over one third (35%) of contact centers in our survey had a predictive dialer or outbound call management software



Use outbound for proactive customer service



Use outbound for customer satisfaction surveys



Even the word itself sounds dated. Too long associated with intrusive cold calling, outbound has earned a bad reputation in recent years. It has also faced significant cultural and legislative challenges. The proliferation of caller ID and the rise of the mobile customer means that success rates for cold calls have plummeted. When did you last pick up a call from a number you didn't recognize?

That said, outbound is still used by around one in three contact centers and there is still a place for it

in your customer experience strategy. In fact, it can be a very useful way of creating a two-way dialogue with your customers. The key differentiation here is between wanted and unwanted calls. Credit control aside, there are numerous ways you can proactively anticipate a customer's needs via an outbound contact, whether that is a voice call or an SMS text.

The more you understand your customers' needs and the deeper your knowledge of the customer journey, then the outbound strategy will be that much more

successful. If someone is buying their first home, they might welcome a call about homeowner's insurance for example. Or if they drop off your website, your outbound agent might catch them just in time before they buy from a competitor's website. In a nutshell, it's time to get creative about using outbound to improve the customer journey and optimize outcomes – including conversions.



**A word about outbound:**  
cold calling or a two-way dialogue?

# What YOU can do

*“The platform itself provides very little information for an agent to be able to do their job effectively. I mean when a customer is presented, an outbound customer, it doesn’t even tell us when the last time that customer was called or who called them.”*

**Focus group participant**

## 1. Choose the right outbound technology

The first step is to identify and acquire the right technology that will satisfy all your outbound requirements and generate maximum efficiencies in your contact center. Once you launch your initial campaign, you will use the system generated results to analyze and refine your dialing strategy to optimize campaign performance and maximize your ROI. A good dialer system will make it easy for you to identify where you are successful, and where you need to focus. In fact, some dialers will even go a step further and report directly to you what you need to change to increase your contact rates and sales.

## 2. Build your strategy with your customer in mind

The rise of the smartphone has created new customer behaviors. Your outbound strategy needs to adapt. Technology such Local Number Representation will display a number with an area code local to the customer, making customers 35% more likely to answer. And SMS chat can be up to 75% cheaper than voice calls. According to mobile insights firm, MobileSquared, more than 90 percent of mobile users read SMS messages within three minutes of receipt. So why not send an SMS to a customer before a voice call to “warm them up?”

## 3. Use scripting to increase customer satisfaction

Scripting can greatly enhance the effectiveness of your outbound campaigns. A dynamic call script can help to deliver consistent, confident and compliant communications with your customers. Small on-the-fly adjustments can have a big impact on results. A good system will have the ability to quickly make changes based on customer behavior. Rather than have agents clicking through different screens and business systems (and getting distracted), ensure all the necessary and relevant information is together in one place.



## 5. Obsolete or future-proof: Is technology holding us back?

Agents can see all previous contacts on all channels in a single desktop system

45%

Ensuring technology keeps pace with changing customer behaviors is a top priority

57%

One in five say dissatisfaction with legacy contact center systems is a key driver for moving to the cloud

20%

Today's consumers are always online, most often via their smartphone, and are increasingly impatient. If there is a contact center revolution, then it is being driven by consumers. Nearly everyone who participated in our study understands this. Yet contact centers have been slow to react to growing consumer appetite for using social channels to communicate with brands. Why is this?

Our study uncovered a massive cynicism about the ability of their technology infrastructure to keep

pace with changing customer behaviors. The biggest obstacles to designing an exceptional, or even an effortless customer experience revolve around flexibility, the ability to integrate, and the costs linked to creating the required architecture.

The real problem is that perceived costs and difficulty associated with integrating technologies are standing in the way of positive moves to provide a better customer experience—one that breaks down barriers to customer communication rather

than creates them. Issues such as this are leading decision makers to consider the cloud, but many are still unaware of the possibilities that cloud contact centers offer for customer experience.

If action is not taken, customer defections, demotivated customer service agents and spiraling operational costs will become the norm, leaving the field wide open for new disruptive business models to steal market share. The situation will only become more acute with time.



**Obsolete or future-proof:**  
Is technology holding us back?

# What YOU can do

*“There are quite a few channels for chat and it depends on who has developed the business, the website, what they’ve recommended for the bolt on for the chat, whether you can integrate it. That’s the hard bit is the integrating. It’s almost impossible at the moment. That’s the bit that would be quite handy.”*

**Focus group participant**

## 1. Explore new buying options

Of course, it comes as no surprise that a cloud provider would say this, but the emergence of cloud technology platforms really does offer some exciting new choices for brands. Invite them in to find out how their technology works. Find out about their business models. Talk to their customers. Ask about their product roadmap. The industry is changing rapidly and it's likely the future customer experience winners are the ones who get the technology choice right. There has never been a wider discrepancy between providers, or a greater range of choices, so it's important you do your homework in order to make the right decision.

## 2. Plan for the future

Digital communication is set to overtake voice in the contact center very soon. It's important to step back and think about the capability you will need in the next five years, or even ten years. The one thing that's clear is that flexibility and speed are going to be paramount. You might choose to adopt a hybrid approach in the short term so that you adopt cloud technologies at a pace that is right for your organization. That way priority elements can be deployed first to help you create a business case for further investment. The important thing is that you consider how to invest in technology that not only meets today's needs, but will also meet your customers' future communications preferences.

## 3. Create a multi-disciplinary team

Do you know what systems other departments in your organization are investigating or even investing in? The customer experience touches many departments, so it is vital that both your thinking and your technology are synced. Involve your IT department and encourage organization-wide collaboration by proactively instigating a multi-departmental team to specify the technology you need to deliver winning customer experiences that will make your CEO happy.



## 6. Moving to the cloud planning and priorities

Contact centers have already migrated to the cloud

39%

Planning a move to the cloud within the next three years

53%

Speed of deployment is the biggest benefit for adopting a cloud-based contact center

65%

Our study confirmed that customer service professionals are realizing that a cloud-based solution is becoming the only viable choice for their future infrastructure. Just over a third have already made the plunge and are reaping the awards; when we asked them what they see as the biggest benefits of the cloud, they told us that the top three benefits were speed of deployment, cost savings from flexible licensing models and reduction in

maintenance costs side-by-side with access to a more advanced feature set.

For those who haven't taken the plunge yet, the top three drivers are seen as: the need to stay up-to-date with the latest compliance requirements, the need to save money and the ability to rollout new features quickly.

The cloud is moving from simply being the most cost effective, pragmatic option toward becoming a strategic investment choice that enables organizations to react quickly to the needs of its customers and design effortless customer experiences across every channel.



# What **YOU** can do

## **1. The best of both worlds**

Savvy buyers realize that they don't have to completely remove their on-premises equipment to move to the cloud. Cloud applications such as call routing software, customer relationship management systems, workforce management software, call recording software and IVR systems can all run alongside existing on-premises systems. This approach helps many contact center managers and directors to prove the benefits of a cloud-based solution, without completely having to rip and replace all their existing on-premises equipment. Start to move your technology and comms infrastructure to the cloud gradually.

## **2. Choose the right partner**

While not a technology related benefit, cloud-based contact center solutions are a software as a service (SaaS), with the emphasis on service as well as software. With the traditional model of suppliers selling hardware to contact centers, that is often all they do: sell the hardware and licenses, with some offering limited professional consulting on top. In a previous study, we found that when asked about their relationship with their current non-cloud-based contact center technology suppliers, a massive 65% of contact center decision makers said suppliers don't understand their business, are only seen when there's a problem or the contract is up for renewal, or are "constantly trying to get extra money out of us."

The SaaS model relationship is on-going, with service and support all part of the package, so the issues common with non-cloud-based providers shouldn't occur. Don't pick a technology partner who'll pitch you, then ditch you. Find one that will understand your business, offer you the support you need, and work collaboratively with you to ensure you get the best out of the systems you are using.

## **3. Consider the impact of a cloud solution on your entire organization**

This is perhaps the most valuable piece of advice we could give you. If you make the right choice, your cloud contact center provider will provide a communications platform for your entire organization. In future, your company will need a communications platform that will allow it to react quickly to the needs of customers, partners and suppliers quickly and support them via any channel, from any device.



## 7. Robots in the contact center?

### Five technologies you think will shape the industry

The top three trends you think will change the future of customer experience are:



49%

Messaging apps as a contact channel



43%

Mobile apps



41%

Two-way video chats for customer service

We have already noted that consumers' love of digital communications is driving the customer experience revolution. Savvy organizations will be looking to predict what the next big thing will be while keeping their options open for as long as possible.

Interestingly, the professionals in our study felt that their customers embraced messaging apps as a more immediate real-time channel than voice.

There is a perception among consumers that digital communications give them access to the expertise they want faster than traditional voice calls.

Mobile apps are now an integral part of daily life for many of us. They provide effortless customer experiences for a wide range of simple transactions, from checking a bank balance, to ordering the weekly groceries or giving VIP customers access to premium service.

Video was a much more controversial topic, and one that customer service professionals felt would present a number of challenges for agents. The consensus was that video will always be a niche communications channel deployed for high-end, premium products and services.

Finally, almost a third (31%) of participants in our study said the use of speech recognition, natural language understanding, machine learning and Artificial Intelligence to create virtual assistants in the contact center would be a future trend.



## Conclusion

Our research confirmed that customer experience and contact center professionals understand the challenges ahead and that the clear majority are very aware of the need to put their customer at the center of their customer service operations.

However, in many cases, the need to deliver an effortless customer experience is held back by issues beyond their control. Those companies that address the technology challenges and are willing to look again at their organizational structures and processes will be in a position to steal market share. And they will take it away from organizations that continue to do things the way they always have, regardless of the impact on customer loyalty.

Our research confirms that perhaps the most productive thing any organization can do is understand and meet the needs of their customers, rather than simply paying lip service to the idea.