

Multichannel strategy

*The right balance
between customer
experience and contact
centre operations*

June 2013

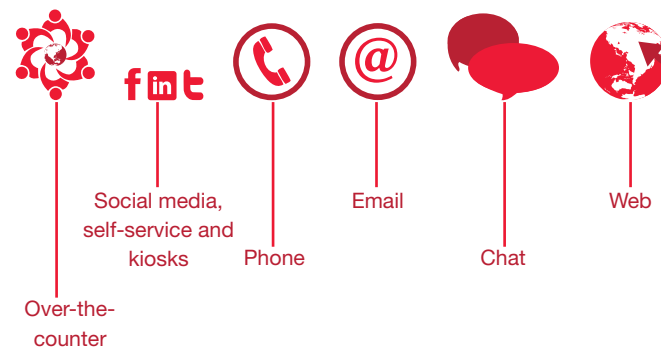


In the increasingly competitive business scenario, the end-to-end customer experience and delight has become a new area, which no one can afford to neglect. It is of paramount importance to deliver superior services with differentiated experience, while aligning with the ever-changing customer preferences and needs. Thus, a multichannel strategy comes into play in this information-rich age.

Leading businesses, today, are harnessing both traditional and new service channels (i.e. physical outlet, field service, web, mobile, etc.) to cater to both the segments of changing demographics across all geographies. This is also providing customer access to new channels, while enhancing flexibility in delivering value to the customer. Customers expect to be treated as multichannel buyers, empowered to use the web to research information about products, to purchase them and negotiate returns through any number of outlets. They, typically, examine products more than once, through multiple channels. For instance, they can research online, view in store, peruse a catalogue at home, access a mobile application, and then go online to do further research before making their purchasing decisions. With these sophisticated multichannel strategies, many firms are enjoying strong bottom and top line growth in their businesses. Companies applying best practices strive to offer a sales experience that is uniformly consistent, convenient, relevant and responsive to customer needs across all channels, to effectively execute demand generation in a multichannel environment.

The same wave was witnessed at the service part of the business value chain, wherein the customer could contact the service provider through a variety of service channels. The services were then offered in both traditional and new service channels (over-the-counter, telephony, emails, web portals, chat, co-browsing, social media and mobile). These channels were utilised by industries extensively for servicing customers of different demographics.

Next generation contact centre



The emergence of new channels has enabled a new mix of service channels, which as a package can be more efficient. At the same time they also increased the scope of confusion, thus, evolving the need of service channel optimisation. Though a lot of has been done in this direction, it is too early to conclude that the issue of multichannel mix optimisation has been fully addressed and tackled successfully. These practices still remain in the growth stage and significant opportunities lie ahead for businesses that can identify and exploit them to the fullest.

With time these channels have matured and customer behaviour has also become demanding towards these services. An unhappy customer can air his or her grievances on a company's webpage as well as social media channels. This can adversely affect brand value.

Under these circumstances, an integrated customer relationship management (CRM) system is required to give a 360-degree view of the customer and also provide analytics to optimise various service channels.

Traditional	Over-the-counter	Though expensive and resource-intensive, over-the-counter and telephony are highly effective channels and are well-exploited by traditional users.
	Telephony	Email is an easy, well-understood, and effective service channel, but a lot depends on the type of service, as complex service enquiries can lead to multiple email interactions and may unnecessarily increase the cost. Email is best used for follow-ups with the customer.
	Email	
Web-enabled assisted service	Web portals	Web portals have been successful in a few industries, e.g. banking, insurance, telecom, etc. They have radically reduced the cost of service. For most standard service requests, effective FAQs and guided navigation on portals have been very effective.
	Chat	While web chat and co-browsing has gained popularity in some industries (e.g. travel portals, realty, etc.), it must be used with caution. It is resource-intensive and lacks adequate human touch.
	Co-browsing	
	Social media	The social and mobility channels have great potential is pitched to be the next wave of CRM 2.0 (social CRM). This is yet to integrate seamlessly with the legacy CRM to enhance customer view.
	Mobile	



Evolution of customer contact centre

Technology has changed the way organisations manage their relationships with their customers. While many may argue this new reality, the consumer is increasingly in a position of power, as comparison-shopping on a wider-scale becomes the norm. Currently, a strong relationship with the customer is of utmost importance, and the modern contact centre can facilitate this. A contact centre equips an organisation to create a two-way dialogue with their customers. Every 'contact' with the customer is an opportunity to understand the customer and upsell or cross-sell products. The customer interaction over issues (positive or negative) are documented and tracked on an individual basis, for future action.

Contact centres were established to reduce cost. However, given the transfer of power from business organisations to the customer, cost reduction with effective customer satisfaction has become the priority for business organisations. Nevertheless, it became necessary to carefully determine which channels are effective at meeting the needs of a particular customer.

Not surprisingly, the amplified use of channels through which customers interact with organisations has resulted in increased expectations across all channels. The customers are not merely satisfied with access to multiple channels but are also expecting the same level and quality of service across all channels. In addition, due to the 24 x 7 online accesses of e-commerce businesses customers expect similar service from other businesses. The failure to offer such a support can act as a trigger to migrate to a competitor.

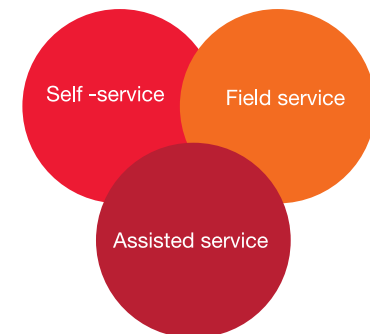
The multichannel environment

The contact centre has become a key organisational stakeholder addressing customer needs, while constantly gaining knowledge about customers and influencing their perceptions. Its role in delighting customer has grown steadily with faster service and its availability across multiple touch points. The past decade has brought many emerging technological advancements in customer relationship management altering customer behaviour by equipping them with additional tools to get serviced. Businesses were also aware of this change and started focussing on listening and engaging customer across multiple channels.

A research by the Aberdeen Group states that a multichannel customer care strategy can achieve more than twice (9.7% vs 3.9%) year-on-year improvement in customer satisfaction, as compared to their peers using a single channel. Though this justifies the need to migrate towards multichannel contact centres for delivering enhanced customer delight, it does not mean that simply adding a channel can improve performance results. Driving the incremental performance gains through the add-on channels requires a well-defined strategy.

Multiple channels contact centres are the organisations which use multiple channels (email, OTC, telephony, web chats, social networks, etc.) to deliver services pertaining to the business.

- Web self -service
- IVR systems
- FAQ
- Service centre
- Kiosks
- Door -to-door service



- Contact centre
- Live chat
- Social media
- Mobility solutions

Increasing overlap of service channels

The concept of multiple channels mix such as field services, self-services, and assisted services was introduced to target different segments of customers. These were targeted towards the elderly population and non-tech savvy customers, whereas the self-service was targeted at technologically advanced customers to reduce cost. The addition of service channels always overlaps with the existing channels.

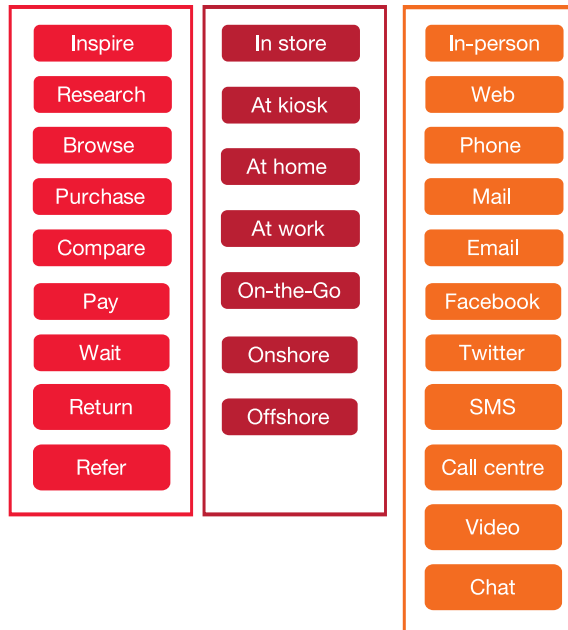
Key decision parameters for selecting appropriate service type

Customer value: Is the customer worth live assistance and/or field service?

Customer capabilities: Does the customer have access to the channel?

Service complexity: Is it a complex service issue? If so, live assistance and/or field service may prove less expensive overall.

These overlaps shall always be effectively managed to enhance the in-house systems and processes. An analysis of key KPI can also help organisations to define the service channel mix and gauge channel utilisation. The field servicing, self-servicing and assisted servicing channels work in tandem and an effective customer service strategy includes the option for the customer to switch the mode of service as required. Also, multiple factors must be considered when deciding the appropriate service mode and choice of channel for a customer segment.



The world of any time, any where, and any channel




Self-service

In an effort to gain a competitive edge in the market, many companies have implemented self-service solutions to deal with business pressures. The two forces driving companies to implement this are operating cost and competition. Companies are getting their customers to do as much as possible on the web, and move away from the high cost contact centre.

The key benefits of self-service include the following:

1. **Cost reduction:** The self-service approach can slash the cost of a customer interaction from as much as 35 USD on the phone to 0.75 USD online (a potential savings of 98% percent on just one transaction, Forrester Research).
2. **Enhanced adaptability:** It is highly adaptable to increase in workload.
3. **CRM 2.0:** Integration with social network sites, forums and competitor sites can act as feedback and works as an efficient marketing tool.
4. **Downtime planning:** It works 24x7, 365 days and downtimes can be planned.
5. **Multilingual system:** It can support more than one language at reduced cost.
6. **Device interoperability:** It can be used on more than one device such as phones, laptops, PC, mobiles, tablets, etc.
7. **Build credibility:** It provides better mode of building credibility, i.e., awards, affiliations, recognitions, forum rankings, visitor counter, testimonies and reviews, list of guest or clients, etc.



Self-service is a type of electronic support that allows customers to access information and perform routine tasks over the web, without requiring any interaction with a representative of an enterprise. It is widely used in CRM and employee relationship management (ERM).

KPI of self-service and its benchmarks

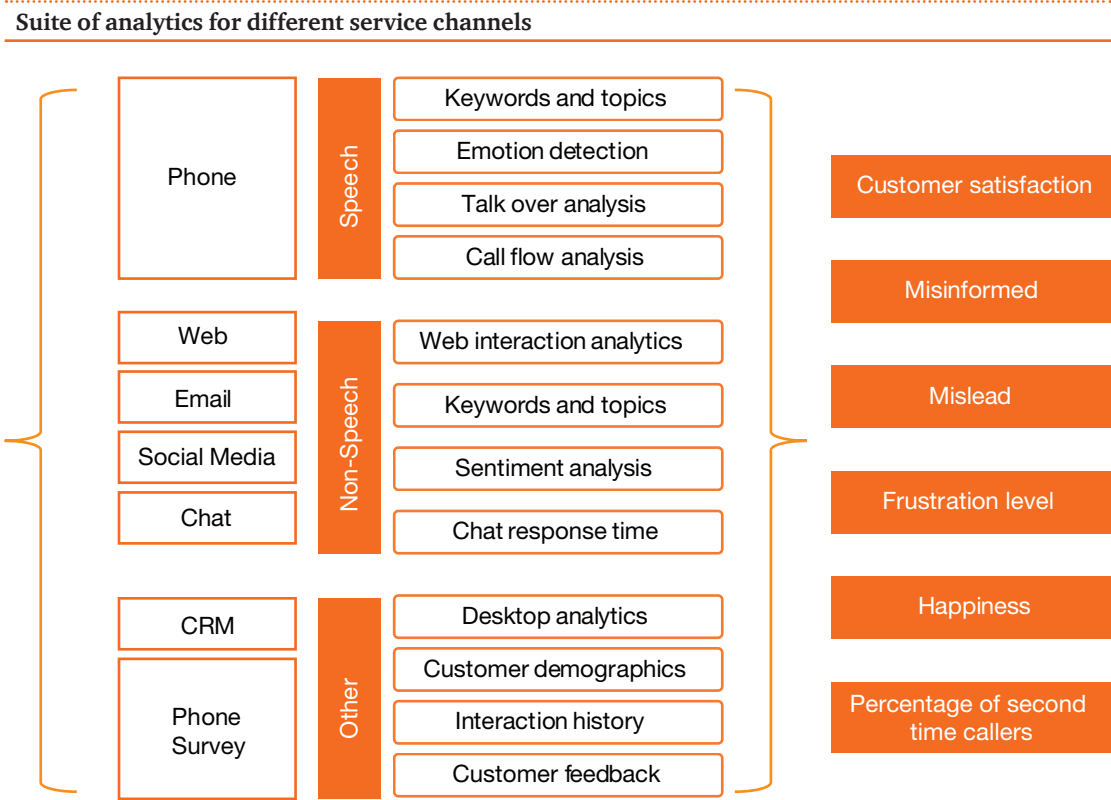
KPI	Definition	Benchmarks
Self-service rate	Number of visits to the support site that do not result in an email, chat, or any assisted online support channel into the contact centre	>80%
Percentage of positive knowledge base responses from customers	Percentage of customers that positively responded to the question of 'was this answer helpful?' on a knowledge base article	30% to 40%
Percentage of returning visitors to the support pages	New vs returning unique visitors to the support pages	More the better
Percentage of visits from third party search to the online support site	Visits that originate from search engines such as Google or Bing as questions, and end up on the support page	>30%
Voice of the customer satisfaction data	Data from pop-up surveys to visitors on the site that ask the question of 'how satisfied are you with the overall support experience?'	Positive data from the surveys

Optimisation of service channels

A multichannel contact centre operates in complex interactive environment. The road towards a dream contact centre involves capturing customer feedback to find relevant channels, seamless integration of channels with existing systems and back-end systems ensuring optimal channel performance.

We propose a four-stage strategy to optimise the service channel mix involving analysis and optimisation of existing channels, redefining channel strategy and its implementation. We aim to generate few savings during the second stage and reinvest it as a part of the revised strategy for more returns. The direct saving will be in terms of improved first call resolution (FCR), increased customer satisfaction, reduced cost to serve, reduced customer churn and call deflation due to self-service channels. The indirect savings will be mainly through higher customer knowledge.

The first step involves a thorough analysis of services, customer and channels. The key analysis in this step involves knowing service characteristics, customer segmentation and preferences and channel suitability. Once this is established a selection of channels can be made. The key factors which drive the selection are the volumes, extend of standardisation, service complexity, human intervention needs and customer’s propensity to self-service.

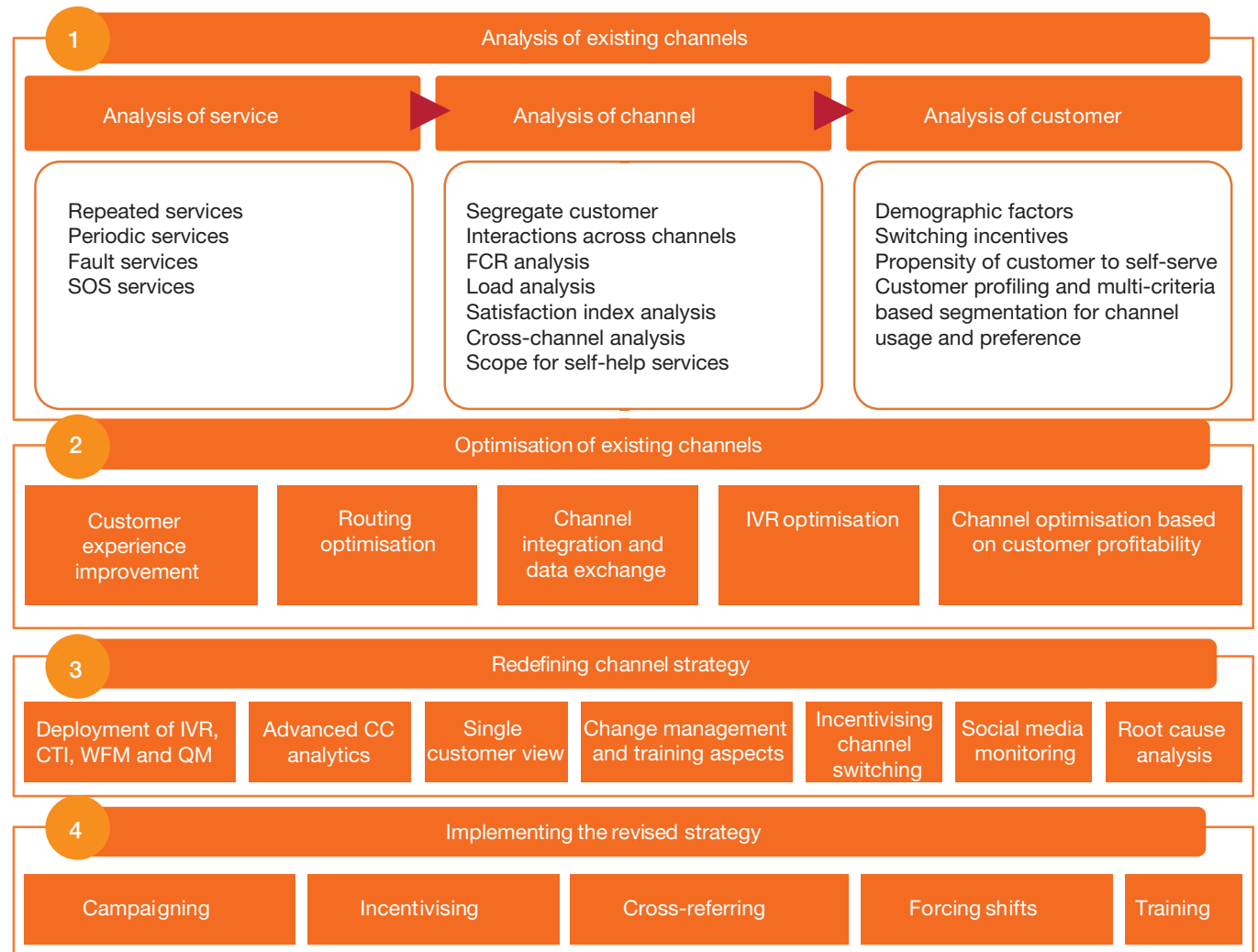


Many might feel that these solutions are fit for large-scale businesses. Adoption of these technologies and practices is not determined by the size but by the organisation’s focus on adopting best practices to achieve success through multichannel contact centre initiatives.

Strategic framework for service channel mix optimisation

The three dimensions of service, channel and customer results in optimisation plan for service, thus, redefining channel strategy. One of the major activities in this whole process is channel integration, as a customer these days switches channel even in a single transaction. The best solution for this problem will be to generate a single view of a customer which gets updated by each channel. The problem discussed in one of the early examples in this document can be addressed only through a single view. Ensuring success of the redefined strategy depends on how well the company can incentivise its customer to migrate to a more efficient and effective service channels. This switching not only requires process reengineering and technology to execute them, but persuasive tactics to encourage people to move, where effective training and change management comes into the picture.

Though, technology is the key enabler in this initiative to equip agents with ability to manage multichannel customer interactions but contact centre analytics also help businesses to analyse the effectiveness of each channel in increasing customer satisfaction, while reducing contact costs. These analytics include speech analytics, non-voice analytics and various other analytics. Every customer contact gives a lead about customer expectations and satisfaction. It is up to the level of analytics an organisation deploys for gauging these characteristics and then reorienting its channels to maximise customer satisfaction



IVR: Interactive Voice Response
CTI: Customer Telephony Integration
WFM: Workforce Management
QM: Quality Management

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