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Seven trends driving effectiveness in the contact center

Enhancing customer experience by being at the center of customer interactions



Earlier call center models need to give way to new models that can deliver on long-anticipated transformation goals — goals that move contact centers from cost center to profit center.

The mobile world, the impact of social media, and the evolution and consumption of different technologies are forcing *and* enabling organizations to become more agile and responsive.

It's no longer just a phone call to the contact center with a request or complaint — customers want to use whatever channel is most convenient, whenever they want, to initiate interactions.

Contact center and customer satisfaction professionals are challenged to maintain response time and support quality as they adapt to changing consumer expectations and adopt new channels. In this environment, where mobile apps, e-mail, social media, chat, instant message and even video are increasingly preferred by customers, the metrics used to measure effectiveness need to evolve. Earlier call center models need to give way to new models that can deliver on long-anticipated transformation goals — goals that move contact centers from cost center to profit center.

Such a transformation benefits from an understanding of key trends driving the industry forward. In this white paper, we identify some of those trends and explain how they can help organizations and their contact centers contribute more effectively to revenue growth and bottom-line profits.

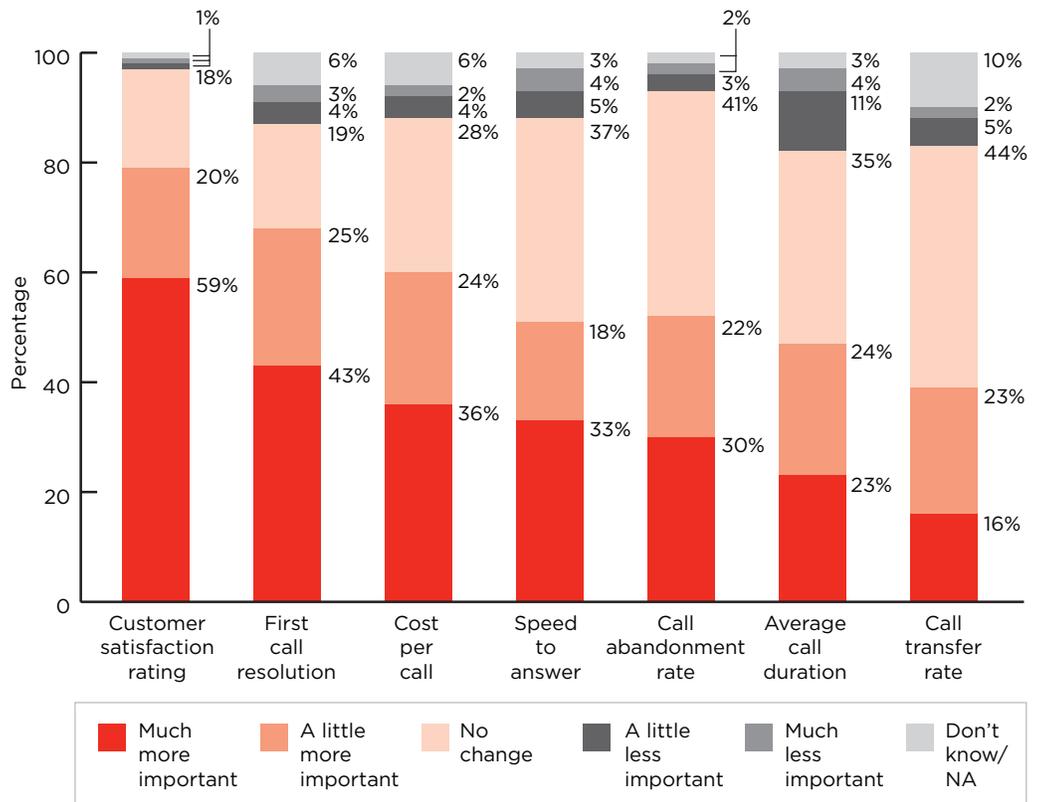
Trend #1. A focus on quality of customer interactions, not quantitative yardsticks

Many contact centers still depend on basic metrics, such as average call duration, average talk time, average wrap-up time and number of calls per hour, to determine how well agents are performing. Yet many traditional operational measurements are much less relevant today. In fact, according to contact center executives, the metrics that matter much more today are customer

In addition to collecting standard operational metrics, enterprises should reassess factors considered important to their businesses in today's context and put processes in place to measure them.

satisfaction rating and first call resolution (Figure 1).¹ When a contact center agent has been trained to help consumers fill out complex mortgage loan applications, what matters is not how quickly applications are completed, but that customer frustration and errors are minimized. Alternatively, if agents' job responsibilities include upselling or cross-selling, a long call could be considered successful because it brought in revenue.

Figure 1. Changing importance of metrics



Source: Contact Center Benchmarking Report 2012, Dimension Data

In addition to collecting standard operational metrics, enterprises should reassess factors considered important to their businesses in today's context and put processes in place to measure them. For example, qualitative metrics such as customer surveys might be the single most useful determinant of agent performance. Analytics solutions can cull through self-service statistics to determine how well the integrated voice response (IVR) system is supporting customers.

¹Contact Center Benchmarking Report 2012, Dimension Data.



The cost of interaction via chat, e-mail and self-service can be significantly less than the cost of voice interaction. If those alternate channels can help generate such savings, then migration to the new channels could be self-funding over time.

Many enterprises get useful information from automated text or speech analysis. Others use tools that correlate results of outbound marketing campaigns with agent activity. As social media has become a more common customer service channel, sifting through those interactions for relevant data is increasingly important, both to analyze customer complaints and understand positive customer comments. By prioritizing, routing, measuring and reporting social media traffic and linking it to customer satisfaction, revenue generation or agent performance, enterprises can achieve a unique competitive advantage.

Ultimately, the precise metrics an enterprise uses are less important than the actions it takes based on what is learned.

Trend #2. Engaging customers on their terms

Attracting and retaining customers today, especially younger generations, is all about giving them more choices for when and how to interact with your organization. A recent Avaya survey of contact center clients showed that “new” communications channels, such as mobile apps, Web, text, video and social media, are growing rapidly while use of traditional voice channels is waning. In a Frost and Sullivan survey, 75 percent of respondents cited “provides better customer service” as the top benefit of social media customer interactions, while another 58 percent of respondents said they “drive more sales.”²

This trend of consumers preferring new interaction channels over voice suggests that businesses could fall behind if they don’t respond (see “Recommendations for addressing social media”). Yet at the same time, that trend could lead to opportunities for cost savings and agent efficiency improvement that help fund investment in the new channels. For example, the cost of interaction via chat, e-mail and self-service can be 50 percent, 30 percent and 10 percent less, respectively, than the cost of voice interaction.¹ If those alternate channels can help generate such savings, then migration to the new channels could be self-funding over time.

Consider how leading customer service organizations in the following two industries are taking advantage of these opportunities, not only for day-to-day customer contact, but also for proactive communication with customers based on other events.

²Webtorials Editorial/Analyst Division, McKinsey.

Healthcare industry. Healthcare providers can remind patients of appointments and offer instructions for necessary preparations. So the number of patient no-shows is reduced, and visits are more productive when patients are more effectively prepared for the visit. For example, a large integrated health services organization, serving more than 2.6 million residents, implemented a self-service and proactive contact solution for appointment scheduling, reminders and payments. Based on information provided by the organization, it reduced calls to agents by 44 percent while improving patient service levels by 34 percent.

Recommendations for addressing social media include:

- Seek input from young, savvy contact center agents who “live” online. The strategy should address every channel in which you want your service organization or contact center to be known, but it should at least include Twitter, Facebook, Google+, LinkedIn, bulletin boards and your own blog.
- Set up Twitter accounts for your contact center leaders according to corporate social media guidelines and encourage them to become Twitter personalities, the goal being to make it easy for the public to find your service organization.
- Staff social media channels to achieve the same service-level goals established for phones, or as close to the same as possible. Customers who use social media expect immediate responses. In the absence of near-instant gratification, the situation can escalate rapidly and very publicly.
- Monitor social media channels 24/7 so your organization can react quickly to developments, whether to mitigate damage from criticism or to take advantage of new business opportunities.

- Be proactive. Don’t wait for customers to contact or complain about your service organization. Watch the trends and build a strong following. This will help your organization build an army of supporters who should be willing to come to your defense if your organization is slandered.
- Integrate insights from social media into the contact center. If customers are interested enough to identify a service or performance issue via social media, their effort deserves serious and fast attention.

In a short period of time, social media is likely to be a primary customer interaction channel for many service environments. There is no point in waiting. IDC research has found that “social media has the potential to utterly redefine how consumers buy products and services and digest customer service.”⁴

For years, social media engagement has correlated with increased financial performance. The Altimeter Group found that companies with the highest levels of social media engagement increased revenues by 18 percent, while those with the least activity declined by 6 percent.⁵ The correlation holds for two other metrics: gross margin and net profit.

⁴“In Anticipation of Impending IDC Survey Work: Integrating Social Media into the Flow of the Contact Center,” Stephen Loynd, IDC, 2010.

⁵“ENGAGEMENT db,” Charlene Li, Altimeter Group, 2009, <http://www.altimetergroup.com/2009/07/engagementdb.html>.



Knowledge-Centered Support places emphasis on the knowledge generated from each contact center transaction. Customers become active consumers of knowledge rather than simple parties to a transaction.

Financial services industry. A credit union faced increasing delinquencies in its \$4 billion loan portfolio, along with declining customer satisfaction ratings. The credit union deployed a proactive multimedia contact solution that enabled it to automatically flag delinquent customers and notify them of delay and collect payments. Ultimately, the credit union reports that the solution enabled it to reduce its delinquencies by more than \$35 million in eight months; in addition, it allowed the organization to move agents from collections activity to other, more value-added tasks, thereby improving agent productivity metrics.

Trend #3. Knowledge-centered service and chat

In traditional high-volume, transaction-oriented contact centers, emphasis is placed on speed-of-answer, average handling time and completing transactions. An emerging trend is the movement toward a concept called Knowledge-Centered Support (KCS), which places emphasis on the knowledge generated from each contact center transaction. Under KCS, every agent not only provides customer support, but also knowledge creation and curation. Customers become active consumers of knowledge rather than simple parties to a transaction.

Pioneered by the Consortium for Service Innovation and dozens of member companies in the 1990s, KCS has seen a number of interesting recent breakthroughs. For example, the most important technologies in a KCS environment for years were the knowledge base and the Web site. A support provider would publish and refine its knowledge base, then focus on driving customers to its Web site to access that knowledge base, thereby deflecting calls from the contact center. While this approach ultimately can be effective in reducing inbound call volume and costs, companies often stumble in making the successful transition from a phone-centric environment to a self-service environment.

Now, however, with multi-modal contact centers equipped with chat capabilities and the creation of dynamic, automated and responsive chat, the knowledge base is only the starting point. Chat is changing the equation by enabling a collaborative knowledge-centric environment that has all the benefits of a self-service environment while also enabling a smooth client transition away from voice.

KCS in action at Avaya

Avaya Global Support Services organization recently migrated from a phone-support-centric model to a KCS-based support model. Avaya clients can now access a personalized dashboard on the Avaya Support Website (ASW) and engage an Avaya support avatar that quickly guides diagnostic and problem-resolution searches, gathering background information along the way for a service request in case the issue is not a known problem and the client needs to initiate contact with a live agent on the Web—all from the ASW Web environment.

Within hours of an unknown problem being isolated, identified and resolved, Avaya engineers publish new articles about the issues they encountered. So a new solution identified in Denver one day is available the next day to Avaya clients and partners in Singapore and London, allowing them to solve tricky problems in minutes rather than days. This next-generation approach emphasizes collaboration and experience with Avaya clients, while also reducing the time to resolve and labor hours per transaction by more than 50 percent for chat cases.⁶



Trend #4. Analytics — gaining intelligence from big data

For a majority (66 percent) of contact center executives, improved analytics is a top innovation area that will benefit their contact centers, according to a recent survey.⁷ Analytics is a broad term and may encompass a variety of areas. Clearly, though, organizations are seeking more actionable intelligence from the wealth of data and information available today. In the past, organizations often have approached data from their contact center platform, customer relationship management systems, internal databases and other applications in isolation. However, with today's requirement to deliver an enriched, homogeneous customer experience across a diverse set of channels, organizations need to take a much more holistic approach to management of this information and business intelligence to leverage the analytics available.

It is imperative that you know your customers better, because they know you and know about your competitors—they understand their options, including a social media voice and the power of an audience of millions to share and influence. Who they choose to do business with comes down to the customer service you provide, regardless of whether you believe their expectations are unrealistic or not. You have to know your customers as well as they know you to provide an excellent customer experience. This resonates with just about every contact center leader we've consulted with. The transformation from a traditional contact center to an intelligent contact center relies more on how

⁶Avaya internal metrics.

⁷Contact Center Benchmarking Report 2012, Dimension Data.

Using analytics will help you understand and match what your customers say versus the actual experience they have, and determine how that aligns with your own statistics and benchmarks for what your company defines as a “great call experience.”

effective the organization can support the increased demands of its clientele than on how many contacts can be answered in a specified time period.

Using analytics will help you understand and match what your customers say versus the actual experience they have, and determine how that aligns with your own statistics and benchmarks for what your company defines as a “great call experience.” This process also puts your organization in an excellent position to understand any correlations between your own contact center performance and benchmarks, and how your customers experience the same interactions. Analytics will help you focus more on things that matter to customers and less on the things that are no longer critical to the call experience.

Trend #5. Evolution of the contact center agent

Customer satisfaction has a direct correlation to the effectiveness of a contact center and the likelihood of customer deflection. In fact, according to contact center executives, the two areas of contact center effectiveness that have the greatest impacts on customer satisfaction are agent ability to resolve a query in the first contact and agent communication and service skills.⁸ Clearly, having proficient and highly skilled agents can result in direct improvements to an organization’s bottom line. Conversely, not having such agents can erode an organization’s bottom line.

Consumers are more tech-savvy than ever. Most are adept at going online or using IVR systems to get the service they need from businesses without talking to a live agent. Although this reduces contact center call volume, it also means that customers who do request help from human attendants generally have more difficult issues to resolve and require agents who possess specialized knowledge.

To perform this higher-level work, agents require more training than if they were simply looking up account balances. Yet historically, contact center agents have been entry-level workers paid minimum wage. Largely lacking career growth paths, and rarely challenged intellectually by their duties, their employment tenures tended to be short.

Traditional contact centers typically put new-hires through a few-week training program and consider them ready to face customers. But this no longer suffices to meet the more rigorous expectations of today’s customers. Since agents are

⁸Ibid.

Since agents are increasingly being asked to upsell and cross-sell to customers who call in with questions, they also need to be fully versed on company products and services. As a result, many enterprises are hiring more experienced and educated workers for the contact center, and paying them proportionally higher salaries.

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One company had an agent turnover rate of 110 percent annually, and agent onboarding required six weeks. With such a high turnover rate, the company was always going to be in catch-up mode. It became critical, from contact center supervisors, to communicate this information and related statistics to justify the business case for added investment in education and training.

The role of contact center supervisors is changing as well. Rather than simply being treated as higher-level agents, supervisors are being given more sophisticated management tools that help them assess agent performance, identify gaps in needed skill sets and develop training plans to address those gaps.

Not incidentally, the metrics generated by these tools can help build the case for increased investment in education and training for contact center personnel. Without such metrics, enterprises can be reluctant to send contact center employees to training because agent utilization rates go down when workers aren't actively answering calls.

Further evidence of the increasing importance of the customer's voice, and a positive reflection on the direction contact centers are moving, can be found in other survey findings⁹:

- Nearly 25 percent of contact centers are planning to implement or develop more advanced knowledge management and employee development tools.
- 18 percent of organizations are looking to implement tools to enable the celebration of best practice.
- Almost 26 percent of organizations want to use customer feedback more effectively to promote best practice.

⁹Ibid.



Trend #6. The power of embracing customer and employee mobility

Mobile devices and applications are not only changing the way customers interact with businesses, they are transforming contact center management as well. Consumers are driving the “channel of choice” for many customer-facing functions, such as purchasing and support, so organizations risk losing customers by sticking with traditional channels. In fact, according to the results of a recent study:

- One in four people check their mobile devices every 30 minutes — one in five every 10 minutes.
- A third of respondents admitted that being without their mobile device for even short periods leaves them feeling anxious.
- Three quarters of 25- to 29-year-olds sleep with their phones.¹⁰

Customers with smartphones and tablets want to be able to contact companies from anywhere and communicate with them across multiple channels. Businesses are accommodating this desire by creating apps that allow their customers to click on an icon and engage in any number of cross-channel interactions: from text, to video, to social media, to live chat. For example, a software company has implemented mobility apps that allow its customers to place video calls for customer support from their tablet devices or smartphones, because if they are having problems with their PCs or laptops, they won't have access to the software company's customer support center online.

For companies attempting to do more with less, mobile devices provide a way to leverage contact center supervisors' time. Rather than being tied to a physical workstation or location, supervisors can log into a performance management system from a smartphone or other mobile device and view current customer satisfaction rates or listen to a recorded interaction between an agent and a customer.

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¹⁰TIME Mobility Poll, in conjunction with Qualcomm, August 2012.

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Trend #7. The impact of cloud-based contact center services

Cloud computing is not a new technological breakthrough; it has been around since the days of mainframe computers and Centrex telephone service. However, the levels of services being offered are groundbreaking due to the deployment and availability of broadband connectivity. Organizations can now be confident that their cloud-based, hosted, customer care services are accessible to customers anytime, anywhere.

Another breakthrough is pay-as-you-go cloud services that provide access to small and medium-sized businesses whose capital budgets are limited. This enables such organizations to compete more effectively with larger counterparts, offering similar capabilities at a global level with less capital expenditure.

Often, especially with smaller organizations, cloud-based architectures can make it easier to extend personalized services. Complementary technologies that support cloud delivery enable customer services capabilities to interface with other cloud-based services, such as sales force automation and order/logistics management. At the same time, if an organization has invested significantly over the years in customer premise equipment (CPE) enterprise architecture that supports customer relationship management systems, it will need to assess whether a cloud solution is the most efficient for the organization — in other words, it becomes a fiscal and operational decision.

Developing an intelligent contact center

Many businesses still see customer complaints as a nuisance — a slight by hard-to-satisfy customers. Yet other businesses, such as airlines, supermarkets and fast-food restaurants, have understood for decades that addressing customer complaints is a sure path to customer loyalty, increased customer retention and positive reputation. For businesses with this mindset, contact centers can play a pivotal role in the process of building long and successful relationships with customers. Leading practices include:

- Always being open to discussing problems with customers.
- Being personable and caring — it's important not to brush customers aside with automatic and self-serving responses.
- Provide customers and complaint handlers access to a “higher power” who can mediate when an impasse is reached but an ongoing relationship is still necessary.

About Avaya

Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world. For more information, contact your Avaya Account Manager or Authorized Partner or visit us at www.avaya.com.



Automated proactive customer contact solutions enable outreach to more customers at about one-tenth the cost of agent-based contact models. This provides a higher level of customer relationship management and minimizes customer complaints from lack of correspondence.

- Take time to analyze and measure actions taken in the contact center and constantly look for ways to improve contact center processes, procedures and supporting technology.

Acknowledging the trends identified above and embracing contact center innovations can allow organizations to seize new opportunities — to grow revenue, increase customer loyalty and, ultimately, reinforce a company's brand. Achieving these objectives will also enhance the contact center's standing within the enterprise as an effective, intelligent steward of customer experience.

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