



The Inner Circle Guide to Multichannel Customer Contact

Written by



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CONTENTS

Contents	2
Table of Figures	4
About the Sponsor	6
Executive Summary	8
The Multichannel Contact Centre: Past and Present.....	14
The Future of Multichannel Usage	21
End-user question: “Will the telephony channel eventually die out?”	27
Drivers: Cost and Revenue	28
Drivers: Customer Demand.....	30
Drivers: Operational.....	34
Inhibitors to Multichannel	36
End-user question: “Do voice agents really have the ability to handle multichannel? What tools are available to help them?”	37
Vertical Markets.....	38
Technology Requirements and Enablers	40
SIP, IP and the Universal Queue	41
The Agent Desktop.....	44
Integration and Silos	49
Multichannel Workforce Management	52
Interaction Recording and Analytics	56
Agent Skills and Multichannel Blending.....	58
End-user question: “What is the most effective way to manage agent skills in a multichannel environment? Is it really so different from voice?”	60
End-user question: “Is it better to have dedicated multichannel teams, or for agents to handle different channels?”	63
Channel Focus: Email	64

End-user question: “How are customer expectations for response times changing, and how are companies reacting?”	70
Channel Focus: Web Chat and Co-Browsing.....	72
Channel Focus: SMS	77
Channel Focus: Social Media.....	81
Channel Focus: Video.....	91
End-user question: “What role do you see video playing in the multichannel contact centre?” 92	
Channel Focus: Mobile Service	93
Implementation and Return on Investment	103
End-user question: “What are the biggest mistakes organisations make when building a multichannel contact centre?”	105
End-user question: “How can I justify investments in multichannel technology, bearing in mind volumes are so much lower than telephony?”	109
Supplier Profile.....	113
Strategic Issues and Roadmap	115
End-user question: “What will be the new multichannel ‘game changer’ over the next few years?”	117
About ContactBabel	121

TABLE OF FIGURES

Figure 1: Inbound contact channels: popularity, suitability and speed of response	14
Figure 2: Multimedia channels	17
Figure 3: Inbound interactions by channel	20
Figure 4: Current and future use of customer communication channels.....	22
Figure 5: How are inbound channels changing in your contact centre?	23
Figure 6: Contact centre inbound interactions by channel, 2006-2016	24
Figure 7: Relative changes in inbound channels, 2012-2016.....	25
Figure 8: Estimated cost per interaction (US data).....	28
Figure 9: Stages of channel uptake	30
Figure 10: How does customer satisfaction differ by channel?.....	32
Figure 11: Inbound interactions by channel, by vertical market	38
Figure 12: How many applications does an agent use within a call?	44
Figure 13: How many applications does an agent use after a call?.....	45
Figure 14: In-call access to knowledge sources for agents.....	47
Figure 15: Integration of channels (Vocalcom survey)	51
Figure 16: The importance of multichannel workforce management, by vertical market	52
Figure 17: The importance of multichannel workforce management, by contact centre size	53
Figure 18: Which changes to your workforce management systems would benefit you most?	54
Figure 19: Use of multimedia blended agents by vertical market.....	59
Figure 20: Methods of multimedia blending	61
Figure 21: The effect of multimedia blending on average email handling time.....	62
Figure 22: Inbound interactions that are email, by vertical market	65
Figure 23: Inbound interactions that are email, by contact centre size	66
Figure 24: Customer experience of email channels over time	67

Figure 25: What proportion of emails are answered successfully and completely within these timescales?.....	68
Figure 26: Proportion of emails answered within 1 day, by vertical market.....	69
Figure 27: Customer experience of email and web chat	73
Figure 28: The stated importance of social media to a business.....	82
Figure 29: Which of the following comments describes how your company views social media?.....	83
Figure 30: Current usage of social media.....	85
Figure 31: Usefulness of social media for business activities	86
Figure 32: Possible customer experience of social media channel	87
Figure 33: Mobile customer communication methods (by contact centre size).....	98
Figure 34: Security and identity verification via mobile channel.....	99
Figure 35: Escalation to an agent via the mobile channel	100
Figure 36: What information is passed to an agent after escalation from the mobile channel?.....	101
Figure 37: The effect of multimedia blending on average email handling time.....	111
Figure 38: Most important areas of proposed IT expenditure in 2013 & 2014.....	116

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EXECUTIVE SUMMARY

INTRODUCTION

Despite this report being about multichannel contact, this phrase is actually a misnomer. All channels, regardless of how many there are, should be treated as a single, unified way of allowing businesses and customers to communicate with each other. The same high level of service and knowledge should be available regardless of the means of communication.

Some customers prefer to use a particular channel, depending upon age, gender, socio-economic group, technological sophistication, time of day, their location or the emotional requirements of the interaction; some businesses will find it a lot cheaper to offer certain types of channel.

Few customers have ever left a business whose products and services that they liked, simply because they have to phone the business from time to time, rather than sending an email. However, many customers have left because it took 20 minutes to answer the phone, or the agents had no idea about the long, painstaking letter or email the customer had written two weeks earlier. By all means, offer multiple channels, but only if you are sure you can get them right.

This report looks at customers' and businesses' attitudes toward usage of multichannel interactions, and identifies the issues and potential pitfalls that businesses will face when trying to improve the customer communications across channels.

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EXECUTIVE SUMMARY

Multimedia Today:

- Telephony and email account for around 85% of interactions, yet social media, at under 1%, has a far higher profile in the enterprise
- There have been major jumps in email volume, which now accounts for over 15% of UK inbound business interactions
- Web chat has also seen a lot of growth in implementation, although volumes are still relatively low.

The Future of Multichannel:

- There will be polarisation of customer contact. Self-service will take over the majority of transactional communications, leaving the live channel - especially the telephone - to deal with complex, emotion-driven, high-value interactions
- Few businesses plan to discontinue any of their existing channels, even though volumes are expected to drop in the white mail and fax channels, and possibly in the volume of live phone calls too
- Email will decline slightly, as web chat takes up some of the requirements of online communication. However, as email is suited to longer, less time-sensitive queries, it may replace some of the white mail coming into the business, thus keeping email volumes up to some extent.

Drivers: cost and revenue:

- Email and web chat are reported to cost around 40% of a live call
- Word- or phrase-spotting creates the possibility of 'multichannel triage', where the customer requests are routed to the appropriate agent, channel or priority queue
- Multichannel has a positive impact on agent attrition due to the variety of work offered.

Drivers: customer demands:

- Channels can be offered by businesses, but only customer uptake can make them a success. Email has been widely offered for over a decade, but only recently have volumes grown rapidly. Web chat is being offered by far more companies than before, but customers are still trialling it warily
- Smartphone uptake is a huge driver of multichannel usage. Customers do not particularly differentiate between phone, email, web chat or mobile self-service: as it is on the same device it seems to them as though it should be a single channel.

Drivers: operational:

- Multichannel allows the opportunity to flatten interaction spikes by shifting resources between channels in real time
- Call avoidance can be viewed as 'right-channelling' if customers requests are handled more quickly and effectively without a live phone call. Multichannel can, and should be, win-win for both parties.

Inhibitors to multichannel:

- Existing technology may make integration complex and expensive
- Concerns about the availability of agents' multichannel skills
- Customer demographics may not encourage a move to multichannel
- Budget may be difficult to get as senior management may not see this as a priority
- Internal operational and political boundaries have to be crossed and managed in cases of mobile-, web- and social media-based customer service: it is not all about the contact centre.

Vertical markets:

- Financial Services has the greatest reliance on telephony
- Pure self-service is still strong in utilities and transport & travel sectors
- Email is very well represented in the retail, technology/media/telecoms and manufacturing sectors. Retail is also most likely to have significant volumes of web chat.

Technological requirements:

- Multichannel is not about buying an application. The key to it is integration, and having access to the customer master record across channels
- It also requires several departments - IT, contact centre, marketing, back-office, corporate - to work together across departmental boundaries
- Only 17% of contact centres claim they have full integration across all channels
- Movement from a hardware-centric environment into an open IP / SIP-based software-led architecture makes integration and addition of new channels easier
- Workforce management solutions need to be able to handle the non-real-time nature of some channels: traditional call handling forecasting techniques do not work on other interaction types.

Channel focus: Email:

- Accounts for 15% of interactions, proportionally more in smaller contact centres
- Two-thirds of emails are answered within 24 hours
- While email response time is rarely quick, it is a case of 'fire and forget' for the customer, who spends no time waiting in a queue.

Channel focus: Web Chat and Cobrowsing:

- Some solution providers have stated that up to six concurrent chat sessions are possible. In reality, three is perhaps the maximum number sustainable
- Web chat can be fronted by virtual agents, which attempt to answer FAQs before escalating to live chat if required
- Web chat has jumped, both in terms of the number of businesses offering it, and the take-up by customers. However, at 1.3% of inbound interactions, it is still a niche channel, although solution providers report a lot of trials taking place.

Channel focus: SMS:

- An overlooked but cheap channel, which is useful for providing simple information in a timely fashion, often through outbound
- MMS and smartphones open up SMS's capabilities further
- SMS as an outbound proactive customer service channel is well-thought-of by customers.

Channel focus: Social Media:

- Social media usually started as an outbound marketing channel, but customer demand has created a *de facto* inbound customer service channel for which many companies do not have the strategy or the tools to cope
- Despite the very low (0.7%) proportion of inbound interactions that social media accounts for, it has a very high profile in the business, especially at senior levels
- Small operations are just as likely to engage in social media as large contact centres, and there are fewer barriers to entry cost-wise.

Channel focus: Video:

- Live video has limitations in that relatively little value can usually be added by seeing the agent or customer
- Canned video can be very useful, by showing the agent what the customer is talking about, or by the agent pushing instructions, product demos, etc. to the caller.

Channel focus: Mobile Service:

- Despite the opportunity to use the contextual information that comes with a mobile device - including geotags, stored device data, customer ID, etc. – most mobile service still operates within a silo
- The next steps for companies with mobile websites or apps is to offer a live channel seamlessly without the customer having to start the interaction all over again
- Mobile apps should be able to divert a large number of simple calls from the contact centre, and may impact upon telephony self-service levels.

Implementation and Return on Investment:

- It is better to support a single new channel effectively, than introduce two or three but to handle them sub-optimally
- Decide what you want to achieve - for example, shifting a proportion of long helpdesk calls to a YouTube demo, or using web chat to improve your website check-out statistics - and implement and measure accordingly
- All implementations should have a definite, measurable advantage for both business and customer: a win-win scenario. There is no point in adding new channels if this is not the case: they will be either underused or unsustainable
- Return on investment comes from many sources: call avoidance; improved sales conversion rates; improved first-contact resolution; lower staff attrition; improved customer satisfaction and loyalty.

Strategic Issues and Roadmap:

- Moving to an IP environment is a very popular focus for investment, which supports the addition and management of new channels
- Web chat, social media and the Universal Queue are all in the top 7 spending priorities for contact centres
- Telephony will remain key, as the ability to handle multiple, complex requests quickly through this channel is unsurpassed
- Telephony holds the key to greater understanding of customers through the analysis of “why?”, not just “what?”. Mixing audio information with data and handling outcomes will identify patterns and reasons for customer behaviour that will provide competitive advantage
- The customer contact of the future will be a polarised mix of automated and highly-personalised live expert contact when required.

THE MULTICHANNEL CONTACT CENTRE: PAST AND PRESENT

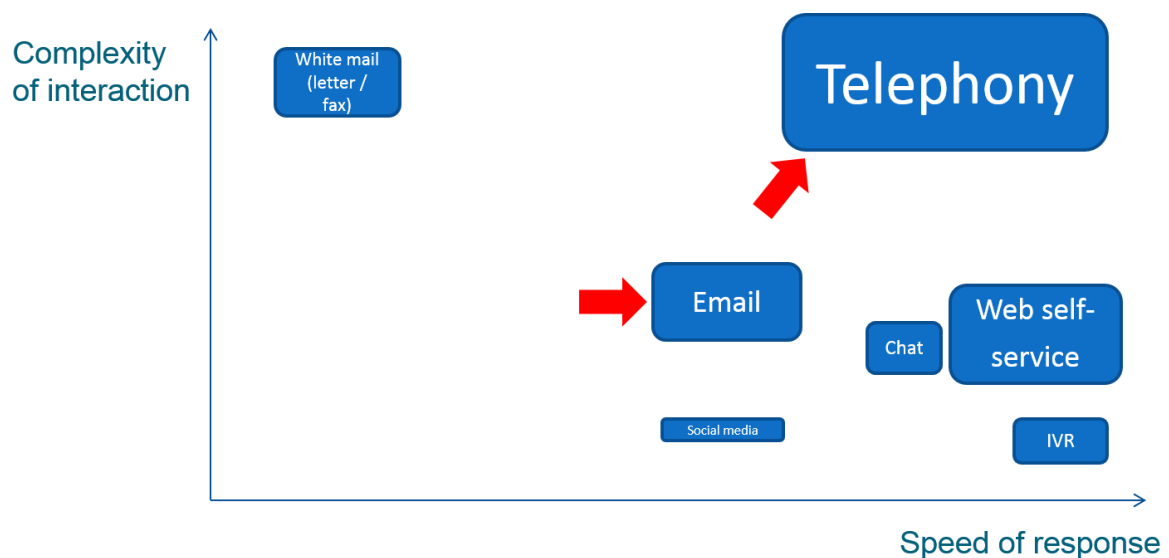
Channels of communication used by UK consumers have proliferated in the past 20 years, but despite the constant media-led groaning about how much everyone hates call centres, the telephone has emerged as the channel of choice, based on ubiquity, speed and ease of use.

In the late 1990s, analysts predicted email to be the next big B2C communication method, only for customers to find that, in many cases, sending an email didn't get customers any sort of answer at all. Predictably, for many years, email accounted for only 1-2% of a business's inbound communication. However, individual organisations (especially those in the IT and retail sector) managed to make email an acceptable channel for customers, breaking the vicious circle that consumers had experienced: receiving poor service via email from a number of companies put customers off from using the medium, which meant that investments weren't made in improving the email channel, which further weakened its effectiveness.

The past teaches us that it is the consumers that make the decision on which communication methods will be most used, not the businesses. If the channel proposed by businesses is suitable for the type of interaction, then it will succeed - otherwise, it will fail. Predicting which channels will be used in future, and by whom, will give businesses a better chance to deliver high-quality service at the right points, while reducing cost where possible. Getting it wrong is expensive and damaging to the brand.

Multichannel contact centres have been mainstream for years, with over 90% of UK contact centres dealing with a significant proportion of email as well as telephony. The Internet – as a channel for self-service, sales and increasingly person-to-person contact – is an integral part of many businesses' customer contact strategy, with the advent of social media throwing another element into the mix.

Figure 1: Inbound contact channels: popularity, suitability and speed of response



The preceding chart gives an idea of where things stand in 2013. The size of the boxes gives an indication of the relative importance of major channels, by volume. Each channel can handle interactions of certain complexity, and some are far quicker to provide a response than others. The red arrows indicate how the phone and email channels have altered their capabilities within the last few years.

White mail: suited to issues of great complexity and importance, due to the ability to establish a paper trail, found particularly in industries that are contract-driven, for example insurance. Response times are, of course, relatively long.

Telephony: on average, by far the largest inbound interaction channel. It has ubiquity, is a real-time two-way channel covering many different topics if necessary, and if queue length is reasonable, has one of the quickest speed of responses of any channel, despite popular perceptions. Since the widespread uptake of self-service, telephony is in the process of reinventing itself as the channel of choice for lengthy, important or complex interactions. For many businesses, contact centre agents have actually become 'experts', without this having being planned.

Email: despite the inherent difficulty of establishing a real-time, two-way conversation, email volumes have grown dramatically in the past few years. Like white mail, email allows customers to go into considerable detail, expressing their thoughts in the order in which they wish. This ability is particularly valued in issues such as complaints, where the customer may have detailed information to impart which it is difficult to put across on a phone conversation. The red arrow shows that email response times have improved considerably, but it is still by no means the quickest channel.

Web self-service: this channel has grown enormously in the past few years, to some extent at the expense of telephony self-service. The visual medium provides customers with a far more flexible experience, and it is a very quick channel to use for simple queries. NB – we do not have statistics on the volume of web self-service interactions, so the relative size of the box should be ignored in this case.

IVR: this channel has declined somewhat, but is still widely available and widely used. It is most useful for handling the simplest of transactions, such as balance-checking or providing a meter reading.

Web chat: this niche channel is beginning to establish itself, particularly in retail-based environments. As telephony agents provide a back-up to telephony IVR, web chat offers the same capabilities to support a web self-service session which cannot be fulfilled successfully. It offers a similar speed of response to the phone channel, and there is no reason why customer authentication cannot take place which would allow access to a wider level of service than is currently the case. Cobrowsing can be seen as a very closely related to web chat, with similar capabilities and uptake which will be closely tied to that of web chat.

Social media: as can be seen by the tiny size of the box in the preceding chart, social media does not yet have significant volumes of interactions for most companies. However it has an extremely high profile both outside and within the organisation, and has grabbed the attention of senior executives far more than the traditional contact centre has ever managed to do. As such, there is a disproportionate amount of interest being shown in social media as a customer contact channel, due in no small part to the potentially damaging nature of a customer service failure being made extremely public.

Despite the much lower penetration rates, it is also worth mentioning the presence of **virtual worlds, avatars, kiosks** and **video agents** in the customer contact mix as these are options which certain businesses may use to target the Internet generation as well as more technically-literate existing customers.

Figure 2: Multimedia channels

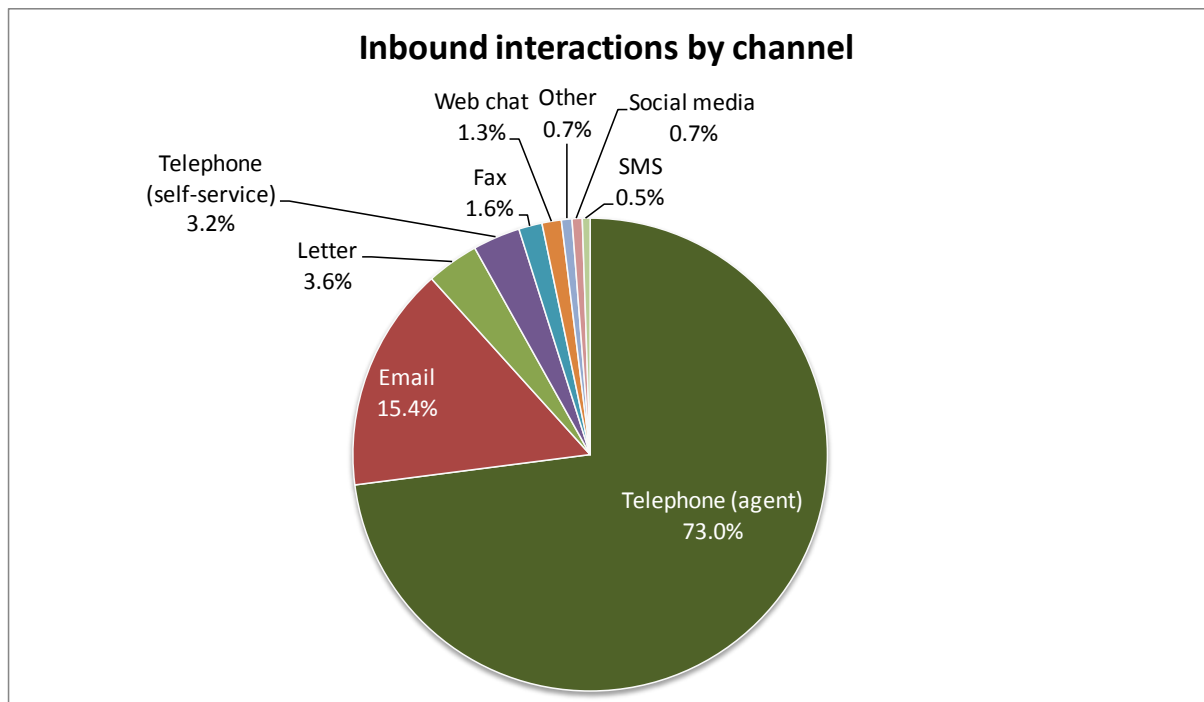
Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Email	Widely offered for inbound and outbound service by all sectors, especially IT and retail.	Email is widely-used and accepted by customers. As a non-real-time application, businesses can deal with emails in slack periods. Written format is suited to long and complex answers. Templatised responses offer cost savings.	Without investment in email systems, email is no cheaper to handle than a phone call. Service levels are often poor or inconsistent, leading to customer dissatisfaction. Any interaction that requires security is unsuitable for email checks.	IT and retail often highest. Insurance and finance usually low. On average, the contact centre industry has >15% of inbound interactions as email.
Self-service	Both voice and web self-service are widely used, the former either through touchtone IVR or speech recognition, which handles simple queries and transactions.	Variable costs of using self-service are very low (i.e. once the system is set-up correctly, incremental cost per use is negligible), making it suitable for high-volume, simple interactions, avoiding the costs of these calls being handled by agents. Allows 24/7 service at low cost.	Excessively pushing the use of self-service, & badly-designed IVR menus can mean that callers feel frustrated & alienated. The use of natural language self-service is not yet widespread, & older voice-based applications are often inflexible & long-winded.	c.3-5% of inbound contact centre interactions are dealt with by voice self-service, much higher in finance and utilities sectors. Movement to web self-service continues.
SMS	Often used for marketing messages, SMS can also provide proactive customer service, such as balance threshold alerts and appointment reminders.	SMS is a cheap channel, with texts costing less than 10p each. UK mobile phone penetration is greater than 100%, and SMS senders are very likely to have their messages read.	The same rules against email spam apply to SMS, so customers must give their permission to be sent SMS. Inbound SMS is like email, in that security cannot be established, and it is not a real time application.	Around half of businesses currently use SMS to communicate with customers, usually for marketing purposes.

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Web chat / instant messaging	Growing as specific applications for its use emerge. Used in significant minority of businesses.	Real-time nature of web chat means it is akin to a voice conversation in immediacy. It is possible to ask security questions through web chat, although it is debatable whether the customer will feel happy about passing on this information over the web. Multiple concurrent web chat sessions can be run, cutting cost Younger generation is used to messaging.	Web chat may be too alien to the older generation who may feel pressured by the sudden appearance of a chat initiation. May encourage people to ask unnecessary questions that they would otherwise use the website to find the answer to.	1-2% of interactions into UK contact centres, but potential to grow rapidly, especially in retail.
Video agents	Limited current use. Can be delivered through PC, kiosk or interactive digital TV. Canned video via YouTube is growing for product demos. Also C2B video also emerging.	Eye contact is critical for establishing trust and 60% of the communication process is visual. Opportunities for demonstrating product features. "Show, not tell" is powerful. Growth driven by 3/4G & smartphones.	Instead of live video, customers may prefer the impersonality of telephony. Agents will need training in visual presentation.	Not known, although low.
Virtual worlds	Second Life is an online, virtual world populated by avatars. Businesses use Second Life as a venue for recruitment fairs, a branding opportunity, a sales channel for both real and virtual commodities and also a provider of customer service.	Waiting in a Second Life office should be a less-boring experience than holding for a contact centre agent, with residents able to wander around the world, watch videos, read information or talk to other people while waiting their turn. The added visual capability will have the same advantages of video agents.	Avatars are not yet realistic or life-like, limiting non-verbal communication. Most people are unaware of Second Life and it is far quicker to pick up the phone.	Millions of Second Life users, but 'real' business fairly limited. Increasingly used for intra-company communications.
Cobrowsing	Currently limited. Page-pushing and joint form-filling more used in the US, but rarely in the UK.	Allowing an agent to work alongside a customer's desktop can give more personal and effective assistance.	Can be expensive per session. Not widely understood by customers.	Still very low in the UK.

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Social media	Twitter, Facebook, Linked-In, YouTube are all becoming very popular for businesses.	Personal social engagement (e.g. Facebook, Twitter) is spilling into the corporate world. Originally used by businesses as outbound marketing / brand awareness, has developed into de facto inbound customer service.	No security or ID verification process means not all interactions are suitable for social media. High risk of negative PR associated with this channel may lead to over-resourcing at the expense of others.	Less than 1%, but seen by senior management as far more important than volumes suggest.
Avatars	An avatar is a physical representation of an individual in cyberspace. Some businesses are using avatars to act as the front-end for self-service applications, offering customers a human-like interface with which to carry out self-service operations.	Online customers can move their avatars around a website in the same way they would move around a shop, and ask sales avatars for help. If avatars were physically similar to their owners, businesses could use web collaboration to show exactly how the customer would look in an item of clothing, or behind the wheel of a car.	Avatars require 'anthropomorphous software' to be able to decipher unformatted text and natural language, read and write text and display some level of behaviour that might be seen as personality and intelligence - it needs to be seen as being more than just an attractive way to do the same limited things.	Not known, although very low.
Kiosks	Supermarkets, cinemas, banks, fast-food outlets and train stations have touch-screen terminals which can deal with financial transactions, issuing tickets, taking orders and scanning items.	Low-cost, effectively another variant of self-service, with a possible option to move to a video agent if required, although privacy issues are present. It takes an average of \$3 for an agent to check-in an airline traveller, but only 14c each with a kiosk (source: Forrester Research).	Possible mechanical breakdown. Non-private. Limited functionality.	Not known, although growing, especially in the mobile phone sub-sector.

While the proportion of inbound interactions by channel did not change greatly between 2009 and 2011 - perhaps as many initiatives and investments were put on hold - 2012 saw a big jump in email from 10.4% to 15.4%, and a further drop in both the live and self-service telephone channels, as more customers choose an online option as their primary channel, a view further supported by web chat jumping from 0.7% to 1.3%, with this continuing into 2013.

Figure 3: Inbound interactions by channel



THE FUTURE OF MULTICHANNEL USAGE

Although it may seem difficult to believe for beleaguered contact centre managers who are juggling service levels across five or six different channels, but the multichannel revolution has only just begun. At the most basic level, customers will choose to speak to a business through the particular channel which they believe best suits their requirements, which are usually quite generic:

- Effective
- Quick
- Painless
- Cheap.

If a channel does not meet these requirements to a significant extent, it is unlikely to succeed.

The majority of customer interactions fall into one of two categories: those that are purely transactional and those that require dialogue.

Transaction communications, such as balance enquiries and travel information, require access to highly-structured business information, and non-automated transactions can require an agent to act simply as an 'organic interface' between the back office systems and the customer. Such communications may be dealt with by self-service, whether through touchtone IVR, speech recognition or increasingly, web-based self-service options with the speed and flexibility of visual information. By putting an automated front-end on top of an existing back-office process, cost per transaction is reduced to pennies rather than pounds.

Most customers value the speed of the self-service transaction compared to the alternatives (telephony, face-to-face, letter, etc.), so this works well for both business and customer.

Voice-based self-service will decrease, as web or mobile self-service will take the majority of the transactional communications, and the contact centre will be responsible for the remainder of the difficult and complex enquiries that customers will have.

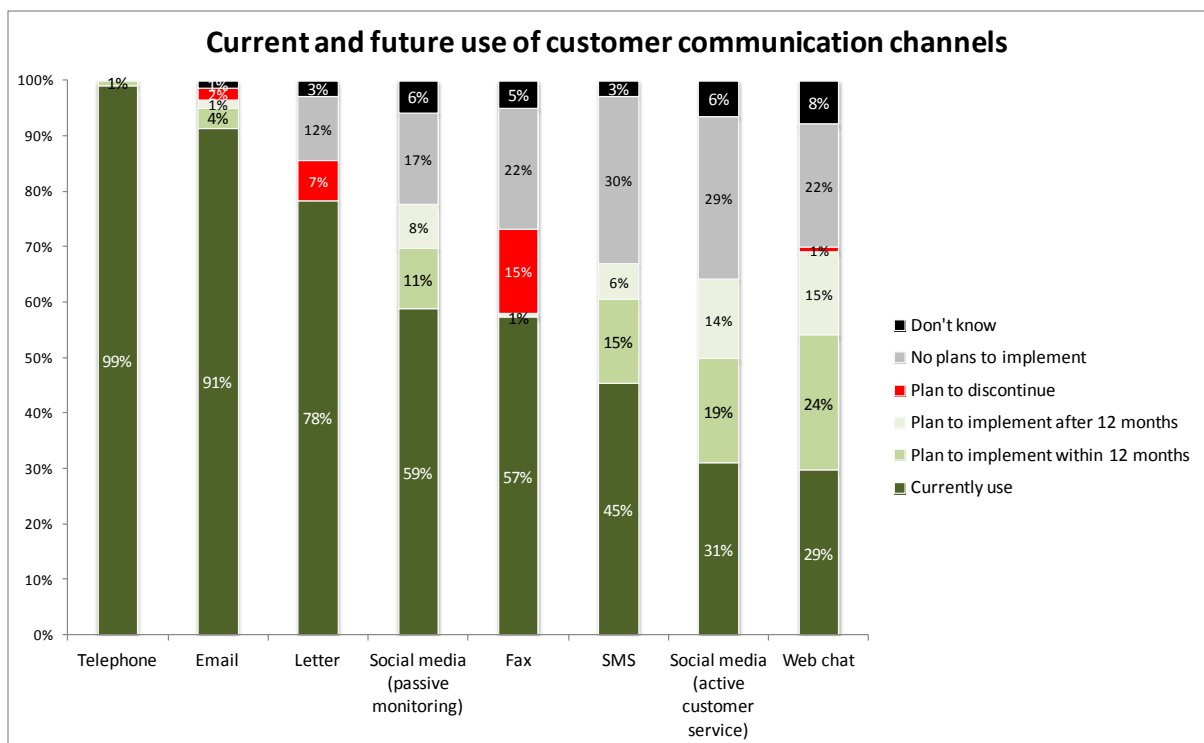
Interaction communications, such as technical helpdesks, complex or multiple enquiries or where the customer requires reassurance and confirmation, require actual dialogue and discussion between the customer and the business's representative.

It is important to note that it is not solely the level of complexity that drives a customer to choose an interaction rather than a transaction, but also the state of mind of the customer at that time. For example, a customer may value reassurance rather than speed in certain circumstances (e.g. wanting to check train times to go to a wedding, or making an important hospital appointment). In such cases, not allowing the customer to interact with a live agent will have a considerable negative impact on their opinion of the organisation, potentially far outweighing the extra cost that is associated with a single instance of providing a person to talk with, rather than a self-service option. Additionally, some customers simply prefer speaking to another person and even the best self-service application is anathema to them.

Unless there is a major change in consumers' psychology, or an entirely new technology is used for customer interactions (such as cheap and reliable artificial intelligence), the majority of customer contacts into the contact centre will become interactions, rather than transactions, requiring expert attention.

The UK contact centre industry has embraced multichannel customer communication, with 91% offering an email channel as well as 45% SMS and 29% web chat. Traditional channels such as letter and fax are still present in most cases, and social media as a customer service channel is also offered by 31% of respondents (end-2012 figures).

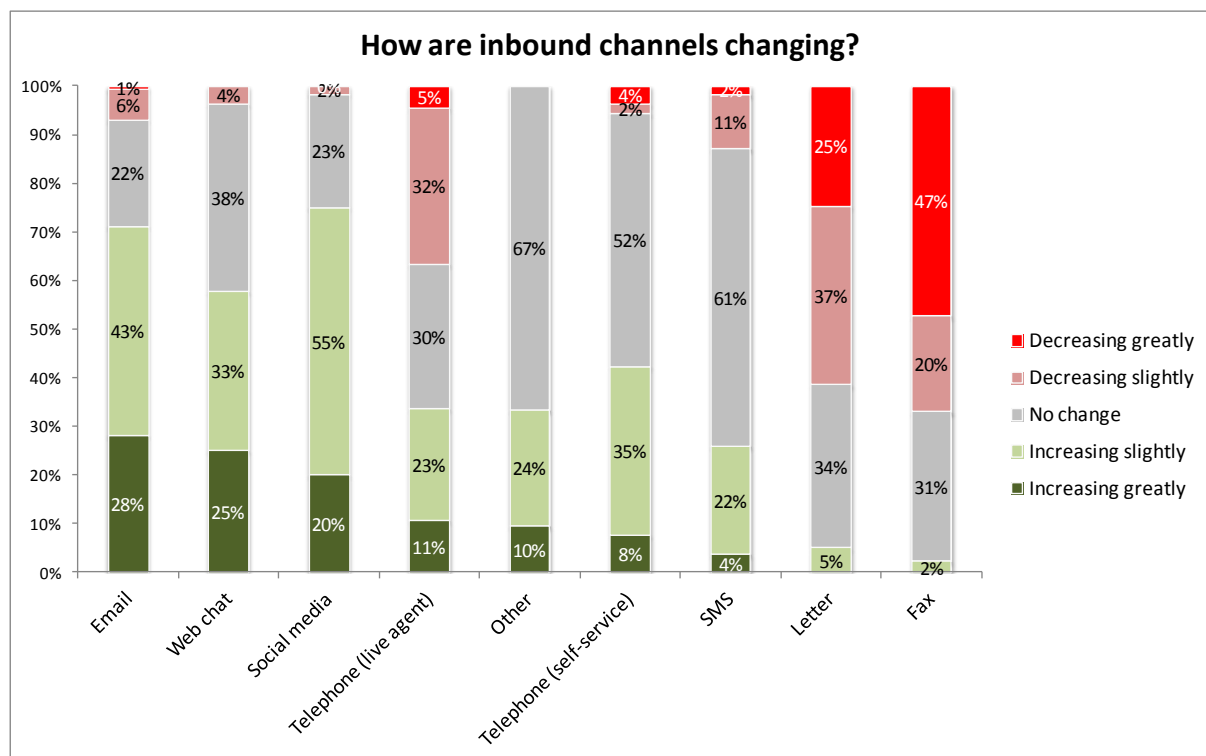
Figure 4: Current and future use of customer communication channels



As not all of the same respondents take part in this survey every year, it is not always possible to be confident that a jump in the usage of a minor multimedia channel is an industry-wide phenomenon, rather than the case of a couple of early-adopters skewing the results, which is certainly possible where only a few use a channel. As such, a question was asked about how each inbound channel was changing, so as to judge if any alterations in the use of channels was due to real changes at a contact centre-level, or was more of a statistical blip.

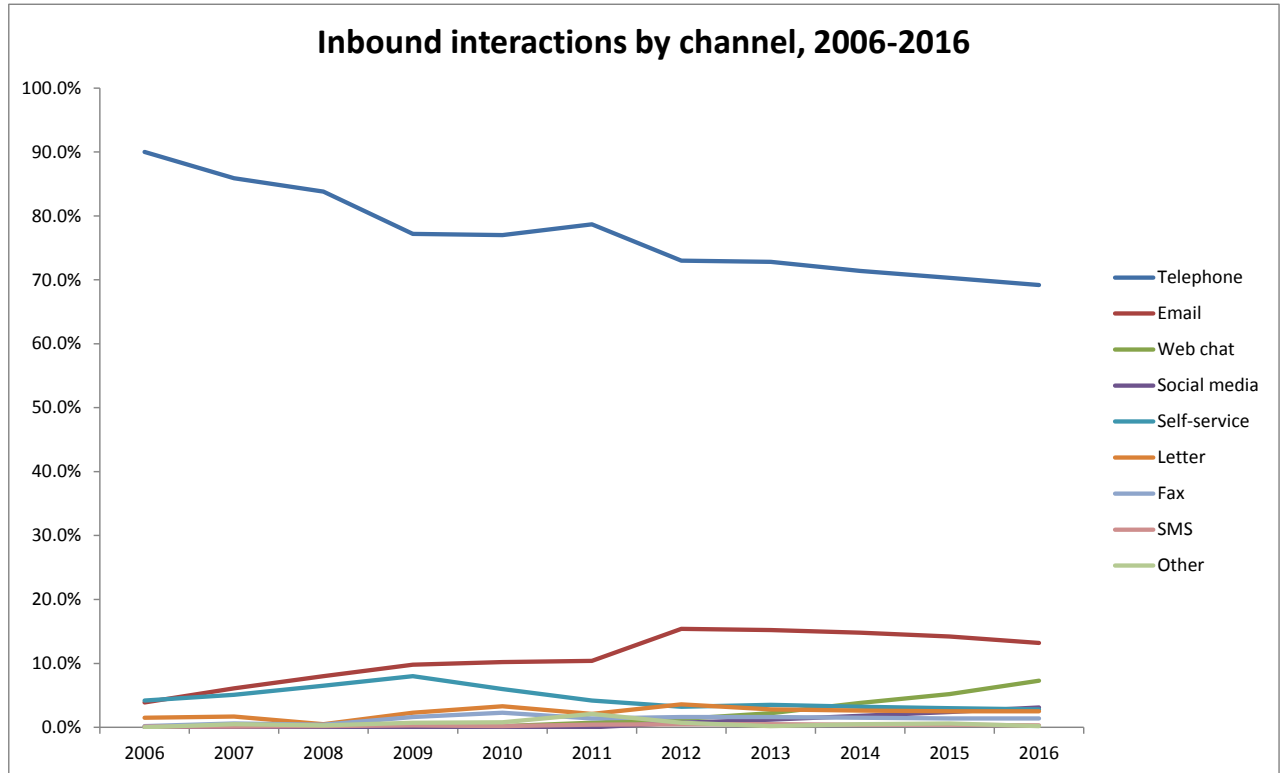
Email is looked upon as a growing channel, and web chat and social media are also looked upon positively. The traditional media of letters and fax are declining in our respondents' eyes, although still have their place in the likes of the insurance, transport & travel and manufacturing industries. The figure for live agent telephony dropped significantly from 78.6% to 73% in 2012, and for the first time, more respondents say that telephony is declining rather than increasing.

Figure 5: How are inbound channels changing in your contact centre?



The next few years are expected by ContactBabel to bring a slight fall in email communication, and telephony self-service will also continue to drop somewhat, with web-based self-service increasingly frequent: interactions that are suitable for self-service are becoming far more likely to be done online, either through a desktop computer, or increasingly through a smartphone app.

Figure 6: Contact centre inbound interactions by channel, 2006-2016



Channel	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Telephone	90.0%	85.9%	83.8%	77.2%	77.0%	78.7%	73.0%	72.8%	71.4%	70.3%	69.2%
Email	3.9%	6.1%	8.0%	9.8%	10.2%	10.4%	15.4%	15.2%	14.8%	14.2%	13.2%
Web chat	0.1%	0.1%	0.3%	0.1%	0.2%	0.7%	1.3%	2.2%	3.8%	5.2%	7.3%
Social media	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	1.2%	1.8%	2.4%	3.1%
Self-service	4.2%	5.1%	6.5%	8.0%	6.0%	4.2%	3.2%	3.5%	3.2%	3.0%	2.8%
Letter	1.5%	1.7%	0.5%	2.3%	3.3%	2.1%	3.6%	2.8%	2.6%	2.5%	2.5%
Fax	0.2%	0.6%	0.4%	1.6%	2.3%	1.4%	1.6%	1.6%	1.5%	1.4%	1.4%
SMS	0.1%	0.1%	0.2%	0.3%	0.2%	0.4%	0.5%	0.5%	0.4%	0.4%	0.3%
Other	0.0%	0.5%	0.3%	0.7%	0.8%	2.1%	0.7%	0.2%	0.5%	0.6%	0.2%

Telephony self-service via the contact centre accounts for only 3.2% of inbound interactions, having declined since 2009. (This applies only to full self-service, not auto-attendant call routing, which continues to be strong).

Web chat will become more mainstream, especially in the retail sector, where the opportunity to ask a quick question in real time can dramatically improve the conversion rate of online baskets, something seen in the US. Web chat has huge potential to substitute for email – responses are far quicker; the browsing customer does not have to change channels to use it; hyperlinks can be sent from the business to support the service experience; and identity verification can theoretically be carried out (although few organisations currently do this).

The number of inbound calls that agents handle will decrease very slightly in the next few years as call lengths increase and simple interactions continue to move off the live voice channel, although the actual number of call minutes will increase. The easier, more transactional contacts will be increasingly handled through web self-service or web chat, meaning the average voice interaction will be a more complex process, requiring longer to handle successfully. As non-voice communications continue to be handled better, there will be fewer ‘follow-up’ calls made by customers who have not received an acceptable response via email, for example.

Predicted email volumes differ somewhat from that expected by contact centre managers, who have seen this channel grow significantly in the past couple of years. Our estimate is based upon our estimation of the migration of customers from the email channel to web chat, as customers’ growing familiarity with this channel and its superior real-time capabilities mean that it will become a channel of choice for a significant proportion of more sophisticated customers. There will be a jump in social media and web chat interactions, meaning overall number of interactions will increase slightly.

Figure 7: Relative changes in inbound channels, 2012-2016

Inbound channel	Compound annual growth rate (CAGR), 2012-16
Voice (minutes)	1.0%
Voice (number of calls)	-0.8%
Email	-3.2%
Self-service (telephone)	-2.7%
Web chat	54.8%
Agent positions	3.3%
Overall inbound interactions	0.6%

How Digital Consumerism Challenges Traditional Multi-Channel Service

The rise of multi-channel within traditional customer services has been glacially slow.

Until recently live voice has dominated against nominal use of other channels. Now both email and chat have established a firm grip in certain sectors. The rise of social customer service adds further momentum.

However, this is not the real story. Nor is it the way to forecast how multi-channel is likely to evolve.

The clues are all around. For a start the language of multi-channel is moving on. Some now refer to it as 'cross channel'. Others such as retailers talk about 'omni-channel'. In both cases, they are pointing a finger at the lack of tight integration between these channels.

To understand why this is happening we need to look at some of the broader changes impacting the way in which organisations and customers interact.

Digital Lifestyles

The rise of the digital consumer brings a new generation of expectations. Eventually, they will transform how multi-channel is used.

Back on the high street customers are now armed with smartphones and tablets, causing a massive investment from top retailers in so called omni-channel capabilities. They have no choice. The instant availability of real time competitive prices, users reviews, and feedback from personal networks has empowered the consumer.

Research into how this type of consumer shops shows she typically moves between many channels and across media during the buying cycle. This could include online search, social networks, email, live voice, in store kiosks, m-commerce. What characterises all this is her expectation for personalised experiences and real time responsiveness. In essence she 'wants it now'!

The Rise of Digital Workplaces

Being on the front line of this expectation, retailers are re-architecting their organisations to collaborate more closely around a common set of workflows, customer data and interaction capability. This is one of many new trends influencing where multi-channel is going. It becomes a shared resource for many more customer-facing teams in pursuit of that 'seamless experience'.

This is something we have explored in much greater detail in a whitepaper called 'Why Digital Customer Service Threatens A Total Makeover For Call Centres' which you can download [here](#).

The Interaction Mix

An empowering aspect of digital life is that it breeds self-sufficiency, a desire for self service.

Anyone with a personal history in the industry knows this has been a series of false dawns. Customer uptake never matched expectation. Much has been subsequently learnt about the need for excellent UX design and ongoing refinements thereafter. The need to use live assistance is also changing. If today's digitally empowered customer is instinctively more independent, they will gravitate to effective self service options whenever available. The rise of peer to peer support is another manifestation of this self sufficiency.

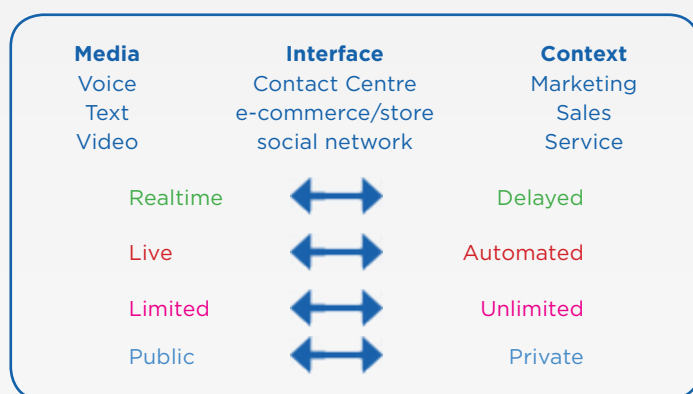
Live voice interaction is no longer the preferential channel. If that's the case, is it now in terminal decline? Our answer is that voice traffic will shrink while its role in high value interactions will grow.

Effective multi-channel strategy starts with an understanding of how channels work and where they are best deployed. It is based on the following core principle:

'Each channel has unique attributes. This makes each one pre-eminent for certain customer interaction duties'

Twitter is a text based interaction channel and in a business context, is most commonly used for Marketing and increasingly for Customer Service. As an interaction channel, it is 'real time', 'live', 'limited' and 'public'. Those characteristics are either its unique strength or weakness depending on circumstance.

In summary, broken down into its component parts, you can see from the graphic below that we can define any communication channel in terms of the type of media, interface and context – the starting point for developing a full understanding of how each channel is best used.



- The digital consumer expects a personalised experience across all channels
- Multi-channel moves to become a shared resource across other touch points in the customer journey
- Multi-channel services that are deployed as separate queues will need to be replaced to meet this need

If you want the full description of how to develop your multi-channel strategy using this way of thinking, you are most welcome to download our multi-channel whitepaper "The Future Of Voice In A World Of Digital Customer Service"



END-USER QUESTION: "WILL THE TELEPHONY CHANNEL EVENTUALLY DIE OUT?"



Our technological landscape is changing and customers have more ways than ever in which to engage with brands. Today, voice is still the channel of choice for a quick response, but organisations need to look to the future and prepare for the next generation of customer service.

Research NewVoiceMedia commissioned in May 2013 showed the generational importance of social media as a contact channel, and it's likely to explode in relevance as Gen Y consumers' spending power increases. In the future, social media may challenge voice as the preferred contact channel, but voice is, and will always be, the best way to handle the most urgent and complex of queries. It is the fastest way to get an answer.

DRIVERS: COST AND REVENUE

The following data is taken from interviews with hundreds of US contact centres, as the UK industry (in terms of cost, technology, operational benchmarking, etc.) bears enough similarities to make this a worthwhile and meaningful comparison, despite not having UK-equivalent figures.

At first glance, it appears as though a live telephone call with an agent is substantially more expensive than an equivalent interaction through an alternative channel. However, an argument could be made that what this table really shows is that these alternative channels are used for the simpler, more transactional types of communication, leaving the live telephone call to handle the more complex requests. The fact that the equivalent median cost of a phone call in 2007 was slightly higher at \$5.02 does not disprove this theory, as substantial investment in cost reduction technology, and improvements in contact centre processes have certainly occurred in the past six years.

A statistic of at least as much relevance - call duration - shows that the average service call has increased in call length by 20 seconds in the same timeframe, and an average sales call takes an average of 50 seconds longer than in 2007. This suggests that contact centres tend to have longer calls, but are perhaps more efficient at handling non-active time than was previously the case. These data support the theory that telephony agents are handling longer and more complex calls than previously, but that the contact centre as a whole maintains its tight control on costs.

Figure 8: Estimated cost per interaction (US data)

	Live telephone call	IVR session	Email	Web chat session
Mean	\$7.76	\$0.98	\$3.37	\$3.52
1 st quartile	\$10.10	N/A	\$5.00	\$3.75
Median	\$4.50	N/A	\$3.20	\$1.85
3 rd quartile	\$3.50	N/A	\$1.65	\$1.20
NB: Figures taken from US Contact Centre Decision-Makers' Guide (no UK equivalent figures are currently available)				

It seems that alternative channels offer an opportunity for the business to continue to reduce the cost of handling non-complex enquiries. Written enquiries allow the possibility of word- or phrase-spotting to accelerate response, and improve accuracy, creating the possibility of 'multichannel triage', through which the prioritisation and routing of requirements will become more accurate and suited to the business's goals.

While shifting work from the voice channel to non-voice channels can certainly be classed as call avoidance, it is better thought of as ‘right-channelling’. One of the key methods to avoid unnecessary calls is to understand what customers are doing along the customer journey. This means including what they have done before and what they do after this interaction. For example, if a customer buys a phone, gets the bill, and then rings the contact centre and follows up with an email, why is this? To understand the customer journey, businesses need to investigate the entire pattern, including the use of websites, IVR and other non-voice interactions. Only in this way can the business connect the dots and reduce the customer effort: a win-win scenario. To this end, an entirely new set of professionals is emerging, with titles such as “Customer Experience Manager” or “Customer Advocacy Manager”.

With the ability to track and understand the customer journey from end to end, the opportunity then exists for companies to simplify their operating environment by unifying processes, applications and business rules in order to apply them across all channels. This has the effect not only of improving the customer experience through increasing consistency, but also allows businesses to reduce expenses connected with the need to forecast, schedule and staff resources across multiple channels.

The fact that ‘multichannel’ by definition means that there will be more work of different varieties, may not necessarily be a bad thing from a cost perspective. By smoothing out spikes and offering numerous ways in which an acceptable response can be provided to customers, businesses stand a good chance of keeping all agents active for more time. Idle time will effectively be used to handle other tasks on different channels, which has a positive effect on cost avoidance, and a perhaps-unexpected result of multichannel blending is that agent attrition rates tend to be lower than in environments where agents handle only one form of communication. More about this phenomenon can be found in the Multichannel Blending section later in the report.

DRIVERS: CUSTOMER DEMAND

Perhaps the most important driver for multichannel take-up is the enthusiasm recently shown by customers for alternative methods of communicating with businesses.

Successful channel uptake is generally an iterative process. Businesses introduce a channel (usually based upon it being cheaper to support than the incumbent channels), and customers trial it. If it works for all concerned, it can be deemed successful. However, it has been more likely that customers trial it and reject it, either vehemently or simply by reverting to the existing, well-known methods of contact. In such cases, businesses have to consider whether to drop the channel quietly or amend it so that it meets the needs of the customer, who will then retry it and make their decision accordingly.

Figure 9: Stages of channel uptake

Stages of channel uptake

- I. Channel introduced by business
- II. Customers trial new channel
- III. Businesses address failures of channel
- IV. Wider uptake

This can be seen in the relative uptake of two channels, email and text chat, over a four-year timescale. Email, which had been around as a widely-available customer channel for well over a decade, was offered by 75% of businesses in 2007 and 80% in 2011. Text chat on the other hand was offered by only 11% of businesses in 2007, but grew to 29% by 2011.

On the face of it, text chat looked to have been the more successful in the past few years. However, when we considered the volume of interactions of each channel – that is, the success of each with the customers – the picture changed.

From 2007 to 2011, email saw an increase of 7% in the number of businesses using it (from 75% to 80%), but the proportion of contacts that were through email rose by 48% (from 6.9% to 10.2%). In the same timeframe, text chat uptake by businesses increased by 163% (from 11% to 29%), whereas usage by customers rose only 50% (from 1.2% to 1.8%). This indicates that the take-up of text chat by customers was behind that of businesses. Email on the other hand, had hardly changed its penetration into businesses, but customers were much keener to use it more frequently. This suggests that email is in Stage IV of adoption (widespread customer uptake after business improvement) and that text chat is probably at Stage II (customer trial after initial implementation).

It is interesting to note that social media does not fit this suggested model, being driven far more often by the customer than the business. Reasons for this will be explored later in this paper, but this is a good point to emphasise: without customer support, no channel can possibly succeed.

Customer drivers for channel usage

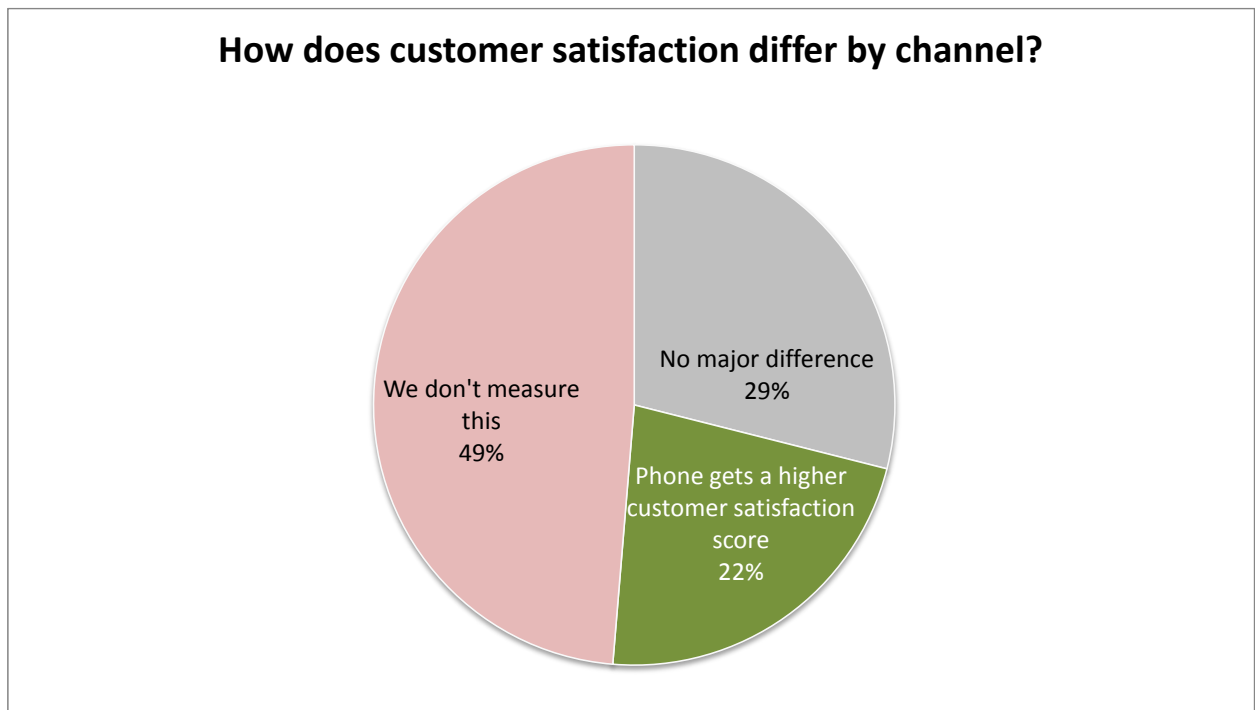
Some of the key features that customers look for in a channel include:

- **The perceived effectiveness of the channel:** customers contact a business because they want something done. Feeling satisfied that their request has been taken care of is a vital ingredient to this – many contact centres still get calls asking if they have acted upon a customer's email – and the reassurance provided by a real-time channel that an issue has been dealt appropriately with should not be underestimated.
- **Channel availability:** one of the advantages of telephony has been its ubiquity. Almost every home has a telephone, and the wide uptake of mobile telephony has meant that the telephone has near-universal penetration. Of course, the rise of the cheap computer and the popularity of smartphones now means that the telephone is under serious challenge in the availability stakes. Email also offers the appearance, if not always the reality, of longer opening hours.
- **Ease of use:** familiarity also comes into this. Although it may seem as though most people are comfortable using a phone or computer, some IVR or speech recognition systems can make life more difficult than customers want.
- **Low cost of use:** a particular issue for some people, with excessive amounts of time spent on hold in a queue costing a significant amount of money.
- **Painlessness:** a customer's subjective view on how difficult and 'painful' the overall customer interaction experience has been, including the requirement for any follow-up interactions.
- **Speed of conclusion:** this refers to the immediacy of response and the overall resolution time, including the need for any follow-up work, or waiting to get an answer.

Later in this report, the Channel Focus sections on email, social media and web chat look at the strengths and weaknesses of each channel, and how the features above are seen by customers.

However, simply because customers demand the chance to use a channel does not make that channel necessarily a favourite of theirs. Recent U.S. research shows that around half of contact centres try to track customer satisfaction across telephony and email channels. Interestingly, not one respondent said that email had a better customer satisfaction rating than the telephony channel, with 22% stating that telephony has a better customer satisfaction score than email, and 29% not seeing much difference.

Figure 10: How does customer satisfaction differ by channel?



73% of the survey's respondents also believed a customer will get a better response to a complaint via telephony, compared to only 14% via email.

Smartphone Uptake

One of the biggest drivers for customers to experiment with alternative channels is due to the smartphone. Smartphones allow customers to contact organisations regardless of where they are and whatever the time is, and with Generation Y's purchasing power increasing hugely, businesses need to understand and support the smartphone revolution.

As there are so many different channels available on the same device, it is possible to view a smartphone as a channel in itself. Certainly, customers do not differentiate as much between channels when using a smartphone device. As everything – phone, email, service app, website, video calls, photos, SMS – is all in the same place, it seems like a single channel to them.

Recent estimates suggest that around 60% of UK mobile phone users have smartphones.¹ One of the results of smartphone uptake is that there are a decreased number of landlines in the home, which means that a larger number of inbound calls are actually coming from mobile devices, with UK businesses estimating that 1 in 3 inbound calls now comes from a mobile device. This means that businesses are themselves more likely to be able to switch channels if appropriate: for example, an agent can now say within a conversation that they will send an SMS message to a customer with a link to an appropriate website: it is not only the customer that has the option to choose the most appropriate channel.

¹ <http://www.emarketer.com/Article/Nearly-Half-of-UK-Consumers-Will-Use-Smartphones-This-Year/1009956>

DRIVERS: OPERATIONAL

The voice channel is traditionally very well managed; non-voice channels, less so. Businesses are seeing an opportunity to apply the same rigorous processes and rules to these potentially expensive channels.

Multichannel has a great opportunity not only to improve the customer experience, but also to free up operational resources and avoid further cost. Shifting live calls to multichannel, and handling them effectively through automated email, self-service or crowd-sourced help will mean cheaper average handling cost, but also a potentially quicker and better experience for the customer. In such cases, this call avoidance is actually an example of 'right-channelling', a win-win scenario for both customer and business.

When is it time to take multichannel seriously?

- Volumes of non-voice interactions rise dramatically
- Activities by departments elsewhere in the enterprise - for example, Marketing - leads to an unexpected increase in customer contact. This has often been the case with social media-driven initiatives, which tended to start as outbound marketing communications, but which quickly became a *de facto* inbound customer service channel
- IVR drops off, to be replaced by web self-service. This indicates that customers are migrating to online channels, which means that businesses should look at offering a live channel in order to support any failed web self-service sessions
- The contact centre notices consistent understaffing or over-staffing across channels, leading to extended idle time and/or interaction spikes
- Service levels achieved in non-voice channels are wildly variable, and customer satisfaction varies accordingly
- Service requests coming into the live phone channel increasingly mention the failure of other channels to deal with the issue previously
- The voice platform is at end-of-life, with the investment fully run-down. This allows companies to take a fresh view of the entire customer interaction experience.

The channel shift being witnessed, away from live voice to asynchronous methods such as email, means that call spikes can be flattened to some extent, and the use of call-back capability can take this further. This can be seen as an extension to earlier initiatives, whereby callers were directed to self-service options instead. More recently, the drive has been towards offering the caller multiple alternative channels, giving the caller some choice.

Some solution providers note that text-based contact is resource-expensive in cases where there is limited automation or templatisation of responses. Non-automated email can take longer to complete than a phone conversation, as speech is far quicker than typing, and first-contact resolution rates can be poor. Some report that it can take five or six emails to complete the transaction that might otherwise be handled in a single phone call. However, this does not happen with web chat, as the opportunity to have a virtual real time conversation does exist.


INHIBITORS TO MULTICHANNEL

Despite the customer demand for alternative methods of contacting the business, and the opportunities available to reduce the cost of managing customers, many businesses still have significant hurdles to overcome:

- It may not be possible or desirable to replace existing technology
- New systems may be seen as too expensive, although some state that the technological cost is low compared to the changes that may be required by recruitment and training of new staff with the required skills
- Integration may be very complex
- There are concerns about agent skills. Recruitment, training and management methods will have to be revisited and possibly changed
- Contact centres already see themselves at capacity simply with the voice channel. There is always a worry about not being able to handle non-voice, in businesses that are already at full capacity with their voice communications. Of course, this is a risk: there is no guarantee that adding channels will immediately shift some of those calls onto a quicker or cheaper option, leaving the business worse off than it was before. However, with planning and an understanding of the customer based on the relative capability of new channels, this risk can be minimised
- Businesses perceive a lack of demand from customers (for example, specific demographics based upon age or socioeconomic factors)
- Contact centres are concerned that they do not have the experience to support non-voice channels, leading to worse service levels and increased expense
- There may be an internal disconnect between channels. For example, the mobile channel - which may be owned by the marketing department - and the contact centre: customers who move from the mobile channel into a live environment are actually crossing very significant boundaries within an organisation, although they will not be aware of this. Any breakdown in the quality of interaction at this point, although understandable from the internal business perspective, will be deemed unacceptable by the customer
- Senior management may not see this as a priority, meaning that budget will be very hard to come by.

These issues will be addressed later in this report, and this is certainly the case that these are real concerns for many businesses.

END-USER QUESTION: “DO VOICE AGENTS REALLY HAVE THE ABILITY TO HANDLE MULTICHANNEL? WHAT TOOLS ARE AVAILABLE TO HELP THEM?”

 **NEW VOICE MEDIA** The skills needed to effectively handle a web chat differ from those needed for an email, or even a voice call. Work Force Management solutions working alongside your multichannel capability enable agents to be assigned to the channels and subjects they are most suited to. Knowledge management gives agents the ability to find answers. Use it to locate and access experts, ask questions in online forums or portals, but mainly to complement your skills management capability.

1. Recognising the individual skills of your agents is the first step. Who is best at juggling webchats? Who is the most empathetic with customers over the phone?
2. Start slowly - gradually increase an agent’s workload so they can get used to handling multiple interactions
3. Quiet periods, provide a great time to get agents working on the asynchronous contact (email and webform enquiries) – instantly boosting agent productivity.

VERTICAL MARKETS

The reality of customer contact for most UK businesses in 2013 is that it is predominantly phone-based, particularly for those in B2C environments. However, with more than 1 in 4 transactions coming from alternative sources, the voice-only 'call' centre is pretty much a thing of the past.

Agent-handled calls are most important to respondents in the finance, housing and insurance sectors, with email very strong in manufacturing, retail and TMT (especially the IT sub-sector). Telephony self-service is strongest in utilities and transport & travel sectors, as well as public sector. Web chat is developing a presence in retail (so as to close online sales).

Figure 11: Inbound interactions by channel, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average
Telephone (agent)	84%	88%	82%	64%	78%	74%	61%	69%	65%	57%	76%	73.0%
Email	8%	8%	7%	23%	13%	13%	29%	16%	23%	12%	6%	15.4%
Letter	3%	2%	5%	4%	3%	3%	1%	7%	2%	6%	7%	3.6%
Telephone (self-service)	3%	1%	0%	0%	3%	8%	2%	2%	6%	9%	9%	3.2%
Fax	1%	0%	2%	8%	1%	1%	2%	1%	0%	4%	0%	1.6%
Web chat	0%	0%	0%	1%	2%	0%	4%	2%	2%	3%	1%	1.3%
Other	1%	0%	2%	0%	1%	2%	0%	0%	0%	5%	0%	0.7%
Social media	0%	0%	1%	1%	0%	0%	1%	1%	1%	2%	0%	0.7%
SMS	0%	0%	0%	0%	1%	0%	0%	2%	0%	3%	1%	0.5%

NB: vertical market key: FS – Finance; HS – Housing; INS – Insurance; MAN – Manufacturing; OS – Outsourcing; PS – Public Sector; RD – Retail & Distribution; SVCS – Services; TMT – Technology, Media & Telecoms; TT – Transport & Travel; UTILS – Utilities

Solution providers state that the local government and health sectors have seen email take off in past two years and is now a 'must-have'.

For the former vertical market, the Comprehensive Spending Review has placed great pressures on organisations to cut costs and improve their efficiency, pressure which the private sector has to cope with as a matter of course. One of the effects of the drive to become e-government has been to recruit people from the private sector who can bring a commercial focus to non-profit organisations, and who can guide major changes, as there is no longer room to take little steps. The Public Sector in particular can have a lot of legacy systems and non-integrated third-party solutions, which makes their move to multichannel even more challenging.

Local government currently uses social media from an outbound, information provision perspective: there is currently little in the way of customer service. On the commercial side, social media offered on a two-way basis is important for reputational damage management: companies must react, and be seen to react, to dissatisfied customers. This means that there is often a dedicated team or a stand-alone system which is owned by the marketing department, but solution providers report that they are seeing many questions about how to bring Twitter and Facebook into the contact centre, and report accurately upon them.

Outside the Public Sector, the Technology, Media and Telecoms (TMT) sector is extremely competitive, and along with the Utilities companies, offers perhaps the biggest current opportunity for multichannel vendors, particularly inbound.

Looking in greater depth, niche vertical markets, such as debt collection and home delivery services, find that outbound multichannel is extremely useful for them.

TECHNOLOGY REQUIREMENTS AND ENABLERS

Consistency across channels will only come through sharing knowledge, but the current reality for most businesses is that it resides all over the enterprise and across various systems. As a starting point, businesses have to accept that the silos between channels must be removed in order to provide an optimal multichannel customer experience.

However, technological integration is only part of the answer. The question also arises, who owns the multichannel environment? Who drives it forward? Traditionally, the contact centre was an island with a certain amount of autonomy. Putting newer media such as social media and the website into the mix is muddying the waters, but unless there is a unified remit to provide customers with service regardless of the channel, these silos will remain.

There is no fixed set of functionality or solutions that define a contact centre as being truly multichannel. However, the following applications or solutions will greatly assist be able in providing a unified customer experience across channels:

- At the heart of the multichannel contact centre is the universal queue, which is able to receive, analyse, queue and route interactions to the correct agent or group, and which can be linked with outbound functionality as well
- Interaction recording functionality, which may well also have analytics capability
- The agent desktop, which will contain the servicing application that allows agents to respond to non-voice interactions. This will also have access to the same customer records as phone agents, through the CRM application
- Multichannel workforce management, which will analyse, forecast and schedule non-voice interactions alongside telephony. Unlike phone activities, different business rules and service levels have to be applied to non-voice- and non-real-time interactions, and the ability to move agent groups quickly between tasks on a near real-time basis is vital
- On the customer side, the mobile websites, chat applications, web forms and apps that are required to initiate a multichannel interaction must be considered
- Key to the success of multichannel is the ability to integrate all channels to offer a single view of the customer, including any past interactions that they may have had with the business, regardless of channel
- Deployment models, whether CPE, cloud or a mixture of both, must be decided upon.

Deploying a fully multichannel contact centre is not simply about purchasing solutions and tying them together. Businesses will find that the customer journey crosses the boundaries of several departments responsibilities, and this may well lead to changes in the organisational structure, responsibilities and required skills, quite apart from the technology investment.

SIP, IP AND THE UNIVERSAL QUEUE

The complexity of providing consistent and timely customer service increases exponentially once a new channel, device or medium is added to the customer service mix. The only constant is that – regardless of the method chosen to communicate with the business – customers want accurate, timely information delivered in a form with which they are happy. The challenges for the business are to provide a high quality of service which is consistent across the channels and to do so in a cost-effective manner. To do this, and break down the boundaries between contact channels that has been stifling the potential of non-telephony contact, a universal queue is required.

The Universal Queue

Although the 'universal queue' as a phrase is showing its age, having been around for at least ten years, as a concept it's still vital to understand.

A universal queue is a platform which automatically captures, processes, routes and reports on customer interactions and related activities based on a company's specific business criteria, providing a view of each and every customer interaction. Customer interactions through channels such as voice, email, fax, web chat and activities such as work items are handled according to business-defined processes and strategies, avoiding the problem of rogue interactions that are left outside normal workflows, or favouring one channel (usually voice) to the permanent detriment of others.

The universal queue can set priority levels to incoming calls, emails and chats, and may also have the ability to blend inbound and outbound calls into a single queue to allow agents to move between media as required. This approach also facilitates a single view of the customer across all channels, which is one of the key ways to improve the quality of service offered, as well as improving the agent's confidence and morale.

An optimized multichannel contact centre will have specific groups of agents with the skills deemed necessary for handling particular channels. Interactions from every channel will come into the universal queue, and are routed appropriately based on the agent skills and any information that the system has been able to gather about the nature of the request and the customer who is contacting them. Some operations, particularly large contact centres, will have channels handled by a separate group of agents. While specialisation of this type fits in well with the concept of the efficient contact centre being like a production line, the reality is that overly-inflexible allocation may lead to spikes and idle periods which could otherwise be alleviated by moving agents between groups.

SIP – Session Initiation Protocol

Advances in standards such as the Session Initiation Protocol (RFC 3261) enable telephony applications to interface with each other and provide functionality that used to be only available using proprietary infrastructure hardware. SIP is an open standard suited to non-voice communications, meaning that businesses don't have to upgrade the underlying switching architecture for every new channel added.

- Widely regarded as the successor to H.323 for IP-based telephony
- Gaining increased attention and visibility due to major technology solution providers
- An alternative to TAPI-based IP telephony models
- A protocol that removes the need for a separate IP-PBX and contact centre solution
- The emerging standard for session control for a variety of media - greater flexibility and more scalability than many alternative multimedia communication protocols
- Software-based, open and lightweight, allowing organisations of all types to support the new breed of SIP phones along with soft phones, analogue phones, desktop PCs, and even mobile devices and PDAs
- SIP also provides strong support for real-time voice communications, text-based messaging and application sharing – SIP can initiate real-time, multimedia sessions that seamlessly integrate voice, data and video.

Open systems allow customers to select non-proprietary hardware and software for queuing, routing and applying treatments to interactions. This means that future contact centres will be free of the restrictive nature of proprietary systems, and able to develop and deploy applications which may have previously been too complex to integrate or maintain cost-effectively. The widespread use of a truly open standard will encourage application developers to push functionality boundaries further as time-to-market should be significantly decreased because integration will become much easier.

It is important to understand that there is no CTI link in the SIP world – true interoperability takes care of the integration. This has a distinct cost benefit, a reduction in complexity of deployment and maintenance, and an ability to implement quickly. Through SIP, the value of contact centre solutions is moving from routing to applications – not so much “how shall we do it?” as “what shall we do?”. SIP enables the move from the voice-centric call centre to the true multichannel contact centre.

Recently, some vendors have developed unified communication platforms that allow contact centre solutions to operate on standard servers with no specialized hardware components, providing an infrastructure that can be supported and maintained by clients' existing IT staff. This offers an easy path to a software-only platform or to allow hybrid applications where both traditional telephony and software-only SIP environments can be unified for a best-of-breed Unified Communication approach.

SIP allows innovation & future-proofing, being designed to support voice and video as data, with the ability to integrate applications and support flexible routing lending itself to the development of true multichannel contact centres. As an open standard, it also allows businesses to mix and match vendors, while retaining the ability to integrate functionality much more easily than had previously been the case.

Having a software-centric architecture means that businesses no longer have to pay significant maintenance fees for their ACD / PBX hardware environment, which can be anything up to 20% of the original cost each year. With the commoditisation of hardware, software is seen as the way forward for multichannel interaction handling. Ovum reports that 22% of customers use more than five channels, with 52% using three or four². Clearly, for the vast majority of businesses, the multichannel world is here already, even if not everybody is coping with this as well as they (or their customer base) might like.

The steady move to IP-based architecture has the initial advantage of reduced enterprise telecoms costs, followed by the contact centre's own reduction in equipment and infrastructure costs. We are now starting to see some of the inherent advantages of an IP architecture being manifested in greater functionality, such as presence and enterprise-wide interaction routing, which allow experts anywhere within the enterprise to assist with customer queries that might otherwise go unresolved for a very long time.

Depending on the nature of the new infrastructure required, return on investment seen from moving to an IP environment is usually between 6 and 15 months, with total cost of ownership and maintenance costs considerably lower than in a hardware-centric world.

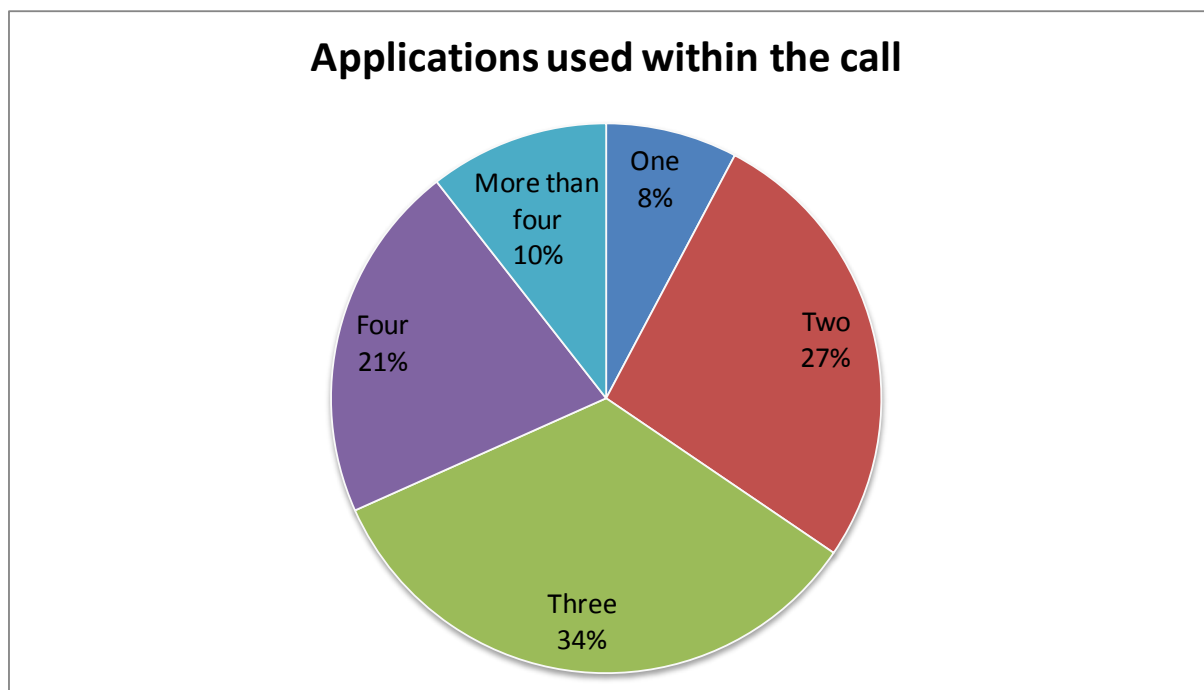
² Quoted in: <http://www.parature.com/customers-channel-surfers-dont-turn/>

THE AGENT DESKTOP

With 92% of contact centres requiring their agents to use multiple applications within a call, there are significant dangers around forgetting to key in information, forgetting to ask for the required information, starting the correct processes or failing to type in consistent data. The use of multiple applications will have a negative effect on training times for new agents as well.

Once an agent is put into a blended multichannel environment, the number of interfaces and applications will of course increase.

Figure 12: How many applications does an agent use within a call?



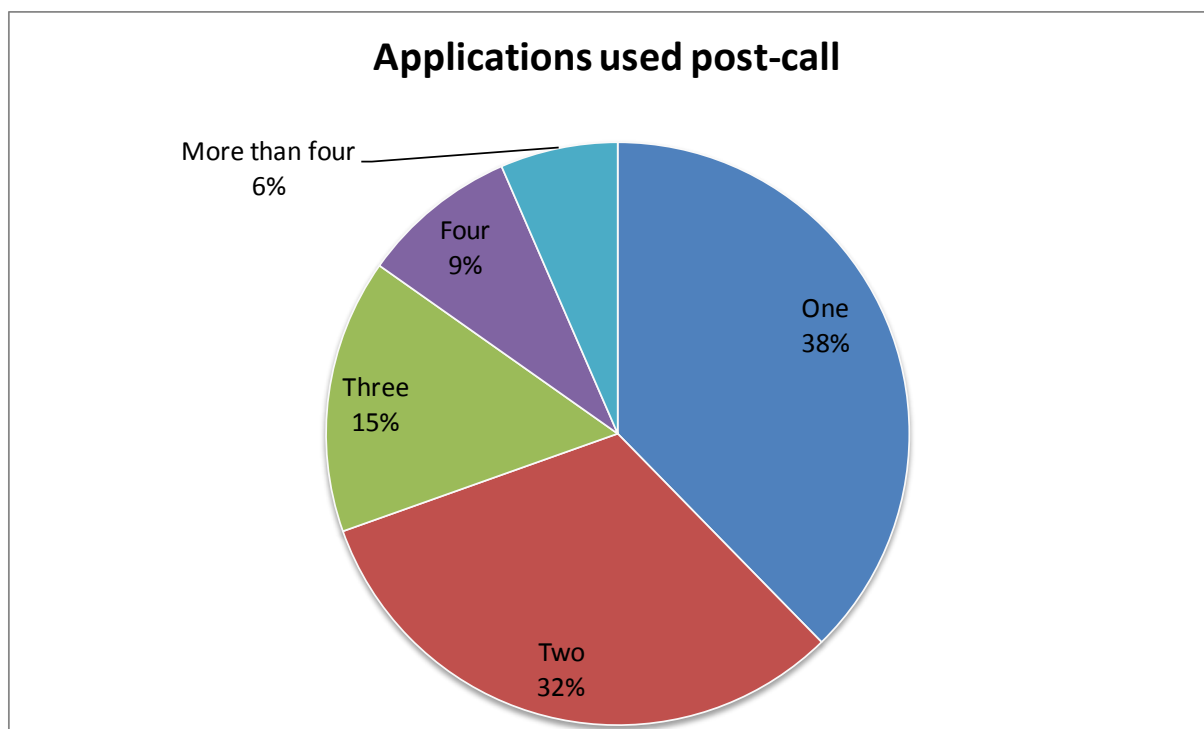
In most cases where complex, multiple applications are used, they are necessary for the agents to do their job, so the question is not “How can we reduce the number of applications?”, but rather “How can we improve how the agent uses the applications?”. At the moment, due to complexity, expense and the sheer weight of constant change, applications are either integrated very loosely, or not at all. Agents are trained (or more likely, learn on the job) to switch rapidly between applications, relying on their experience to make sure they don’t forget to do everything.

Such an approach can have severe primary and secondary effects:

- Increased training costs
- Higher staff attrition caused by inability to complete tasks successfully
- Inconsistent data caused by keying errors or missed procedures caused by manual wrap-ups
- Increased call handling times
- Lower customer satisfaction caused by long queues and unnecessarily long calls
- Missed opportunities to cross-sell and up-sell
- Lack of an integrated multichannel view of the customer will lead to information being lost, customer frustration and unnecessary calls
- Multiple open applications on the agent desktop can lead to system instability and lower performance.

The bottom-line is that using complex, multiple applications without any specific agent support usually leads to longer interactions, and more of them. However, this is not the end of the problem, as this type of work also tends to initiate requests for processes to be carried out within the back-office (e.g. initiating an engineer or sales visit, sending out literature, moving a customer request onto the right department with the right information, flagging a customer as a hot prospect for a specific marketing campaign, etc.). This, as well as the need to enter information in multiple applications (below), will tend to increase post-call wrap-up to a point where the agent spends a great deal of their time unavailable to take more interactions. Historically, 10-15% of an agent's time is spent on post-call wrap-up.

Figure 13: How many applications does an agent use after a call?



Additionally, manual inputs involved in transferring data during wrap up commonly lead to data entry and processing errors, causing an adverse effect on operational efficiency, contact centre cost, performance and customer satisfaction. Cost per call rises, productivity per agent declines, and first-call resolution rates slip as more calls are escalated due to the complexity of the systems hindering agents, rather than helping them. So we can see that poor application integration and presentation at the desktop level has a direct and negative effect on those long-term contact centre strategies deemed most important and desirable, such as customer satisfaction, lower first-time resolution and higher escalation levels.

It is in the wrap-up stage that a lot of time and effort is wasted by sub-optimal manual processing of data. For example, a simple change of address request could take many minutes in a non-unified environment, with several separate databases having to be altered, which is itself a process prone to error, with a negative impact on the customer and business, as well as at least one extra unnecessary future phone call from the customer. Reducing wrap-up time through optimising the agent desktop is not simply a matter of writing consistently to the correct databases which can then be accessed across all channels, although this is a key element. The contact centre also kicks off a number of processes elsewhere in the enterprise: it is the prime mover for sending out documents, instructing the warehouse to release goods, arranging deliveries, taking payment and many other key elements to a successful customer-business transaction.

Businesses can usually focus either on cutting costs or improving quality. However, there is a third way, which allows desktop solutions for users to be developed separately from the underlying applications, re-using existing logic and interfaces rather than replacing them. The agent works with a single desktop application which is tailored to their specific needs, pulling in only the right data and applications from disparate systems and presenting them on a single screen, which in a multichannel environment should mean customer records having all previous interactions attached to it, regardless of channel. In the background, business rules and workflow make sure that the right back-office processes happen without agent intervention, thus reducing wrap-up costs.

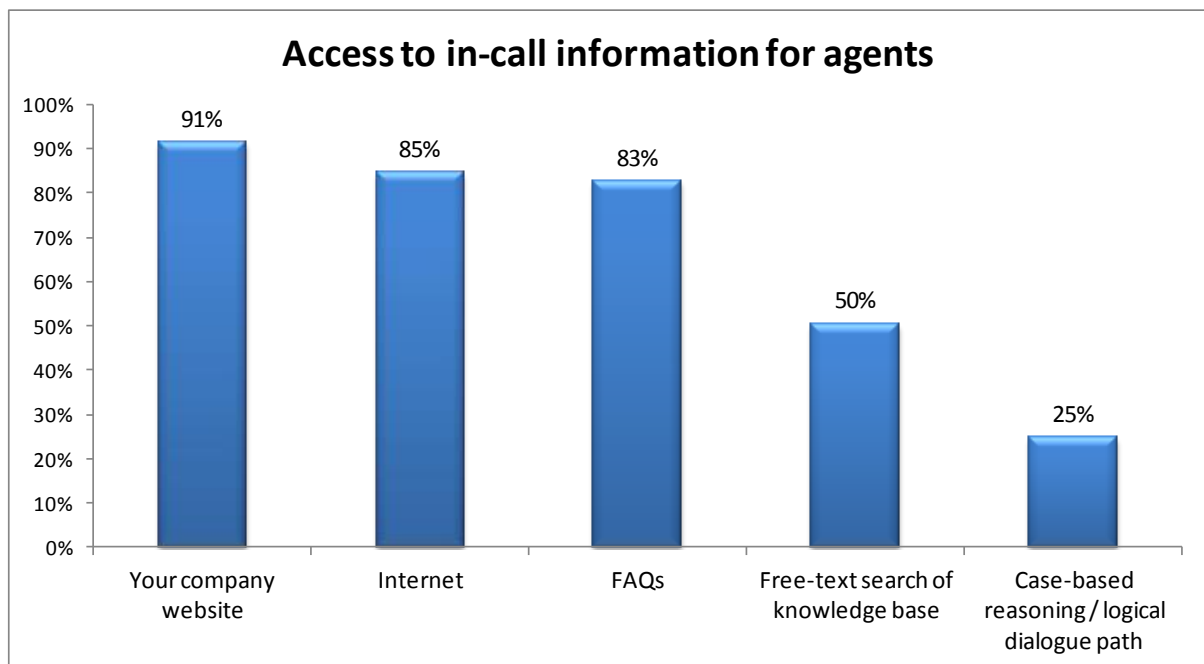
This unified desktop approach also supports the availability of a higher level of business intelligence, as every aspect of the interaction, including the outcome, can be viewed holistically during and afterwards. This is especially useful for gauging first-contact resolution rates, which are growing in importance every year - there being a very strong positive correlation between first-contact resolution, lowering costs and improving customer satisfaction – yet few contact centres measure it accurately.

An application which supports less-experienced agents, and helps them to learn means that staff attrition rates can be managed more effectively. High attrition rates and poor knowledge bases mean that people take away the knowledge as they leave. By having a user interface which provides the right information dynamically – and which increases the amount of leeway an agent has as they become more competent – means that agents can find the right balance between being too tightly managed and feeling cast adrift by the system's lack of user-friendliness.

The following diagram shows the knowledge resources that agents have within an interaction. Finding, reading, assimilating and using information actually within a contact is very difficult and rarely done seamlessly. An application such as case-based reasoning, which prompts the agent to ask specific questions, drilling down to find the right answer, is very useful but only 25% of agents have access to this sort of dynamic application. Most have to search around on a company website or FAQ page, or rely on a wide, unsupported search of knowledge bases or the wider Internet, hoping to get lucky.

It is vital for a true multichannel contact centre to support a single knowledge base that is made available across all channels, and preferably to any web-based self-service application as well. Working in association with a CRM application, or other case management tool, a single, quickly-updatable knowledge base is a powerful tool in providing a single unified customer experience.

Figure 14: In-call access to knowledge sources for agents



Only 18% of UK contact centres that offer multichannel have a single agent interface, with the rest of them making agents log in and out of applications as required, decreasing efficiency and effectiveness. Solutions that gather data from numerous business systems and sources in real-time, and apply business rules to it, then present the data in a design matching the agent requirements. In a unified desktop environment, web chat, social media and email all look similar to the agent. Agents who use a single view screen are saved time from shuttling between screens or transferring the same data to different systems. This also impacts positively on data consistency across channels and databases.

Email Response Management Systems (ERMS)

For most businesses, email is by far the largest and most important non-voice channel that they handle. As such, it is worth commenting upon the application that assists with email handling, the email response management system.

An ERMS is an automated solution that receives, analyses, routes and suggests responses to emails sent by customers. It may also send automated acknowledgements, and be able to reply fully to the simplest emails received by the organisation. As email is not a real time channel, the ERMS must also be able to track and report upon the amount of time that each email takes to be answered.

Sophisticated ERMS solutions will have deeper functionality including content filtering and analysis; routing to the appropriate agent team based upon availability, skills, business rules and keywords; the ability to track email status and report upon any falling outside agreed service levels; automated replies and automated suggestions; grammar and spell checkers; and the ability to associate an email with a particular customer, supporting the unified customer view.

A full assessment and understanding of the type of enquiries coming in through email will help decide your strategy for handling this channel. For example, if a reasonable proportion of inbound enquiries are related to a specific topic, it may be worth focussing efforts upon improving automated and suggested responses. However, if email content is wildly variable, attempts focusing upon improving the response library and knowledge base may be less successful.

Due to the delayed nature of email, and the cultural reluctance to send secure information by this medium, checking a customer's identity via the email channel is extremely difficult. If a large proportion of your interactions require identity verification, then focusing upon the email channel will do little to reduce call volumes or improve customer satisfaction.

INTEGRATION AND SILOS

To handle an interaction from the point of view of the customer, it is necessary to have that customer's master file to hand when required, regardless of channel, and any solution must be capable of maintaining up-to-date information and moving it to wherever it needs to be. Once the main customer record is tied-in and accessible across channels, this offers the opportunity to carry out strategic and operational analysis – for example, at what point in the interaction did the customer decide to buy? – and this can be carried out at a very granular level (e.g. what type of call, what issue was raised, what sort of customer is this?).

The reality for many businesses is that due to historical, operational and technological reasons, each channel has been added and managed separately. Until recently, the main problem that a multichannel contact centre had was customers calling in to see why no one had answered their email. In many cases, the agent could not even access the email, so the frustrated customer explained once again what they wanted while on a call. The next time they needed to contact the business, the customer would have learned which channel to use, and simply picked up the phone.

These days, general email response times have decreased to an extent that it is now a credible channel, and the rise in new media has meant that most businesses are offering five or six channels: phone (whether live or IVR), email, letter and fax are standard - if not all used to the same extent - with web chat and especially social media entirely possible too.

These siloed interactions can't be leveraged by the rest of the contact centre in order to learn more about the customer journey, any issues that might have impacts on other channels, or to get a fuller picture of the customer. However, in order to get a complete understanding of the customer's cross-channel journey, businesses need to have identified that customer first, but this process is usually not done via a web chat or social media interaction, and email is not suited to back-and-forth identity verification processes either.

As such, the separation of channels and the inability to see a customer's full interaction history may be as much an operational issue as a technological one.

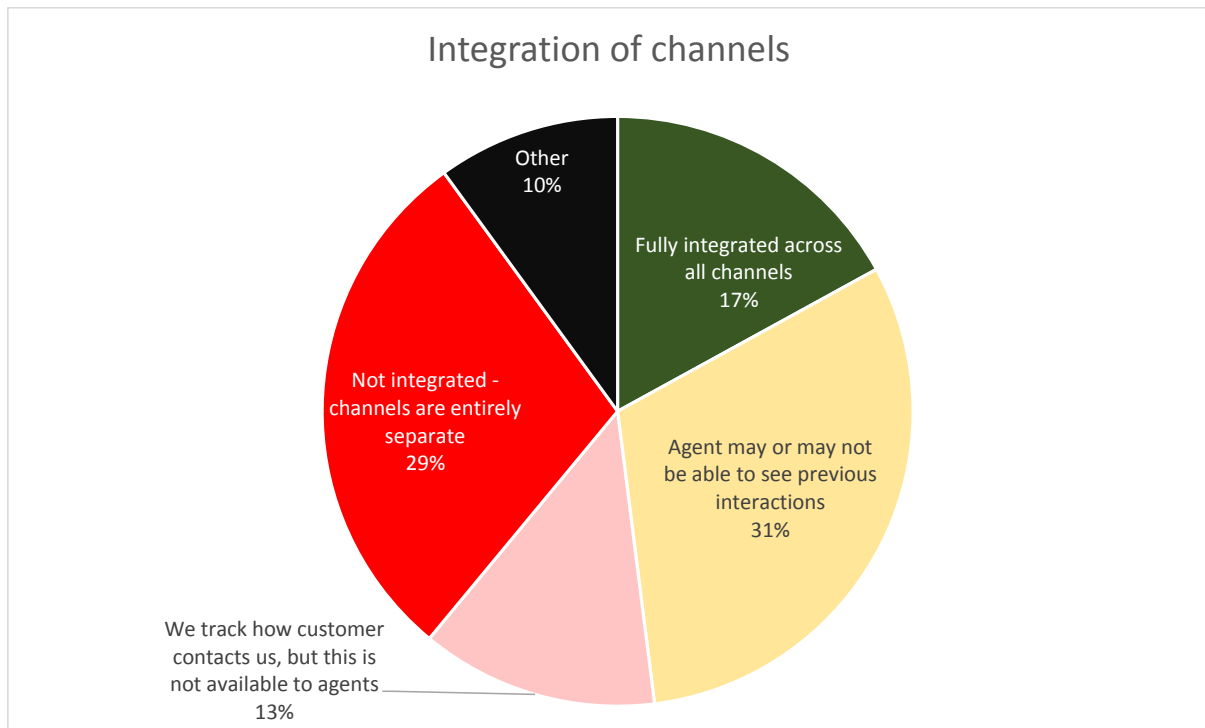
Businesses considering the integration of interaction channels have many elements to consider:

- All interactions should be tied to a customer master record to get a full picture of what has happened. When no identity verification has been done (which often happens in the newer channels), this is not possible. It may be worth considering an implied alternative identity verification process, less rigorous than the usual procedure, which trusts that the customer is who they say they are, based on a Twitter ID or email address, for example, purely for the purpose of tagging all interactions as coming from the customer so as to associate them with the customer's master record. No account-specific actions could be undertaken at this level of identification, but the questions and issues raised would be available for agents to view and act upon through a secure channel if appropriate (e.g. call-back).

- A single, centrally-held knowledge base should be made available to all agents, regardless of channel, and updated in real time. Where possible, relevant elements of this should be made available to customers for self-service purposes. It should be updateable by all agents: for example, social media agents might pick up on a hot, breaking issue first, and feed the answer to phone agents or self-service applications.
- The universal queue allows the business to understand the changing demand for customer contact, regardless of initial channel, allowing resources to float to where they are most needed to achieve service levels.
- Cross-channel analytics can explain which issues and customers are likely to be handled by each channel, and to see if any processes are broken. For example, if the same self-service term is looked for constantly, followed by numerous web chats or phone conversations using the same search phrase (as identified by interaction analytics), it might be worth looking at improving areas of the self-service knowledge base.
- Businesses must remember that integration does not mean standardisation. It may well be that the role of some channels differ from those of others, and that the metrics of success will be different in each case. For example, businesses may use web chat in order to close sales on a website, in which case sales conversion rate is a more important metric than average handle time to consider. The latter metric may be seen as being key to the email channel, in order to prevent stale emails from clogging up the system and frustrating customers.

Recent research shows the extent to which channels are still in silos. The following diagram³ shows that 29% of Vocalcom's survey respondents state that channels are not integrated at all, 13% track but don't share this with agents, and a further 31% admit the previous interactions may not be visible to the agent. Only one in six contact centre respondents claim a tightly integrated view of the customer, regardless of the channel.

Figure 15: Integration of channels (Vocalcom survey)



The non-integrated nature of most multichannel contact centres is often caused by the legacy systems in place. As a new channel came along, the temptation was to bolt on an application that would handle this, doing what integration was possible and necessary at a reasonable cost. With the proliferation of channels that has happened recently, it has been progressively more difficult for businesses to keep up. The recent movement away from a hardware-centric contact centre into an IP environment should have eased these integration issues somewhat, but this still requires understanding, commitment and budget from senior executives within the organisation.

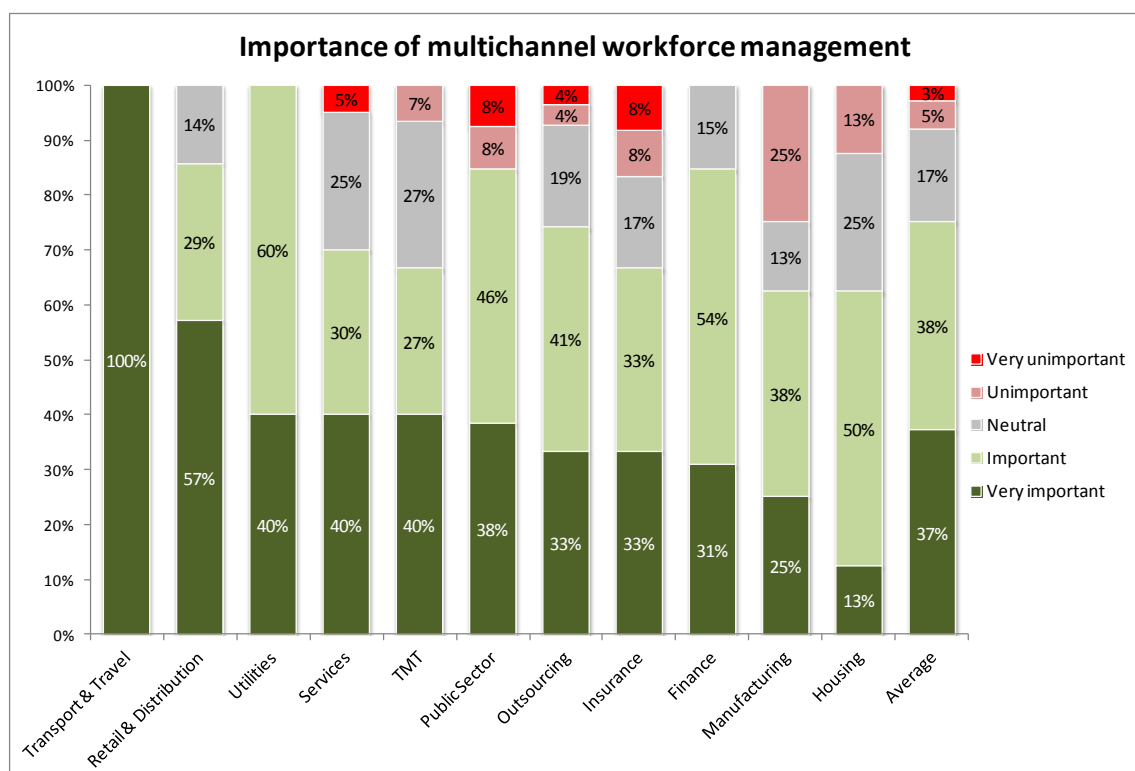
³ Source: <http://www.vocalcom-software.com/images/Resources/files/TheMajorCallCenterTrendsfor2013TrendsAnalysis.pdf>

MULTICHANNEL WORKFORCE MANAGEMENT

Today's contact centre workforce management solutions have to include back office as well as contact centre processes, and most now include email as well as a minimum, despite the different service levels and expectations around each type of work item. Further complexities arise as data is often siloed by channel, and third-party point solutions and legacy systems can muddy the water further. Solution providers are continuing to integrate more fully with multichannel, (for example, by offering a connector for MS Exchange), and by looking at live data on email volumes to improve the accuracy of intra-day scheduling. Traditional measurements are not applicable to multichannel interactions, as many are not done in real-time, which means different handling strategies need to be applied per channel, which makes forecasting and scheduling much more difficult.

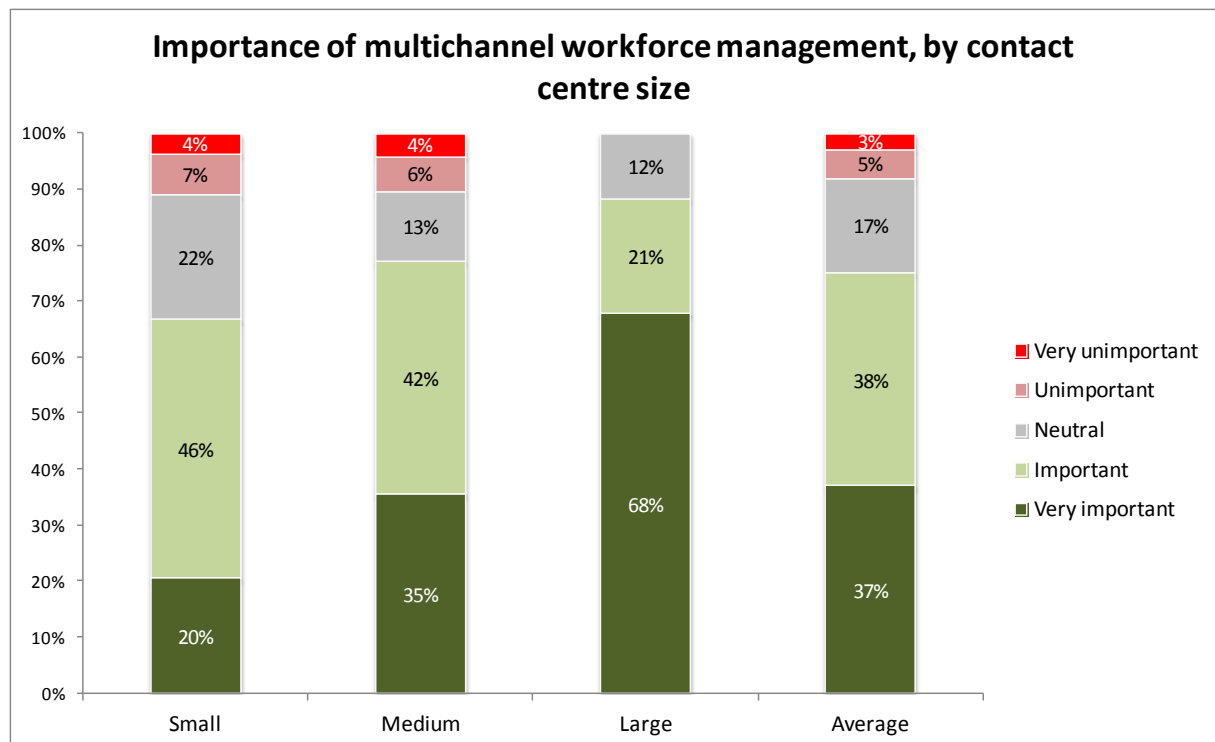
With over 15% of inbound interactions being email, and 22% of respondents stating that customers speak with knowledge-workers elsewhere in the organisation, it is no longer enough for a workforce management system to forecast and schedule based only on voice calls taken by the contact centre. We describe this new approach as multichannel workforce management. 37% of respondents state that being able to forecast and schedule multichannel and non-contact centre interactions were 'very important' (up on 2011's figure of 32%), with 38% saying that it was 'important' (up from 23% in 2011). The transport & travel sector was most keen to be able to forecast and schedule multichannel interactions, as these respondents are amongst those most focused upon multichannel communication. Considering the potential benefits of web chat when closing web sales, the retail sector is likely to be using multichannel workforce management as well.

Figure 16: The importance of multichannel workforce management, by vertical market



It might be thought that as workforce management is most useful for businesses with hundreds of agents, where relatively small efficiencies in forecasting and scheduling can make a huge difference to performance and cost, that it would be these larger operations which most want multichannel capabilities. The results do indeed bear out this hypothesis, with the advent of social media contact, the rise in web chat and the jump in email volumes meaning that large operations suddenly have significant amounts of multichannel interactions to handle, in addition to their voice traffic.

Figure 17: The importance of multichannel workforce management, by contact centre size

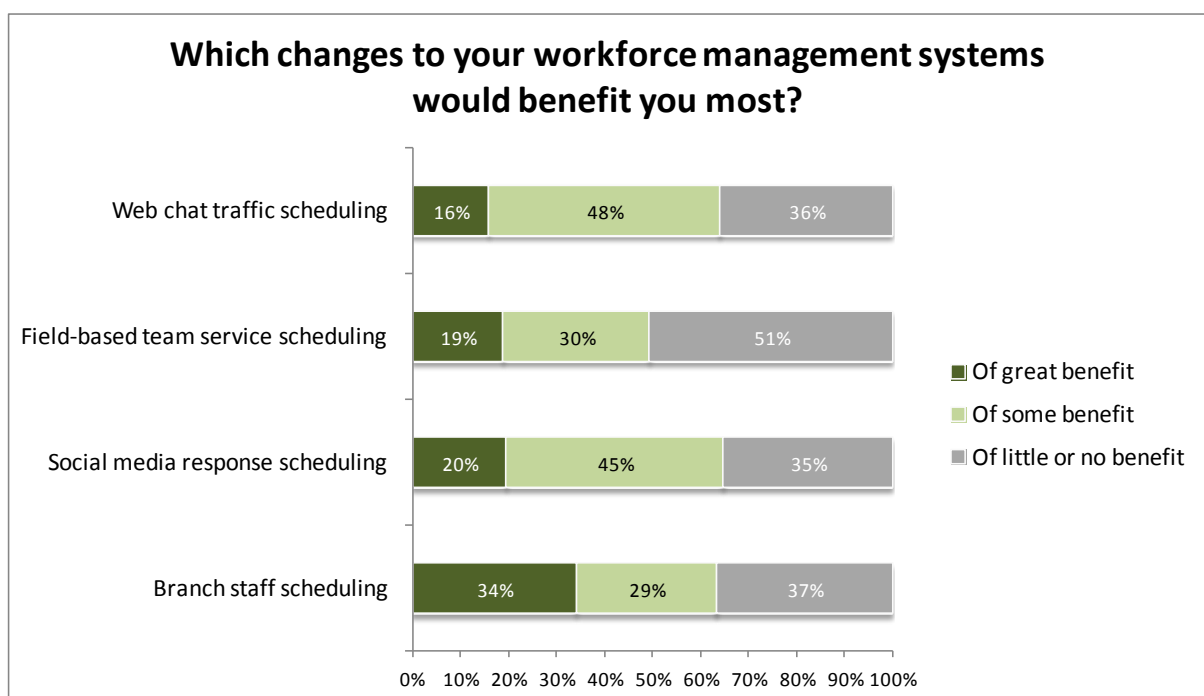


Over a third of respondents, particularly retailers and insurance companies would greatly value having branch staff included in their workforce management scheduling.

Social media and web chat scheduling are currently a little less valued, being more of a potential activity for many contact centres, although transport & travel respondents value it more than other sectors.

Utilities respondents would benefit most from field-based team service scheduling.

Figure 18: Which changes to your workforce management systems would benefit you most?



Tips for Multichannel Workforce Management

- The workforce management solution should have the capability to treat real-time and non-real-time channels appropriately. Set appropriate service levels for each channel, trying to keep volumes fairly steady, rather than pushing customers into using one particular channel by providing an exceptional service level for this compared to all other channels. Depending on your business model, acceptable service levels might be:
 - 20 seconds for phone
 - 1 minute for web chat
 - 1 hour for emails
 - 1-5 minutes for Twitter or Facebook
 - Same day for online forum
- Intra-day scheduling should be used to shift resources automatically to the most time-critical channels based upon changing service levels
- Decide in association with senior executives and your marketing department how you want social media interactions to be handled, in terms of service level, response time and the quality of interaction. It may be that the potential for negative publicity makes senior executives want to over-staff this particular channel in order to guarantee high-quality service to them. Businesses should be made aware that having considerably different service levels for each channel will tend to encourage customer movement towards the best of them, with the attendant knock-on effect that this channel will require more and more resources poured into it in order to keep ahead of the others
- It may be difficult to get historical data for new channels, but solution providers may have a reasonable idea about the benchmark for these, based on knowledge about their existing clients
- Understand the activities which other departments and functions within your organisation could carry out that would impact upon call volumes. These might include the marketing, distribution, finance or IT departments.

INTERACTION RECORDING AND ANALYTICS

As the rise of multichannel contact continues, with more than 20% of work handled in most contact centres being non-voice-related, 'interaction analytics' can be seen as a more accurate description of the solution than 'speech analytics', with leading providers expanding their multichannel functionality at a pace.

The elements of interaction analytics

There are various elements to interaction analytics solutions, including:

- **Speech engine:** a software program that recognizes speech and converts it into data (usually either phonemes - the sounds that go to make up words - or as a text transcription, although there are solutions which directly recognise entire spoken phrases and categorise calls with high accuracy and completeness based upon the occurrence of those phrases, as no data is lost in conversion)
- **Indexing layer:** a software layer that improves and indexes the output from the speech engine in order to make it searchable
- **Query and search user interface:** the desktop application where users interact with the interaction analytics software, defining their requirements and carrying out searches on the indexed data
- **Text analytics:** extends the same speech analytics categorisation methodology to textual interactions, providing automatic classification of text sources and unified categorisation of interactions across channels
- **Reporting applications:** the presentation layer of interaction analytics, often in graphical format
- **Business applications:** provided by vendors, these pre-defined modules look at specific issues such as adherence to script, debt collections etc., and provide suggestions on what to look for.

For a multichannel analytics perspective, there are several pieces of key functionality that businesses should look for:

- Early discovery word-clouds that highlight trends
- Ad-hoc searches of words or phrases
- Mapping relationships between words to understand context
- Sentiment analysis - positive, neutral and negative words
- The opportunity to solve problems or issues, and thus avoid calls
- Learn about the consistency and quality of the customer experience across all channels.

A major metric for contact centre and customer experience success, first-contact resolution can be increased by identifying repeat communicators and eliminating the root cause. Multichannel interaction analytics can also track contacts across channels, as many callers may first send an email, then try to call, which may appear to be a voice-only issue when in fact it is a multiple contact interaction.

There is an increasing requirement and interest in multichannel analytics, including considering email, web chat, IVR and web browsing sessions to get the full picture of the customer's real journey in a single interaction, in order to identify and improve any channels that failed to fulfil their requirements. Improving self-service optimisation is often a quick win that can provide immediate economic benefit to businesses: in the UK, a mean average of 12% of calls that go into an IVR system are 'zeroed-out' - rejected by the customer in favour of an operator - and in the US, a staggering 26% fail the self-service test, cancelling their session to initiate a live contact.

Businesses using interaction analytics to review these failed self-service sessions will be able to categorize many of them in order to improve the processes at a macro-level. Common findings from the analysis of these calls is that the IVR system was poorly worded or menu choices are not intuitive or match current service choices. Other failures occur through mistakes in IVR routing, and there may also be problems with a lack of customer awareness that various activities can be carried out by self-service.

One of the greatest advantages that interaction analytics can provide is the ability to understand **why** things are happening, rather than just **what** is going on. With some solutions, it is not even necessary to know what you are looking for: automatic categorization of interactions into their constituent types is a starting point, based on the types of words and phrases that typically get used within these types of interaction (e.g. "complain", "not happy", "disappointed", "speak with a manager" etc., will often relate to customer complaints). Non-audio data, such as the activity of account closure, refunds etc. can also be captured from the screen and linked with the interaction to provide richer data for analysis. The tracking of word usage compared with its historical use (e.g. a 300% rise in the use of the phrase "can't log-on" after a software upgrade) can quickly indicate and identify issues that can be handed to the relevant department much more quickly than typical inter-department channels could usually manage. Regular references to competitors and their products can be captured, analysed and passed to the marketing or pricing teams to provide them with real-life, rapid and accurate information upon which to base decisions.

Future customer contact is likely to become along polarized lines: for everyday, mundane tasks, the customer will choose the website for self-service, leaving the contact centre to deal with those interactions which are complex or emotive for the customer (as well as there being demographics for whom the contact centre will continue to be primary). With the website becoming the first port-of-call for many customers, the analysis and understanding of the success (or otherwise) of pre-call web activity is a valuable source of knowledge about how effective the main portal to the business is being, as well as being able to give businesses greater insight into why people are calling. Manually analysing thousands of web sessions and linking them with specific customers and their phone calls is impossible, so there is a great potential for multichannel analysis. Adding in minor channels such as social media, text chat, SMS and email makes the mix more complex, and more potentially suitable for analysis. It is also certainly worth mentioning that some solutions analyse the customer's pre-call use of self-service via IVR, providing the agent with a background on the caller's recent experience and offering the chance to improve self-service process failures.

AGENT SKILLS AND MULTICHANNEL BLENDING

One of the impacts that the movement to multichannel and especially self-service is having is that a lot more pressure is put on voice agents, due to the increased difficulty and complexity of the average interaction that they are handling, as well as being measured on factors such as customer satisfaction, first-call resolution and retention, rather than just efficiency and call throughput.

Voice agents now are customer evangelists: there are fewer opportunities to make a good impression and build loyalty, and voice calls give the greatest chance to do so.

However, there are fewer and fewer voice-only agents, especially in smaller, more flexible operations. The contact centre agent is becoming a true generalist, which is good both for the business, the customer and also the agent's own job satisfaction.

The rapid rise of multichannel, and the way in which it is being handled can be seen by comparing key statistics from 2007 and 2012.

- In 2007, 6.1% of inbound interactions into UK contact centres were via email. By the end of 2012, this figure had risen to over 15%.
- In 2007, 68% of contact centres allowed at least some of their agents to take part in multichannel blending. In 2012, the figure was 93%.
- 32% of agents dealt with multichannel interactions in 2007, a figure which rose to 59% in 2012.
- In 2007, 24% of contact centres reported difficulty in recruiting agents to handle multichannel. There is no equivalent figure for 2012, but with the huge rise in multichannel since 2007, it would seem reasonable to suggest that the issue has not gone away.

In the early days of multichannel, there was a great deal of concern that voice agents would simply not have the skills of capability to handle written communications as well. On the face of it, this appeared to be a reasonable suggestion: all telephony agents will undergo phone tests within the recruitment process, as well as being tested on keyboard skills, but the telephony agent would not be expected to have perfect punctuation, grammar and spelling skills.

However, this has not been as big an issue as was feared. Businesses, always looking to reduce costs and time, have implemented multichannel handling systems which rely heavily on templatised responses, as well as containing spelling and grammar checking capabilities. Probably of more importance is the relative lack of access that agents have had to the entire customer journey across channels, which is a far greater frustration to the customer than the occasional mistyped word.

Many of the arguments made for and against email blending are also applicable to other forms of non-voice communication too. There is still no general agreement within the industry on how best to deal with email, although there are genuine reasons to encourage it. On one side, there is a case made that letting agents answer email makes the job more interesting for them, lowering attrition


and improving skills. The other side to this says that the skills required by email agents are different from voice agents, and that it is difficult to find the agents to do both jobs.

The majority of respondents in every sector allow at least some of their agents to carry out both email and telephony. However, email requires certain skills, including grammar and punctuation, which not every agent has, even with assistance from an email management system's response template. On average, slightly more than half of agents in a blended multimedia environment are allowed to do both email and voice work, meaning that around half do voice work only.

Figure 19: Use of multimedia blended agents by vertical market

Vertical market	Respondent contact centres allowing multimedia blending	Proportion of agents answering both voice and email (only where applicable)
Manufacturing	100%	73%
Transport & Travel	100%	45%
Public Sector	100%	45%
Insurance	100%	42%
Utilities	100%	13%
Services	95%	79%
TMT	94%	69%
Retail & Distribution	91%	62%
Outsourcing	90%	57%
Housing	88%	58%
Finance	79%	50%
Average	93%	59%

END-USER QUESTION: “WHAT IS THE MOST EFFECTIVE WAY TO MANAGE AGENT SKILLS IN A MULTICHANNEL ENVIRONMENT? IS IT REALLY SO DIFFERENT FROM VOICE?”

 **NEWVOICEMEDIA** One fundamental difference between the various contact channels available today is whether they are synchronous or asynchronous. To complicate matters further, it's a sliding spectrum; voice, naturally, is synchronous, agents can only handle one interaction at a time. At the other extreme is email, where many hours (may be even days!) can elapse between contact and response, and of course, agents can handle multiple emails at any one time. In addition, webchat lies somewhere in between - agents can handle up to 5 at one time (in some cases!) but all conversations are in real-time.

A second key difference is the skills required to handle the variety of contact channels. This balancing act for managers can be tricky. Solutions to try:

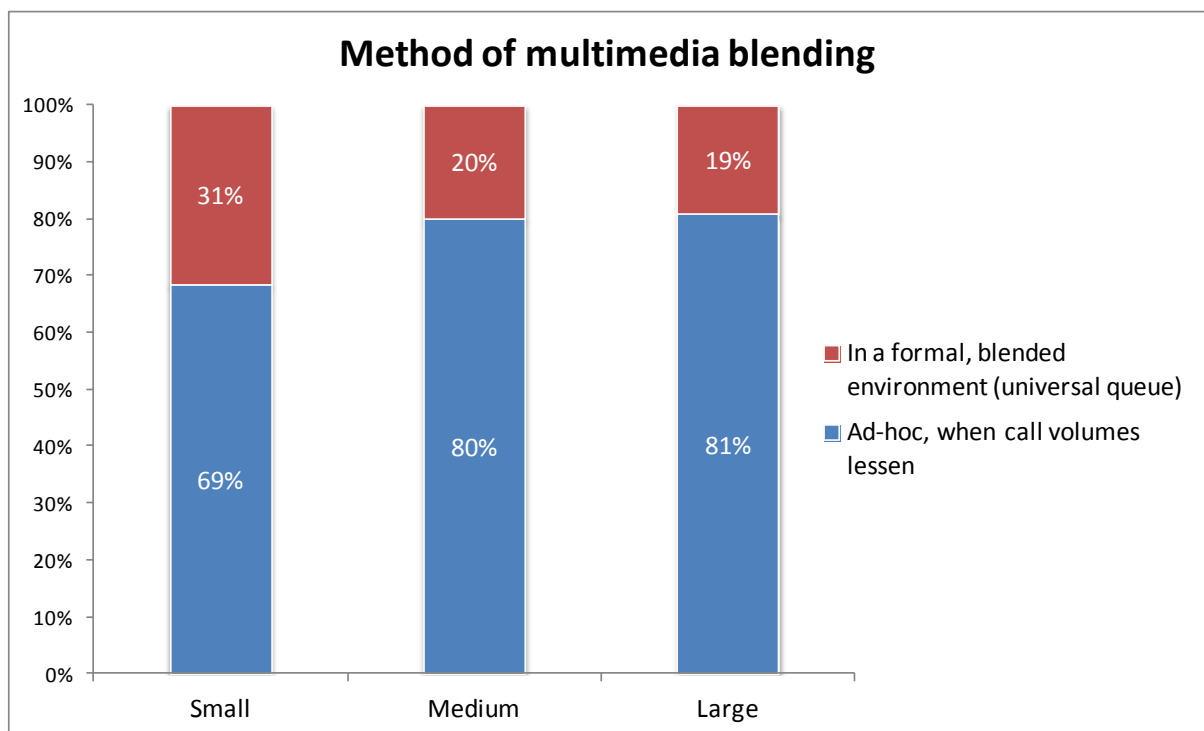
- Recognising the individual skills of your agents is the first step, who is best at juggling webchats? Who is the most empathetic with customers over the phone?
- Start slowly - gradually increase an agent's workload so they can get used to handling multiple interactions
- During quiet times, when the phone isn't ringing, is a great time to get agents working on the asynchronous contact (email and webform enquiries) – instantly boosting agent productivity.

As we can see, simply because a contact centre uses the same agents for email and voice does not mean that all operations use the same level of multimedia blending. For some operations, multimedia blending is a strategic decision which has been invested in with the right levels of technology and training being provided. For others, it is a necessity, with agents encouraged to answer emails in slack call times.

In past years, smaller operations - which may not have had sufficient email volumes, or the investment available to formalize the blending by forming a universal queue to deal with all types of interaction - had been much more likely to deal with emails on an ad-hoc basis, whereas there had been a positive correlation between contact centre size and the use of a formal blended environment or universal queue.

In the past 3 or 4 years, this has changed, perhaps as a combination of the larger volumes of emails coming into smaller operations, along with more reasonably-priced multimedia-capable solutions becoming available to this market. The result is that 31% of respondents from sub-50 seat contact centres state that they use a formally-blended environment, rather than an ad-hoc approach, whereas only 19% of large contact centres (which are also far more likely to use dedicated email agents than multi-tasking agents) do so.

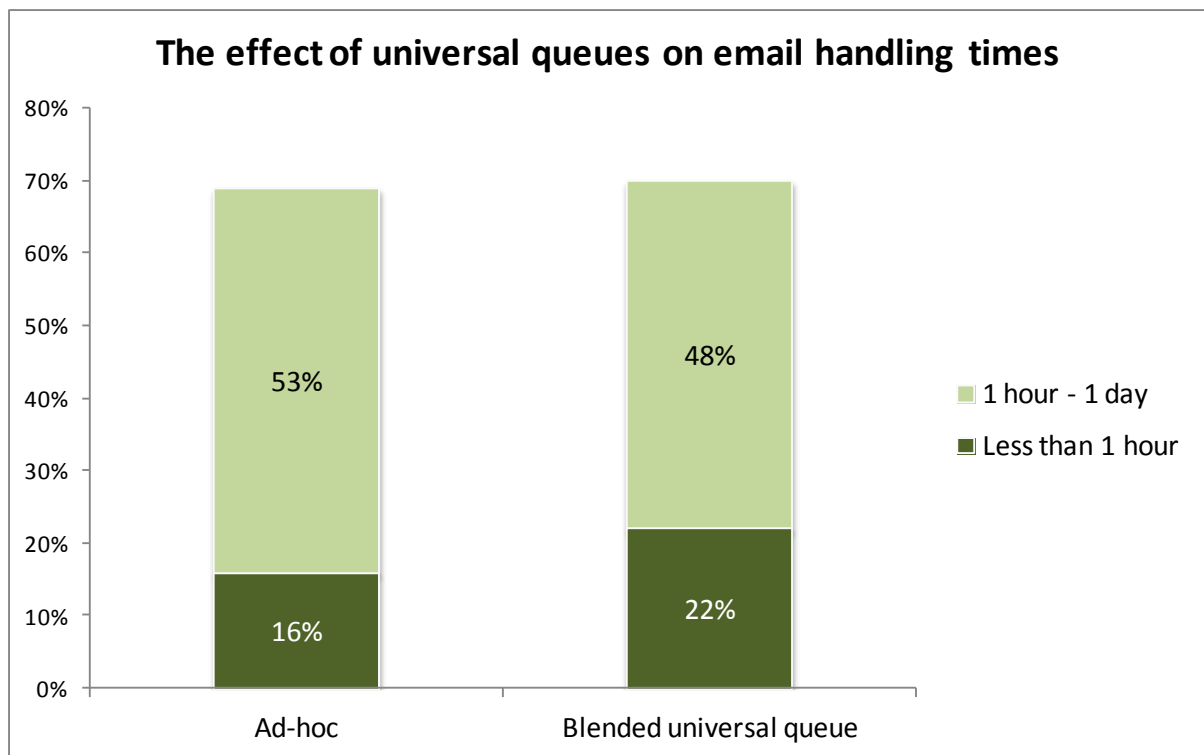
Figure 20: Methods of multimedia blending



The following chart seems to indicate that a formalised blending environment, such as a universal queue, has a beneficial effect on email response times. Respondents using a formal blended environment report that 22% of emails are handled within 1 hour, with a further 48% being dealt with inside a day.

The ad-hoc approach is less successful at rapid response, with only 16% of emails having an average handle time within 1 hour, although 53% are handled in a day.

Figure 21: The effect of multimedia blending on average email handling time



Multimedia blending and attrition rates

There is a hypothesis that allowing agents to mix up the type of work that they do will have a positive effect on staff attrition rates, in that the work will be more varied and interesting, and data have proven this to be the case for many years.

On comparing attrition rates against the amount of multimedia/call blending that agents are allowed to do, there is evidence to suggest that staff attrition is eased by multimedia blending.

- In contact centres where fewer than half of staff were involved in multimedia/call blending, the average attrition rate was 22%. In contact centres where more than half of staff answered multimedia and calls, average attrition was 16%.
- This pattern is more pronounced when looking at contact centres which do not allow **any** agents to deal with both telephony and multimedia. In such environments, average annual attrition was 21%, compared to 14% in operations where all staff dealt with both email and telephony.
- The link between contact centre size and staff attrition problems is also relevant, as larger contact centres are more likely to run their operations along highly-specialised (and possibly monotonous) production-line methods, which discourages blending as a whole and promotes high levels of attrition.

END-USER QUESTION: "IS IT BETTER TO HAVE DEDICATED MULTICHANNEL TEAMS, OR FOR AGENTS TO HANDLE DIFFERENT CHANNELS?"



It is much less clear cut and more nuanced than this. It is about having the right person handling the right channels, and having the right skills of and knowledge management for the agents and teams to be able to respond effectively.

CHANNEL FOCUS: EMAIL

Email is the first of the 'multimedia' channels, and by far the most well-used, having been mainstream for well over 10 years. Although its current penetration rate of around 15% makes it a relative success, this should be placed in the context of the expectations of contact centre managers who in a 1998 survey confidently expected email to account for 25% of inbound traffic by 2003.

Email should stand as a salutary lesson that it is not businesses that make new channels a success, but customers. Put bluntly, email in its first, Stage I incarnation, failed almost entirely. Too many businesses rushed to push customers to this new channel – commonly supposed to be cheaper than voice – without having the processes, solutions or staff to manage this properly. What happened next can be understood as a 'herd inoculation': enough customers had enough bad experiences from enough organisations that the entire channel was discredited, even for those businesses which were providing a reasonable service through email or just keeping a watching brief.

The reason for this rejection was the appalling level of service provided by many of the early multimedia businesses. With response times stretching into many days, if not weeks, the companies failed to understand that any communication with the business has a degree of urgency to it, else why would they be trying to speak with the business at all? Of course, even when a response was eventually provided, the issue might have gone away, or been dealt with by calling the contact centre, meaning that customers' existing confidence in the voice channel was further reinforced at the expense of the email channel. It is also the case that email does not fit the type of enquiries that people make in some cases, such as the need for quick, simple and confidential information (such as an account balance), and the increased requirements for identity checking places a cap on the usefulness of email as a channel for some types of business.

It took many years, much investment and the coaxing of customers to try new channels again for email to emerge as being credible. Of course, businesses and customers now both realize that email is more suitable for some interaction types than others (the rise of web self-service has meant email is no longer the only online communication method available), and complex issues such as complaints, or other enquiries requiring a formal paper trail are well-suited to email. In fact, much of the demise in the letter and fax as channels can be traced to a direct replacement by email. Email is also an excellent outbound channel, providing reassurance, great levels of detail and is able to link to other specific areas of information via hyperlinks. As an inbound channel, it has inherent weaknesses: an inability to carry out customer authentication and to carry out a 2-way conversation being amongst them, as well as the lengthy wait to get a response. In the longer term, it is likely to be superseded to some extent by more immediate online channels such as web chat and social media. It does however have the advantage over virtually every channel that there is no queue time at all – the customer writes the email and presses 'Send' immediately – a 'fire and forget' interaction.

For businesses that do take substantial volumes of email, while it is not suggested that they should aim to answer an email in the same amount of time that it takes to complete a phone call, it is desirable to manage all interactions closely to consistent business rules, and to act quickly if service levels slip. Too often it seems, contact centres have become so used to managing the telephony queue that they neglect multimedia interactions. The result is that multimedia response times (mostly email) have been sacrificed to meet telephony service levels, although there have been steady improvements in the response rates in recent years.

Figure 22: Inbound interactions that are email, by vertical market

Vertical market	% of inbound interactions that are email
Retail & Distribution	28.6%
TMT	23.3%
Manufacturing	22.8%
Services	16.3%
Outsourcing	12.9%
Public Sector	12.6%
Transport & Travel	12.3%
Finance	8.3%
Housing	7.9%
Insurance	7.4%
Utilities	6.3%
Average	15.4%

Retailers and technology, media and telecoms (TMT) respondents tend to have the greatest proportion of inbound traffic as email. The former's email volume are often driven by sales via a website, with TMT/IT's tending to be more about technical support. The finance and insurance sectors do not deal with a large volume of email, mainly due to the restrictions on security, customer identification and customer data. Outsourcers are slowly increasing the amount of email they handle, and this is a good way to establish contact with new clients, and fulfils a definite need. Utilities interactions are often emergencies or appointment-setting, neither of which are particularly well-suited to email.

Emails tend to be proportionally less important in large contact centres, with the gap between large and small operations continuing to widen yearly, although there has been a big jump even in large contact centres, with email jumping from 3.9% to 7.9% in 2012.

Figure 23: Inbound interactions that are email, by contact centre size

Contact centre size	% of inbound interactions that are email
Small	21.5%
Medium	11.6%
Large	7.9%
Average	15.4%

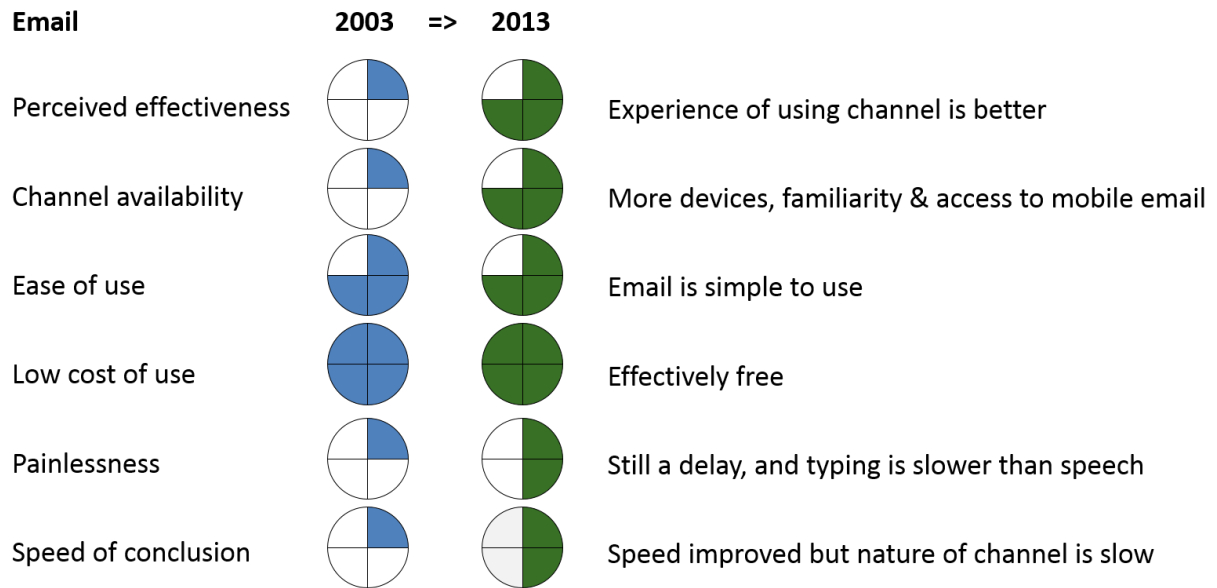
Do you need an email response management system?

An organisation that has relatively small volumes of email will tend to handle it initially on an ad-hoc basis, often using Microsoft Outlook to do so. At some point, the contact centre will realise that costs are going up and quality going down, and that they need to implement the more sophisticated email response management system. What signs are there that show this is the right time to do so?

- While there is no fixed figure for email volume, as it will depend on the complexity and time required to handle each one, organisations receiving greater than 100 emails per day are likely to have issues handling and tracking them
- There are a significant number of customer telephone calls that refer to emails that were sent, but which never received a response
- Prioritisation and routing of emails to agents with specific skills sets is no longer a matter of a few minutes of management time
- Email handling times are not going down, despite the majority of emails being about a relatively small number of topics
- Complex emails may take days or even weeks to resolve, and different agents may be working on similar types of issue without even realizing it, thus duplicating the effort
- You lack flexibility in dealing with spikes in email traffic, as it is too difficult to bring secondary email agents to bear without damaging the voice channel's service level
- Visibility and accuracy of service levels for email channel is worse than that for the voice channel
- It is extremely difficult to report on the content of the emails that you receive as this has to be done manually.

As the following diagram shows, the perceived effectiveness of email has risen as companies have invested more time and effort into answering emails quickly and effectively, encouraging customers to use the channel more frequently, which they have done.

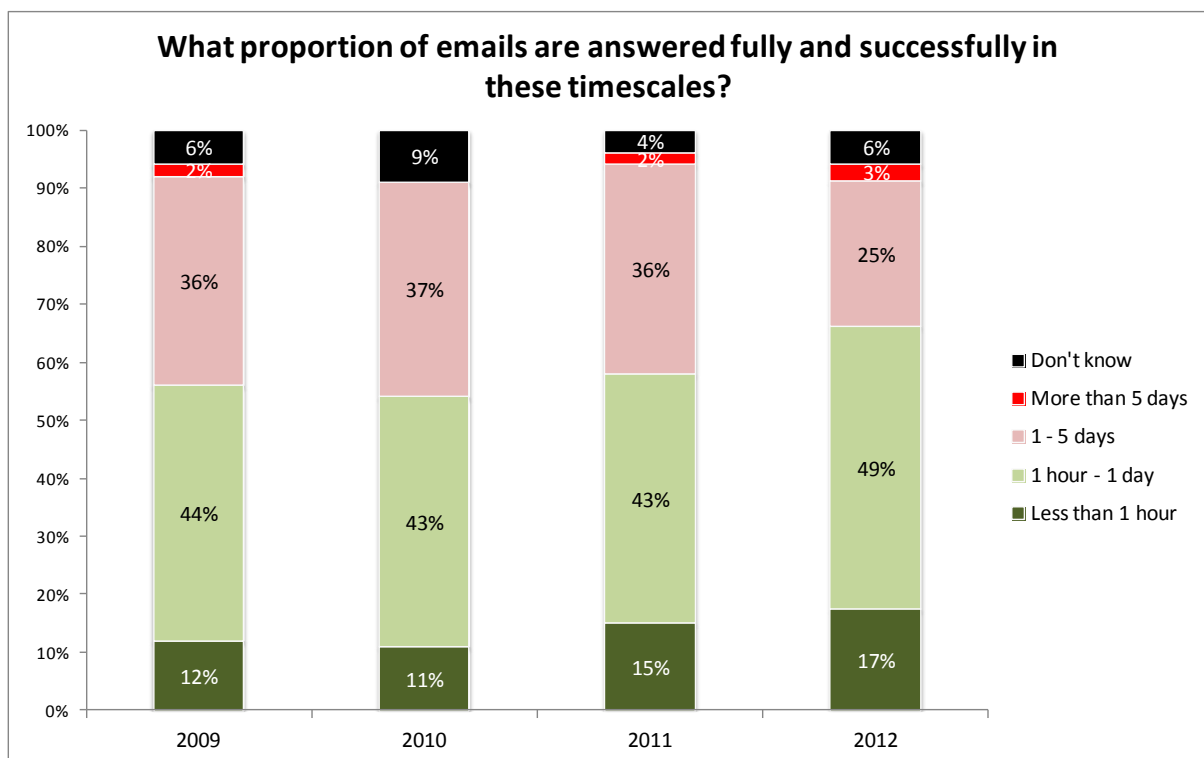
Figure 24: Customer experience of email channels over time



Email response handling times show improvement, year-on-year, with the proportion answered within one hour being 17%, and those answered the same working day 49%, creating a virtuous circle whereby customers are more happy to use email as they are more confident that they will get a good, timely response.

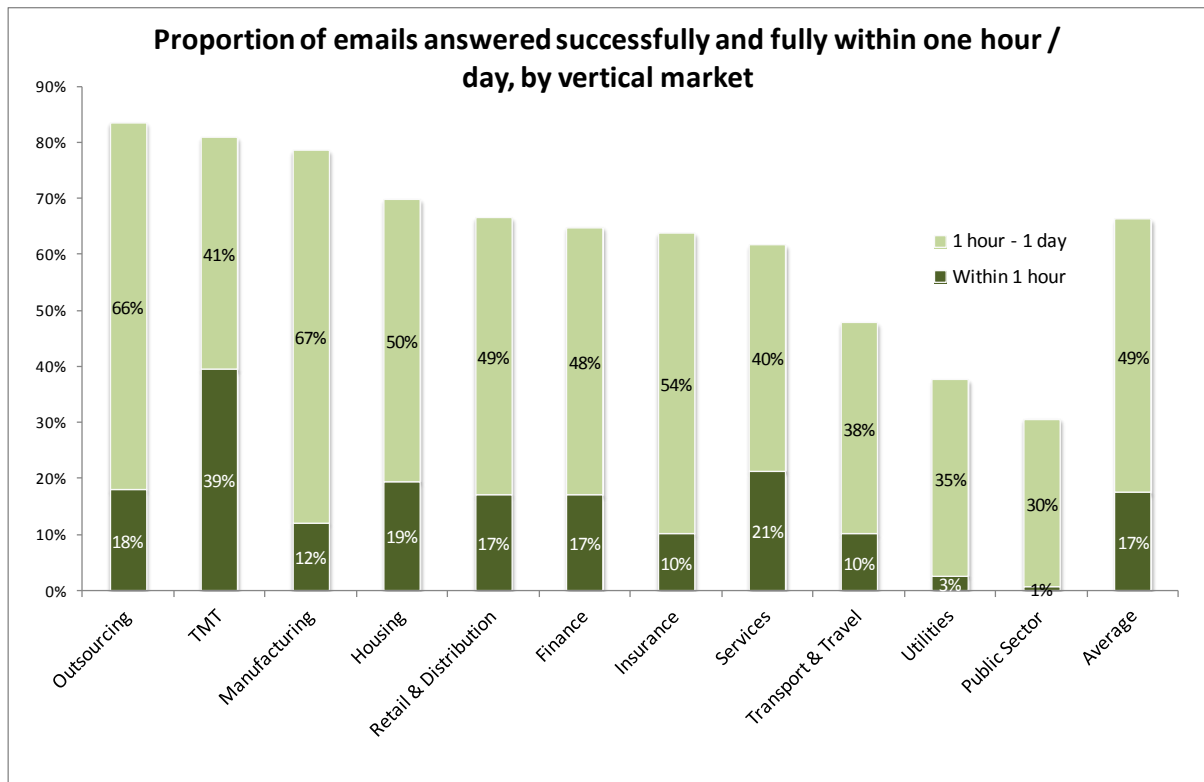
Taking longer than one day to answer an email runs the risk of the customer losing patience, and going elsewhere or phoning the contact centre, placing a greater cost burden on the business than if they had just called in the first place, but this figure was down to 28% at the end of 2012.

Figure 25: What proportion of emails are answered successfully and completely within these timescales?



Although the previous chart looks at average email handling time, a relatively small number of tricky enquiries can pull the average email handling time upwards considerably, so it's also worth looking at the proportion of emails answered within 1 day (consider this measure to be similar to the traditional call centre benchmark of proportion of calls answered within 20 seconds).

Figure 26: Proportion of emails answered within 1 day, by vertical market



The TMT sector (which includes IT) seems well-placed to handle its high volumes of email, and the outsourcing sector also handles its large volumes of email well too, driven by service level agreements and sales targets. Customers of utilities companies and those using the public sector will have learned not to expect quick answers from them.

END-USER QUESTION: “HOW ARE CUSTOMER EXPECTATIONS FOR RESPONSE TIMES CHANGING, AND HOW ARE COMPANIES REACTING?”



Customers have different expectations when it comes to the variety of contact channels. Callers need to be managed in real-time, whereas emails can be dealt with in less than a working day without complaint. Your multi-channel solution must enable prioritisation across channels to ensure SLAs are always met. Better still, set up alerts so that you know before the SLA is breached, on any channel.

Tips for the effective handling of email

- Understand the inherent differences between email and telephony handling: phone queues are self-managing but emails will back up, blocking the way for new, live email requests
- Manage customer expectations: use automated responses to reassure the customer that their request has been received, and if possible provide a realistic estimate of how long it will take to provide a full response by taking information from the multimedia routing engine based on current response times. Playing it safe by stating “We aim to respond within 5 to 10 working days” is unacceptable to the customer, and will result in them calling the contact centre while the email is still live, requiring the handling of two interactions, and ensuring a frustrated customer. Recent ContactBabel research shows that only around 2/3 contact centres even provide a simple automated acknowledgement to a customer’s email
- Classification of email requests will make accurate routing easier and more effective. Keyword spotting, or the use of drop-down lists in web forms will assist in this process
- Emails may well refer to previous phone conversations or other interactions. Agents answering these emails will need access to complete and up-to-date customer information
- As with the telephony channel, average wait time is only part of the picture. It is also important to track “longest call waiting”, or “longest email waiting”, and understand what has made these particular interactions take so long
- Contact centres should aim for agents to have to write a minimal amount in their email response. The majority, if not all of the response, should come from pre-written, templatised text, with information taken from the knowledge base where necessary. This has the benefit of cutting email response time and cost, improving customer satisfaction, and providing a consistent and duplicated answer across all channels. It also minimises the need for an agent to have superior grammar and spelling capabilities
- The creation and ongoing maintenance of the knowledge base is of vital importance. The majority of emails are likely to be about similar issues, so any knowledge base created should aim to tackle these issues first. Wherever possible, the knowledge base should be shared online with customers to enable them to self-serve. A consistent knowledge base, even if it only covers a limited number of topics, is extremely useful if shared across all customer service channels
- If there is a spike in emails about a particular topic, the response should be shared as quickly as possible within the knowledge base, and a strategy to disseminate the solution to relevant customers proactively should be considered (for example via SMS or email to a particular customer sub-group), to avoid unnecessary email and call volumes, and improve customer satisfaction and loyalty
- Consider blending email with other interactions. As shown elsewhere in the report, multichannel blending increases agent satisfaction, thus reducing staff attrition. Formalised blending environments also have a positive impact on handle time. This strategy also allows businesses to route interactions about a particular topic or subject area to agents with this expertise, regardless of the channel.

CHANNEL FOCUS: WEB CHAT AND CO-BROWSING

Web chat (or instant messaging / IM) and co-browsing are similar in that they offer a live assistance option to the process of web browsing. Like email, they have been around for a long time, but have yet to achieve the usage that had been predicted, but this is certainly changing quickly.

Web chat offers an organisation a chance to cut costs through running more than one chat session at a time with customers, using the time that a customer spends reading and replying to an agent's response to deal with other customers concurrently. Solution providers offer the option for an agent to deal with 4 or more sessions at the same time, but whether this is a sustainable model for the agent or provides an acceptable quality of service for the customer is quite another question. Agents can respond to frequently-asked questions by using 'hot-keys', which provide templatised answers and can escalate queries if required.

Web chat has often been used as a 'point of crisis' channel, for example, to convert an online shopping basket into a sale by providing timely service, or if a browser is paused on a webpage too long, perhaps as they can't find what they are looking for. In such cases, there are two main benefits to the business to provide text chat: revenue maximization, and the avoidance of unnecessary calls.

Web chat can also act as a safety net for the customer if an online self-service attempt fails. An analogy can be made with voice self-service, where a failed session is often ended with the customer 'zeroing-out' – pressing zero to get in touch with an agent. Failed web self-service sessions may end with a phone call being made, but web chat can avoid a number of these, which is a cost saving for the business, and better for the customer as well.

The customer of the future - especially the younger generation - are often accomplished Instant Messengers, and will be keen to use the web chat option with the businesses they work with. However, web chat is currently only really useful for general information and sales purposes, as users usually aren't taken through security processes, so the agent can't help with specific account queries; the same usually applying to email. Putting some form of trusted biometric device on a PC or mobile device (such as a thumbprint reader) which then assures the businesses' system of the user's identity could possibly overcome this issue. Alternatively, and more simply, there doesn't seem to be any reason why the web chat agent can't ask the standard security questions to the customer via chat, but this is rarely done today.

A **Virtual Agent** appears to a browsing website visitor to be a human agent, offering web chat. However, it is an automated piece of software which looks at keywords and attempts to answer the customer's request based on these, including sending relevant links, directing them to the correct part of the website or accessing the correct part of the knowledge base. If the virtual agent cannot answer the request successfully, it will seamlessly route the interaction to a live web chat agent who will take over. It is possible that the browser will not even realise that any switch has been made between automated and live agent, particularly if the web chat application is sophisticated enough to pass the context and the history to the agent.

Proactive and reactive chat: originally, web chat was reactive, relying upon the browser to initiate a conversation. Businesses then decided to go on the offensive, popping up chat boxes and encouraging customers to start conversations. Some more sophisticated customers are unfazed by this, but overly-insistent use of web chat can put some customers off entirely.

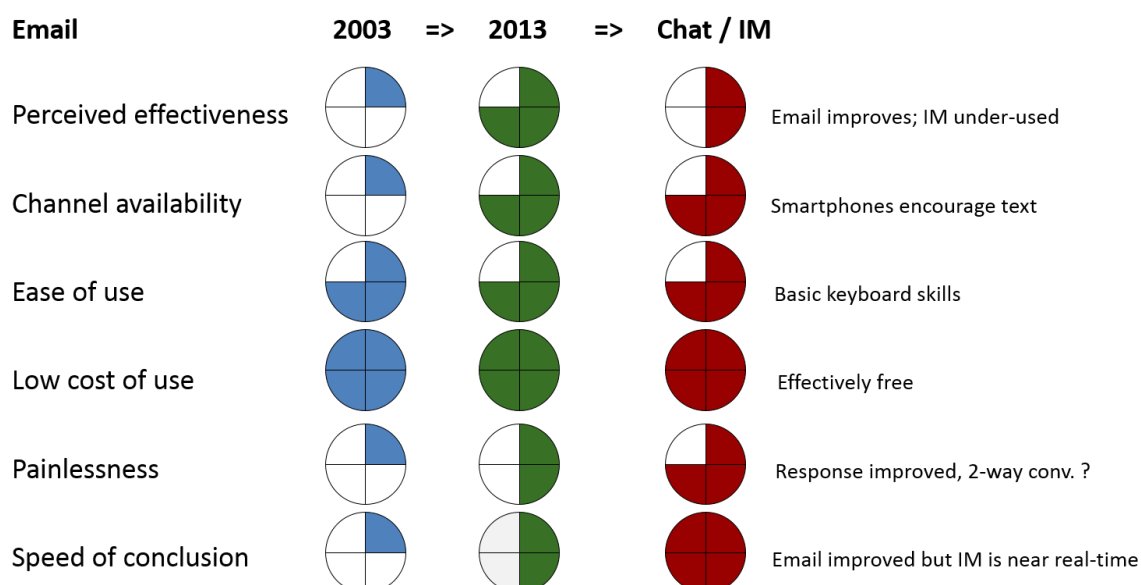
There are various levels of intelligence that can be used to support proactive chat more effectively. If the customer has logged in, it is possible to identify them, and take into account past channel preferences, purchase history and other relevant information in order to personalize the experience, (for example including details of relevant offers to that customer).

As an aside, some US contact centres report that gamers - those experienced in playing online games - are particularly suited to the fast-paced, text-oriented nature of web chat, and some businesses are actively recruiting such people to work as web chat agents. It is also worth commenting that although offshore customer contact has received a mixed press (at best), many of the negative issues surrounding offshore are not applicable to the multimedia channel, such as the possible mutual incomprehensibility of accents.

Current and future role: web chat

Web chat seems to be experiencing growth in the UK, with the proportion of interactions jumping in the past 12 months to 1.3% in late 2012. There is no reason why this growth will not continue: it works well for customers as providing an immediate response, and with multiple concurrent chat sessions per agent, it can be a lower cost channel than voice for the business to support. Solution providers report that web chat is currently being trialled by numerous businesses, often at a limited, or departmental level so they can assess the suitability of the channel for a company-wide rollout, and understand what needs to be done to ensure a success.

Figure 27: Customer experience of email and web chat



A case can be made (above) for the future rise of web chat at the expense of email. From a customer's perspective, the near real-time response of web chat is far superior to even the best email response rates (i.e. less than one hour). This speed also means that a 2-way conversation is possible, with clarification and multiple questions being available in the same way that happens in a phone conversation (albeit more slowly). Customer identity verification is also in theory possible; although, the reality may be that some customers do not feel secure enough to divulge password or personal information online.

Web chat's perceived effectiveness is still not as great as email's, due in large part to the unfamiliarity of the new channel to many customers, rather than anything intrinsically less effective about the channel.

The increased importance of the mobile channel, especially via smartphones, means that customers will have a way to interact with agents without having to use their mobile's call minutes. We would expect a growing number of customer service mobile apps to have a web chat option included in them in order to provide live customer service in those cases where self-service has broken down.

Tips for using chat and cobrowsing successfully

- Understand the role that you want web chat to have within the customer contact mix. Do you see it as a replacement for email? Or is it more of a call avoidance strategy? Or is it perhaps a way to close the sale? Without understanding this, it'll be difficult to measure its success. Some businesses will offer web chat and cobrowsing only to their premium customers, or to those who are in the final stages of purchasing but who have stalled.
- Choose the most suitable metrics for what you're trying to achieve. If web chat is about revenue, then perhaps focus on sales conversion rates, rather than average handle time, in order to encourage agents to make the most of cross-selling and up-selling opportunities.
- Some customers may use web chat as an initial method to ask tentatively about products and services. The solution should provide the option to continue the conversation via a phone.
- Work with the solution provider to determine what a reasonable and realistic number of concurrent web chat sessions might be. While it is theoretically possible for an agent to cope with six conversations at once, the reality is that this is unsustainable over long periods or with complex issues. It is far more realistic to expect a well trained agent to deal with perhaps three conversations concurrently, and this should be fed into your workforce planning system. However, it may be that agents who deal with both telephony and web chat find it too difficult to deal with multiple chat sessions as well, and will deal with only one chat at a time.
- As with any real-time interaction channel, monitoring traffic is vital to success. Plans need to be made to handle web chat spikes and providing estimated wait times to those in a web chat queue will allow them to choose a self-service, phone or email option instead.
- Plan how web chat will integrate with existing customer service channels. It is possible to run web chat as an entirely separate, siloed channel, but customers expect to be able to move between channels seamlessly. Being able to treat web chat interactions in the same way as other communication channels means that resources can be spread across channels as and when needed.
- Sophisticated web chat solutions allow for 3-way chat, so that an agent can bring subject experts into the conversation as required.
- Consider using a trial, in a discrete department, product or service area. This will allow you to understand what works and what doesn't, in a relatively low-risk environment. Changing a small number of variables will also provide a more accurate understanding of how web chat affects customer service levels, customer satisfaction and revenue. It will also provide information about the types of customer and queries that web chat is likely to be used by and for.
- Make customers aware that you're offering web chat, by promoting it through existing, higher-cost channels such as within the telephone queue's recorded announcement.

Co-browsing (or web collaboration), which sometimes includes form-filling and page-pushing as a sub-set of functionality, is a very intensive, one-to-one channel, formerly used for high-value customers or in those cases where it is quicker and more effective for an agent to take over the reins than to talk the customer through the process. While it has been useful for certain businesses, processes and customers, it is difficult to make a case for it on a cost-saving basis alone, although it will encourage the completion rate of sales, and as such, improve profitability.

Co-browsing may be used to help customers fill out forms, or to complete online transactions, and may be done in conjunction with a concurrent telephone call. Unlike page-pushing - which is a one-way movement of information from agent to customer - and screen sharing - where the agent takes control of the customer's desktop - co-browsing is a true two-way collaboration tool. Either the agent or the customer can control the cursor or enter data into fields, and business rules can be set up so that the agent does not see or enter sensitive information.

While it is not a cheap option, cobrowsing, particularly in association with a telephone call, can be an effective way of closing a high-value sale. It is, however, currently used in very few UK organisations.

CHANNEL FOCUS: SMS

SMS is a potentially advantageous technology that many businesses have ignored. Growing numbers of people do not have a landline phone, preferring to use their mobile phone. In the US, one-third of 18-29 year-olds only use a mobile phone for telephony⁴, while in the UK, 15% of all households are mobile-only⁵, a figure which is growing rapidly. While the mobile is more expensive to call, its ubiquity and responsiveness has a great advantage over landline phones and even emails, as the business is far more likely to reach the customer by calling their mobile number. Increasing the use of SMS as a channel to the customer would reduce many of the costs associated with mobile communication (including agent time, as well as transmission costs), while keeping the advantages of contacting a customer's mobile number.

Despite the effects of legislation on outbound calling being seen, SMS does not act as a substitute for voice calls, but rather as a complementary channel, and this is something that should be emphasised: outbound communications are now definitely seen by businesses as opportunities to add value and secure loyalty through proactive customer service, as well as being a powerful sales tool. Using a mixture of SMS and voice, a business can communicate quickly and effectively with its customer base, choosing the right channel depending on the urgency of the message and the customer's own preference.

SMS marketing is widely seen as 'edgy', and aimed primarily at young (and sometimes naive) consumers. It has also attracted more than its fair share of cowboys and con-men, lending a certain disreputability and gold-rush feel to the practice of SMS marketing, particularly around textback services. In future, SMS will work best where customers are happy to hear from a business (e.g. if their account is in danger of becoming overdrawn) and in cases where the business is saving money or strengthening their brand.

The link between mobile telephony and web is only going to get stronger with the path to smartphone, tablet and mobile communications looking clearer, with media and communications on the same device. This will mean the boundary between SMS and email will just blur, with the current visual drawbacks of SMS becoming irrelevant, particular as MMS (multimedia messaging service) becomes more prevalent. Although the small screen of any mobile device means it's hard to do anything complex on-screen, the addition of voice-to-text technology may allow users to form longer and more complex sentences, more akin to email.

One of the potential issues with written communication - and especially SMS - is finding the best way to deal with replies from the customer. If the SMS is a call to action - e.g. texting a keyword to a five-digit shortcode to receive more information, for example, then that is simple enough. However, problems can arise when a customer wishes to reply directly to the SMS, in order to start a conversation with the business. The issue of queuing and routing the SMS to an appropriate agent is the same as for email, and there is also the question of getting through security - if necessary - which

⁴ Harris

⁵ Ofcom, 2013

takes around 20 seconds in a normal conversation with an agent, but the same process can take minutes through the exchange of texts, making it unworkable, meaning that SMS is probably best as a one-way outbound or limited two-way channel.

SMS is suited to automated information requests from customers, marketing campaigns and proactive customer service. Like email, it is unlikely to be the channel of choice for customers with complex requests, but will be very capable of doing what it is good at: simple information provided in a timely fashion. SMS has the ability to add a new level of cost-effective customer service and marketing to many companies' contact strategies, and with Generation Y becoming important mainstream consumers, businesses may wish to consider if SMS can fit into their contact strategy.

Table 1: Types of SMS contact

SMS contact types	Description and examples
One-way push (marketing)	Typical SMS sales campaign, similar to email
One-way pull (customer demand)	Account balance demands
Proactive customer service	Event-driven communications, such as delivery notifications, overdrawn accounts, delays to travel
Interactive (2-way)	Conversation between business and customer, or notification of event followed by an action by the customer (e.g. overdue account message, followed by the customer paying money in via SMS)

There is a danger that businesses will be tempted to use SMS as a way to decrease their costs, without fully considering the customer's viewpoint. To make a success of SMS, businesses have to weigh up whether SMS is a suitable channel for what they are trying to do.

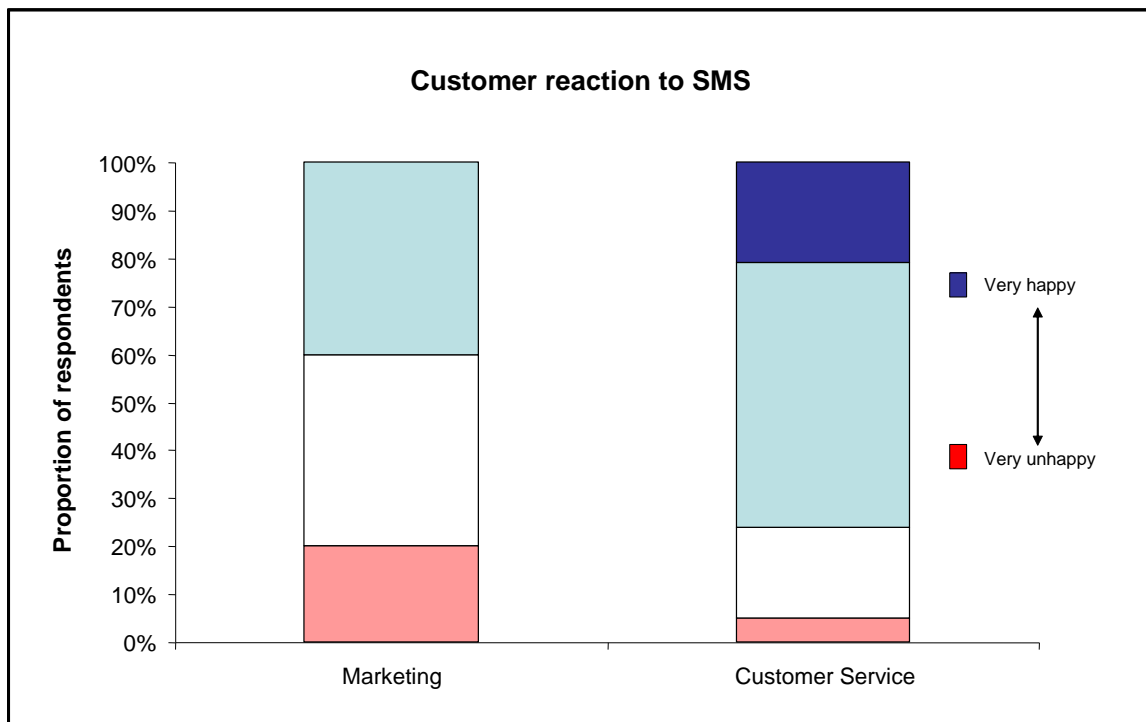
Table 2: Some advantages and disadvantages of SMS

Advantage	Disadvantage
Good for time-dependent messages, as most people read SMS immediately after receiving it	Mobiles are best suited to receiving simple information, rather than anything too complex – small screen; 160 characters; people often on the move; more difficult to enter text than to talk
Receiving a text evokes an emotion (even "Your furniture is ready, please call to arrange delivery")	Harder to be interactive with SMS, due to security and time taken to send and receive texts
Ubiquity of mobile devices - reach the recipient wherever they are	Limited branding opportunities on many phones as the display will need to be text only, unless MMS is used
SMS is convenient and perceived as cheap by users, and 50% of people who respond to adverts will do so by text if businesses give them the option	Can be hard to build effective SMS lists retrospectively as mobile phone information may not have been collected to the same extent as email and postal addresses
The business doesn't have to make as many expensive calls, and customers are happy to get reminders of important information	Mobile phones are perceived as personal and private, with customers more likely to be offended by excessive messaging from businesses
Opportunities for viral marketing e.g. recipients making friends aware of relevant offers and information	Older customers may not be as receptive to SMS as younger ones
SMS is more likely to be read than email	Legislative restrictions upon sending electronic communications, including SMS

Around half of UK contact centres send SMS messages to their customer base, although this is usually very low volume (thousands per month). Interestingly, despite the marketing opportunities that SMS brings, the majority of messages are service- rather than marketing-related, perhaps as a result of legislation.

Outsourcers and telcos are most likely to be using SMS today, the former as a cheap channel, and the latter as they understand the technology and can provide at no charge from in-house. There is a distinct growth in SMS within the housing association sector, where messages are being sent to tenants reminding them of repairs and maintenance appointments. With a missed call costing £25-50 and an SMS less than 10p, the return on investment is obviously very impressive.

Table 2: Customer reaction to SMS for marketing and customer service



Customer reaction to SMS is certainly positive for proactive customer service (e.g. appointment reminders, delivery information, account balances, etc.), and businesses which have implemented SMS as part of their outbound customer contact strategy are enjoying the twin benefits of high customer satisfaction and low costs, particularly when the cost of call avoidance is considered as well.

Marketing SMS messages are less well-received, although there are more positives than negatives. Much of the customer reaction will come as a result of which marketing messages are sent, to whom and how often.

CHANNEL FOCUS: SOCIAL MEDIA

Social media: the background

The 'customer of the future', for many businesses, is also the customer of today. Rightly or wrongly, the phrase 'customer of the future' itself creates a thought of technologically-capable, media-aware *wunderkind*, who are constantly in touch with each other and the world around them, perhaps through devices rather than face-to-face contact. A group for whom data is more important than voice, for whom the mobile phone or smart device has a totemic aspect and is never away from its owner. A demographic that businesses may feel will have to be addressed sometime, but not necessarily **today**.

This latter statement is, for many businesses, wrong. With around 30% of customers being from 'Generation Y' (roughly, those under 30 years of age), it would be the case that social media should be high on everyone's immediate agenda. Yet even more importantly, the past couple of years has seen the preserve of the young trespassed on by the over-30s, those whom are most important to the majority of businesses. Social media is no longer just about young people, and the fact that most people using Twitter are over 35 shows that social media is a question for today.

There are a huge number of definitions for social media, but the majority highlight certain aspects and traits in common, including, but not limited to:

- interactivity between peers supported by a collection of online tools
- dialogue rather than monologue
- ubiquity
- free-to-air
- user-generated content
- person-to-person communication.

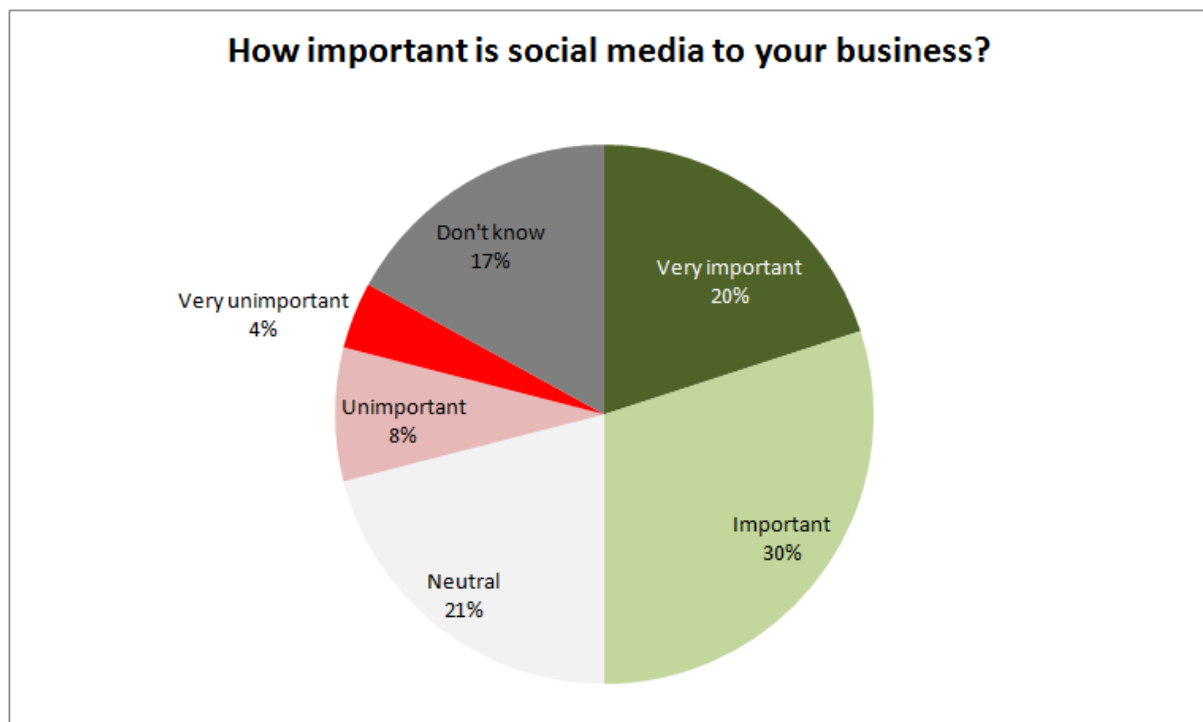
On the face of it, social media seems more about individuals communicating with each other, leaving companies out of the loop. However, many organisations have been eager to step up to the plate, setting-up Twitter, Facebook and Google+ accounts (or Quepasa, Renren, Mixi etc., depending on their geographic location), as well as YouTube channels for marketing and customer support, with corporate blogs and customer communities also widely supported.

Social media started as a way to make marketing more effective, and social media analytics has focused mainly on this area as well. Now, the reality of social media is dual: it accounts for inbound customer service as well as outbound marketing, whether the business likes it or not. There is also another duality to consider: businesses can learn through direct solicitation of customer responses, and indirectly through the social media analytics process.

The *de facto* customer service channel

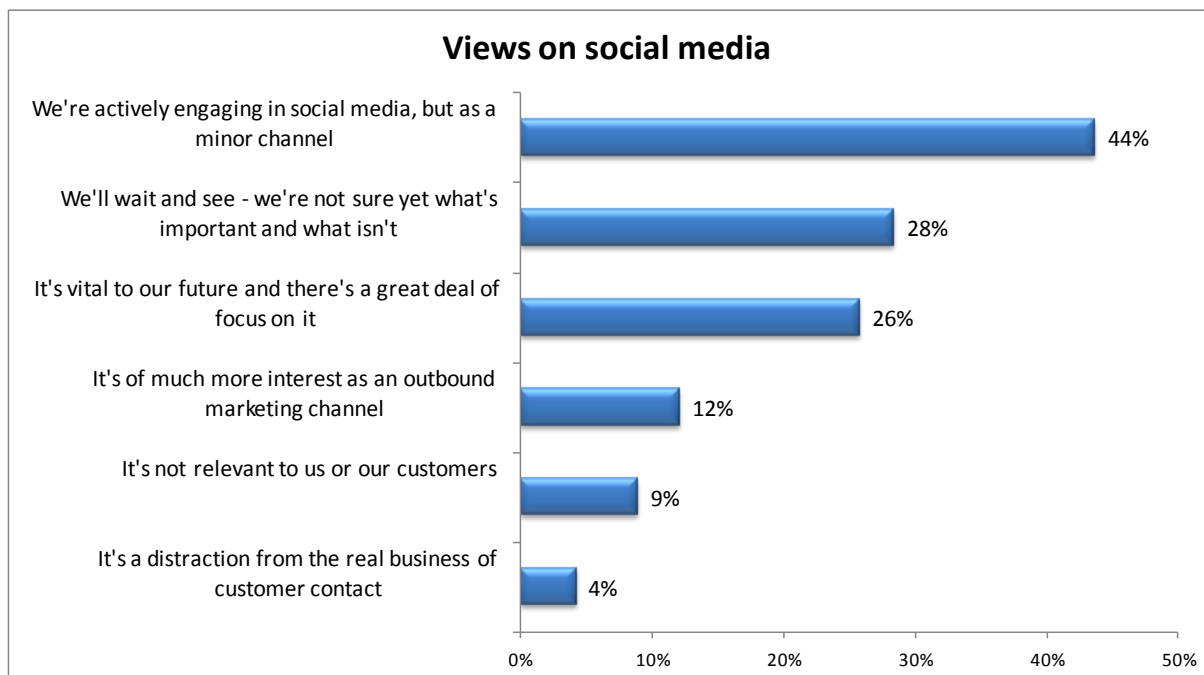
The rise of social media as a customer service channel has often been *de facto* (in that customers have chosen to use the company's Facebook page or Twitter account to communicate with it, even if the company originally had a social media presence only to disseminate information). ContactBabel expects social media customer contact to grow from 0.7% in 2012 to around 3% of inbound customer interactions by 2016, but this will remain a niche channel, although one with potential to be strongly negative. Despite the very low levels of customer interactions via social media, the extremely high profile nature of this channel and the possible magnifying effects of negative comments means that social media is viewed as being far more important than baseline interaction statistics would suggest.

Figure 28: The stated importance of social media to a business



When we look at what UK contact centres are actually doing with social media, as the following chart shows, businesses are quietly enthusiastic and active. Businesses were allowed to agree with more than one of these statements, with 44% saying that they were dipping a toe in the water, and 26% seeing social media as vital to their future. Yet the second-highest response was to "wait and see", with a small minority writing it off altogether. 12% of respondents see it as another outbound channel to get to customers - which is contrary to the 'dialogue not monologue' ethos generally accepted.

Figure 29: Which of the following comments describes how your company views social media?



The **insurance** sector had the greatest proportion of respondents that were unenthusiastic about social media. Sales in the insurance sector are highly price-sensitive and are 'distress purchases' rather than something actively sought for its own sake. As such, opportunistic demand is difficult to generate through marketing, and customer communities are less relevant than in other sectors. However, insurers would do well to track what customers say about them to other individuals, as it can highlight deficiencies in the customer experience.

The **manufacturing, outsourcing, retail** and **TMT (technology, media and telco)** sectors are all very enthusiastic about the future of social media in their business. Manufacturers seem to value the ability to see what is being said about their company, products and competition, with retailers and outsourcers getting far more benefit than most users from social media as a customer service channel. Manufacturers and retailers are also very keen to use social media as an outbound marketing channel.

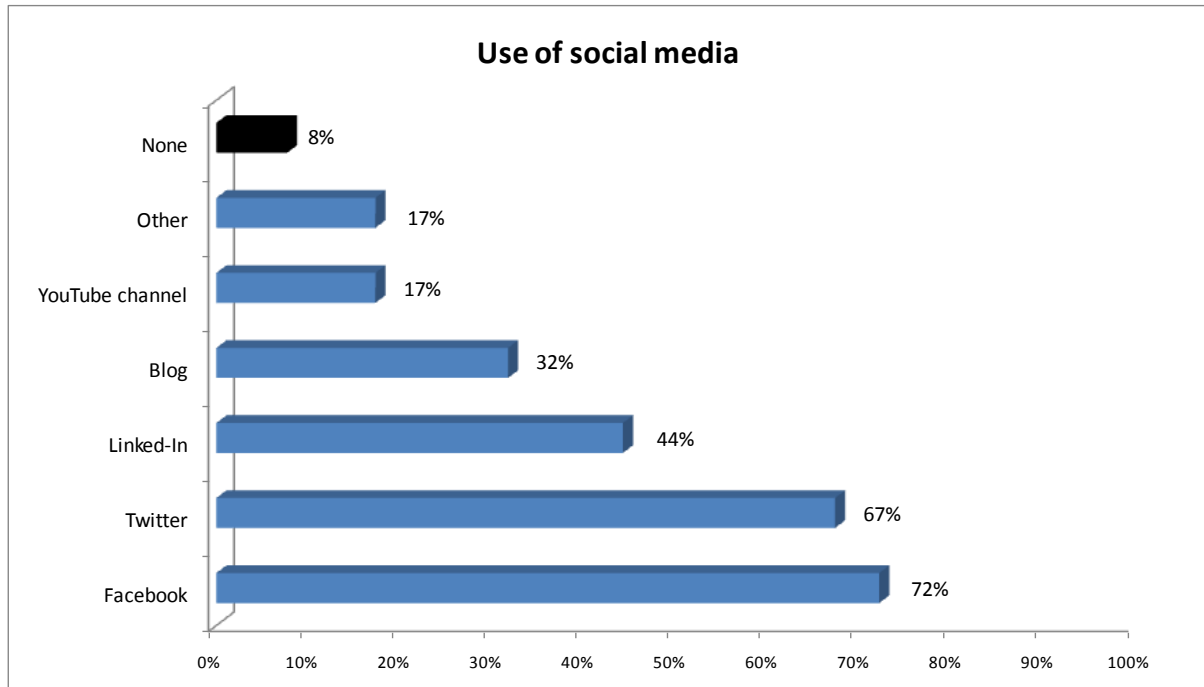
Finance, housing and services respondents are more likely to be taking a 'wait-and-see' approach, although there is little cynicism about social media in any of these sectors.

The **transport & travel** and **utilities** verticals are actively engaging in social media as a minor channel, with some in the former sector being particularly active in using social media as an outbound communication channel with their customers.

Those businesses which operate large contact centres (and thus, have the most customers), predict the greatest things from social media, and not just from the point of view of it being another channel with which to bombard customers with marketing messages. Large operations are least likely to have taken a mere watching brief over social media, and the majority engage actively now. Small and medium operations are more likely than large businesses to see social media as an easy - and cheap - way to broadcast to customers, but even so, most of these still see the greatest benefits from social media accruing from what they learn from customers, rather than as an outbound marketing channel. When considering contact centre size, it is interesting to see that small operations have not restricted themselves to a single channel. Twitter and Facebook are almost as popular with smaller operations as with larger ones, although this does not address the level to which they support these: large businesses may have a dedicated customer service team, whereas smaller operations could use them more as broadcast and branding opportunities.

Large contact centres are leading the way in their adoption of social media, but there is also real advantage for smaller contact centres to look at this channel as a cheaper and better way to communicate with both existing and potential customers. Smaller contact centres may require a low cost of entry deployment model for benefiting from social media as a communication channel - such as deploying a SaaS based model - but this will enable them to very cost-effectively reap the same advantages of social media which are available to larger contact centres.

Figure 30: Current usage of social media



It comes as no surprise to find Facebook and Twitter as the most widely-used social media channels, although the use of the B2B channel 'Linked-In' should be noted too.

Twitter was mainly used as an outbound broadcast tool (assuming follower numbers are sufficiently high) but is also now an inbound customer communication channel, and through using the @mention and #hashtag functions, the company can see how it and its competitors are being perceived by the market. A negative global mention by a very popular Twitter user can be damaging to the brand, although the viewing of any direct communications between company and user is restricted to those that follow both parties.

Facebook was used in a similar way to Twitter, as an outbound portal for information. However, with the majority of companies allowing fans (customers) to post on their wall, this is also being used as a two-way customer service channel, especially by large businesses who can dedicate resources to dealing with such matters. However, this can be risky, as an irate customer who posts negatively many times can tarnish the brand far beyond their actual reach.

YouTube is growing in usefulness and importance, being particularly suited to product helpdesk environments, allowing agents to send links to videos that can demonstrate how to use the product.

Figure 31: Usefulness of social media for business activities

Vertical market	Average score / 10	% scoring 1 or 2/10	% scoring 9 or 10/10
Monitoring what is being said about the company, products and marketing campaigns	6.9	4%	28%
Acting directly on negative comments and complaints	6.5	13%	30%
Delivering product and marketing information to the customer	6.1	12%	23%
Learning more about our competition	5.3	14%	8%
Offering customers a fully-supported customer service channel	4.8	25%	12%

The preceding table shows the usefulness of social media for specific business activities. The most important use is the monitoring of what customers are saying about the business and its products, with 28% of the respondents that use social media for this scoring it at 9/10 or 10/10. As this is a relatively easy use of social media, this is perhaps unsurprising.

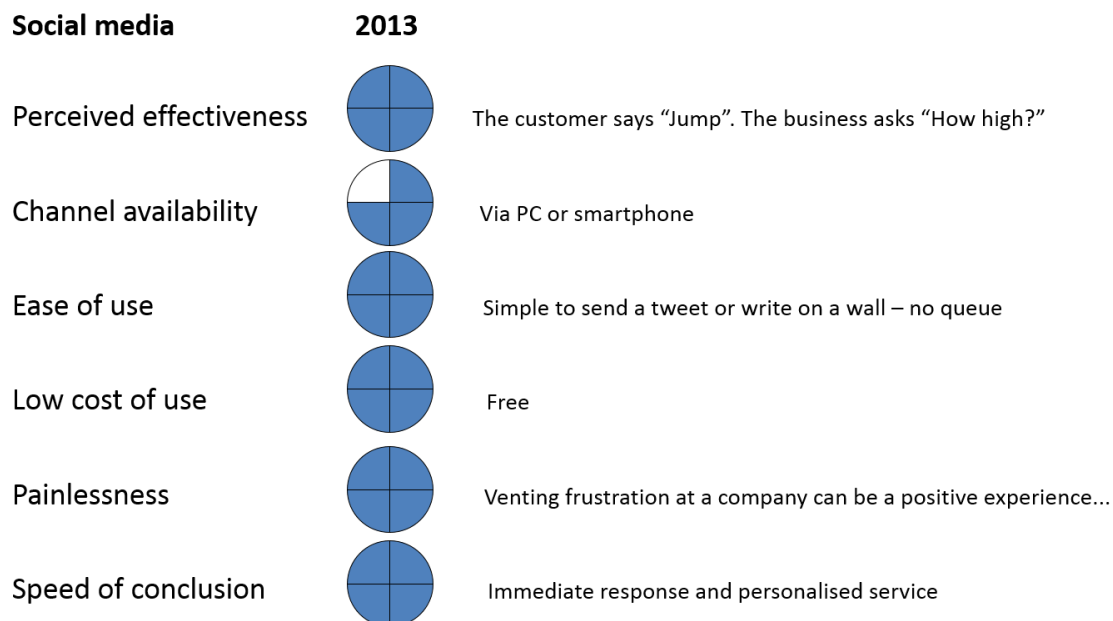
However, the ability to act directly upon negative comments and complaints is seen as almost as useful, despite this requiring somewhat greater resources, as the need for a rapid response is far greater than for monitoring comments which aren't directed at the company itself. Yet against this, the least-popular option is that of offering customers a fully-supported customer service channel via social media, with more than twice as many respondents scoring it very low than very high, yet this is increasingly what the market is demanding.

This indicates what many customers have experienced already - that most companies are not fully geared-up to providing customer service via social media with anywhere near the same quality as via telephony, or perhaps even email. This is not surprising - for some companies, taking sufficient people out of the frontline to deal with social media can weaken their bread-and-butter voice operation. As responses to social media queries are by their nature public, the quality of agent dealing with these tends to be very high, exacerbating the potential problem. Some savvy customers, knowing that their public complaint or issue will be dealt with quickly, prefer to go straight to a social media channel rather than wait in a telephone queue.

Increasingly, businesses wish to treat social media requests in the same way as other interaction types, using the expertise of existing agent teams. Requests via social media can be analysed (often by keyword spotting), prioritised and then routed in the same way as other interaction types to the agent team most capable of dealing with these specific enquiries. In terms of customer expectations, social media is perhaps closest to that of web chat, in that an almost instantaneous response is expected, with the attendant pressure that such a service level places upon the organisation.

Uniquely, social media has taken off as a customer service channel as a result of customer take-up, rather than businesses' enthusiasm for promoting a cheaper service channel. Revisiting the chart that shows how channels fit customers' needs, we can see that social media for some customers can provide a very positive experience with a very low pain point, and at virtually no cost of time or money: the customer complains, loudly and in public, so the business reacts quickly and effectively. For the customer, this is great: it is the business for whom the current methods of social media do not work as well. Not only do they have to carry out their business in public, reacting quickly and without being able to authenticate the customer's identity, but they often cannot handle the query without resorting to another channel such as phone or email, which provide more privacy and functionality. In such cases, they are not even seen by the world as a whole to be reacting quickly and effectively.

Figure 32: Possible customer experience of social media channel



Both customers and companies are finding out what works with social media and what does not. Crucially, as with any channel, success will only come when a channel delivers a successful experience for both sides of the equation.

Customer communities

Apart from the globally-recognised names like Facebook and Twitter, which promote B2C and C2C communications, there are a large number of self-built customer communities that band together – not always uncritically - around a brand or product that they are interested in that tends to support the site at one remove. The case study below, although a few years old, explains why these unheralded social media methods can be quietly effective.

Customer communities - effects on brand perception and loyalty

A major academic study of eBay community participants⁶ studied how such membership of online communities altered behaviour, psychology and attachment to the eBay brand. Groups of active participants ('enthusiasts', who post messages to forums), and passive members ('lurkers', who may read posts, but do not enter into conversations) were considered.

Customer communities on eBay exist in the form of clubs for people with similar interests, such as specific car types, Barbie dolls or other special interests. There are also live chat rooms, and conversations exist both on-topic and off-topic.

The results of the research, which encouraged people to use communities, and then tracked behaviour, found that "with increasing community participation, customers bid more, won more auctions, paid higher final prices, spent more money for buying items and were more motivated to make purchases if they didn't do so before." The same positive effects were witnessed on the sales side, where community members sold more, made higher revenues and received better feedback than non-community members.

The researchers suggest several reasons why this should be:

- Community membership means that a person is more likely to identify themselves with the brand, using it and recommending it more often
- Members gain educationally from the experience, receiving tangible benefits
- The shared goals and values of the group reinforce member identity
- Trust emerges as a result of asking for, and receiving help and advice, making the member more likely to give back in return
- This trust means that members are less likely to fear fraud, and to hold back from purchasing behaviours
- Continual positive experiences within the community mean that the supporting brand is considered positively, even if it is peripheral to what is happening within the community

The researchers estimate that the increased use of customer communities within eBay that were created by this experiment produced a rise in revenues of £59m over the course of a year. The costs of encouraging greater community participation was around £7,000, a return on investment of almost £8,500 for every £1 spent.

⁶ "The Long Term Effects of Joining and Participating in Customer Communities", Algesheimer and Dholakia (Zurich / Rice Universities), 2006

The study's researchers, Algesheimer and Dholakia, identify three types of business which would most benefit from supporting customer communities:

- Those with complex products and services, to offer educational services and to enable rapid peer assistance with technical issues, which can work out extremely expensive otherwise
- Firms with already strong brands and customer identity (e.g. Ducati and Apple iPod are noted by as having positive experiences from running customer communities) where customer communities further strengthen the brand
- Those companies with rapidly-evolving products and services, especially "objects of desire", such as the latest mobile phones or games consoles. Customer communities can offer the most up-to-date information to customers and browsers, who will react by checking the community more frequently so as not to miss anything.

Businesses can also benefit from closely tracking the community's views, extracting high-quality, unbiased feedback about products, services and competitors, with an unsolicited opinion being far more likely to be honest and useful than asking someone directly what they think. It may be that independent and objective customer service review websites emerge into the mainstream, whereby benchmarking of performance metrics and experiences means that potential customers can check out how good a company is to deal with before they use them.

Businesses such as giffgaff (www.giffgaff.com) have a great deal of their customer service strategy based around customer communities. Customers of the mobile phone network are encouraged to find their own solution via the web self-service application, with the next step being to ask the customer community to help. Giffgaff's agents are there to help with confidential account information, but this is via email with a published 24-hour turnaround target.

Tips on providing customer service via social media

- Social customer service, which includes monitoring, filtering, queuing, routing and response functionality, can be delivered via a website or mobile service app.
- Despite the pressure that social media puts onto a business, younger generations express a preference for communicating with businesses in this way. They are also more likely to complain about problems on social media, so supporting a social media customer care plan is vital to winning and keeping this section of your customer base.
- Social media does not have to refer only to the likes of Twitter and Facebook. Customers are growing increasingly more sophisticated at seeking out help themselves, with many preferring to attempt to find their own solution before contacting a business. Companies should look to support such customers by keeping their knowledge base up-to-date and easily available on the website, and considering whether putting product demos and tutorials on YouTube would be appropriate for their customer base. The rise in the use of smartphones, and cheaper mobile broadband means that streaming video is certainly a possibility for many customers.
- Be aware that age has a particularly strong role in the choice of customer communication channels. Generally speaking, older generations will choose the phone as their primary channel, whereas younger customers will look at online channels first. Men are also far more likely than women to look for a self-service solution initially.
- 80% of customers trust recommendations from other customers. The downside to this, of course, is that customers will also take a negative criticism of a product or company very seriously.
- By keeping a Twitter feed or Facebook page up-to-date, an organisation can reduce inbound call traffic at a time when a particular issue is causing a spike of calls, for example, if bad weather threatens to close schools.
- Blending social media with other forms of customer communication can mean that agents get a more well-rounded view of what customers are actually thinking. Knowledge sharing between agents, especially where new information is put in a timely fashion into the knowledge base, will assist both agents and self-service customers.
- Just because the customer has initiated a social media interaction does not mean that a business has to stay on that channel to resolve it successfully. Customers may like to receive an outbound call from the agent, as this may provide the opportunity to go into further detail, and to resolve the issue entirely.

CHANNEL FOCUS: VIDEO

Video chat has often been marketed as being a powerful tool in order to build trust and rapport with customers, with many commentators pointing out that a great deal of communication happens non-verbally, which could in theory build trust between the customer and business. Video can be either one-way (traditionally thought of as the customer seeing the agent) or two-way. In fact, smartphones also allow one-way video from the customer to the agent, which is of greater interest to some businesses. Insurers are particularly interested in one-way video: for example, customers involved in an accident can take video of the situation immediately afterwards, which will give the insurer a far better understanding of what happened rather than relying on verbal testimony after the event. It can also mean reduced costs for the insurer in that they will not have to send out an investigator to look at the damage.


Solution providers report that two-way video (or 'talking head' video) is not a very popular option. It is possible that it might be used for certain high net-worth individuals, for example, for trust reasons, however, this is very limited. There may be a role for it in a consultative, kiosk-based environment, for example, contacting mortgage advisers via kiosks while in a supermarket. While this may seem a bizarre example, in certain rural parts of America where customers are nowhere near the bank branch, this works very well.

Video chat has traditionally been thought of as a live communication channel, but in fact the increasing popularity of YouTube and smartphones means that agents can send links to recorded videos to customers that can provide assistance to queries that might otherwise require a very long phone call.

IVVR - interactive voice and video response

IVVR - the placement of visual self-service options on a screen (PC or smartphone) adds a new dimension to the caller's experience: in addition to hearing traditional IVR voice menus and announcements, a caller can now see menu choices, and receive video presentations while waiting for an agent, during call transfers, or wherever appropriate in the self-service experience. As people can read a menu far more quickly than they can listen to it, IVVR can provide a much wider choice of self-service options than a voice-only IVR. IVVR can be used as a video front-end to a traditional contact centre, or as part of a full video contact centre where callers and agents can see each other.

END-USER QUESTION: “WHAT ROLE DO YOU SEE VIDEO PLAYING IN THE MULTICHANNEL CONTACT CENTRE?”

 **NEWVOICEMEDIA** It’s not so much about interacting with the agent, but being able to share richer sources of information – it is much easier to be able to show and tell. However, there have already been barriers to the adoption of video:

1. Cost
2. Ubiquitous access
3. Do people really want it?

Points 1 and 2 are nearly solved. Most people now have video cameras on their laptops and mobile phones and cheap and widely accessible internet access, plus the emergence of open standards such as WebRTC.

The big question still remains, are people actually willing to use it? We believe video is already very important as a training and self-help tool, particularly web-based. We are planning to incorporate support for video and WebRTC into our product and already have a prototype solution.

CHANNEL FOCUS: MOBILE SERVICE

The dual, mutually-supporting drivers of high-speed mobile networks and the proliferation of smartphones means that provision of services via a mobile channel offers businesses and consumers the opportunity to make a step-change in the way that they communicate with each other. This new world of communication allows businesses to consider whether exotic-sounding functionality like multimedia streaming and videoconferencing could give them a competitive advantage in the customer service world.

However, the vast majority of service functionality available to the mobile consumer today is unsophisticated and divorced from the rest of the customer experience. Put simply, if the customer tries to use a mobile app or website but cannot successfully do what they wanted, in many cases they will be forced to initiate a service request via another channel, such as email or phone, which will be treated by the business as a similar request without any understanding of the history, activity or context that the customer has already undertaken.

Gathering, understanding and using the contextual data that can surround the mobile consumer will be key to pushing the uptake and functionality of this channel forward. The plethora of channels immediately available to the mobile consumer - including voice, web browsing, SMS, social media, and web chat - encourages the customer to act immediately for all their service or information requirements, rather than waiting until they are in front of a desktop computer.

According to recent research⁷, almost half of the UK population has access to a smartphone, with an 81% penetration rate into the mobile phone user base expected by the end of 2017. This means that a large proportion of customers will want to contact businesses through these devices, whether via the telephony element of the device, or via the company's website or mobile app. Taking into account the use of tablet computers and handheld games consoles to access the Internet, the 'mobile channel' may actually be the first port-of-call for many customers, especially those in the younger demographics.

Research from Limelight Networks⁸ shows that 80% of customers who have a poor experience with shopping on a mobile site will abandon it: some may intend to return via a PC, but many others will search elsewhere. As the author of the blog astutely comments: "There is no mobile web as far as consumers are concerned. There is only the web. And it has to perform well." Furthermore, most businesses are currently failing in this attempt, with recent research⁹ around the shopping experience showing the mobile channel lagging way behind online websites and bricks-and-mortar shops.

⁷ <http://www.emarketer.com/Article/Nearly-Half-of-UK-Consumers-Will-Use-Smartphones-This-Year/1009956>

⁸ <http://blog.limelight.com/2011/11/new-stats-show-how-critical-the-mobile-experience-is-for-e-commerce/>

⁹ <http://www.prweb.com/releases/2013/6/prweb10789229.htm>

Businesses serving the mobile customer recognize there is room for improvement in providing mobile customer service. A recent study conducted on behalf of Oracle Corporation¹⁰ found that businesses are falling short on delivering the mobile experiences that customers want after they become customers, with only 39% of global business executives saying that providing service and support through mobile and tablet devices is an area of success for them.

Currently, offering a mobile customer experience tends to mean offering a smartphone app and/or a mobile version of a website.

Mobile websites:

A mobile website differs from simply accessing a full website via a mobile browser, rather offering a mobile-optimized alternative which is easier to use and overcomes some of the constraints around using a mobile device to access the web, particularly around usability and the high cost of data.

Mobile websites should not try to offer every single item available on the full website, but rather just the information and processes that most users will want in order to act or make a decision. Ease of use is vital: text must be fully displayed on screen, buttons must be clickable and consider minimizing the use of graphics to achieve quicker load times in areas with poor mobile data services. Many devices do not support Flash, and video uses a lot of data in any case, meaning greater cost and time for the user, at least until mobile bandwidth becomes cheaper and faster.

Bearing in mind that a mobile site generally cannot support every type of interaction that a customer may want, businesses may consider that allowing mobile users to access the main website is a good idea. Contact details should be clear, and offering a seamless route from self-service into supported service, via email, web chat or telephony is becoming increasingly expected.

It is beneficial to understand why customers will use a mobile site rather than waiting until they are in front of a PC. Generally, they will be more task-focused on a mobile device than a PC, so the emphasis should be on delivering quick, simple, high-volume interactions. For example, by looking at the current use of their full website, a bank may discover that a high proportion of users want to check their bank balance or view recent transactions, rather than setting up automatic bill payments or ordering foreign currency. Consequently, the mobile version of the website may focus only on a small number of simple, high-volume interaction types.

¹⁰ Oracle Corporation, "[Global Insights on Succeeding in the Customer Experience Era](#)," February 2013.

Smartphone apps

A good app can provide a superior user experience to a mobile website, due to the greater level of design. However, they tend to be much more expensive to build, and unlike a mobile website, a new one has to be developed for each smartphone platform. Additionally, company apps will tend to be free to download, so there is little opportunity to make money directly from them.

Recent years have seen the smartphone platform market change considerably. In 2013, Google Android had slightly more than 50% of the market, with Apple iOS at around 35%. BlackBerry and Microsoft each have less than 10%, so businesses could decide to produce only two flavours of app, which would actually support over 85% of the smartphone user market. (Of course, the downside is that you could be alienating 15% of your customer base).

A native application developed for a mobile device can use some of the device's capabilities to enhance the customer experience. For example, a smartphone app¹¹ can prompt drivers at the scene of a car accident to provide and capture the correct information, including photos. Such an app could also use GPS to give the exact location of the accident for use by the insurance company.

Industry estimates for building an app vary considerably depending on what they are trying to do, but many sources indicate that a cost of £20,000 upwards (per platform) is very feasible. The cost of developing a mobile website is less, and only needs to be done once. Whether an app is suitable for a company depends on their budget, and their customer base. It may be that the superior branding associated with apps is seen as being well worth the expense, even before factors like increased conversion rates are taken into account.

Solution providers mention that there can be a slight hurdle to overcome for customers who want a call-back via a mobile app, particularly for iPhone users. Apple's iOS stores the device's telephone number, but that cannot be accessed automatically by an app, for security reasons. This means that iPhone users may have to type in their telephone number rather than get a call-back automatically.

¹¹ http://www.naic.org/Releases/2012_docs/wreckcheck_mobile_app_auto_accidents.htm

Tips on building successful apps

- Understand what the most popular self-service transactions are that your customers wish to do, and focus initially on providing the means to do this via a mobile app. This will give you a quick win, familiarise your customers with this channel, and encourage them to think positively about it.
- If any interactions require knowledge of a customer's location, the GPS capabilities within a smartphone may make this particularly suitable to put onto a mobile app.
- An app should be able to divert a large number of simple calls away from the contact centre. Businesses may find that mobile apps are able to replace telephony IVR, with the visual element allowing a greater depth of functionality and a quicker self-service experience for the customer.
- Consider the demographics of your customer base. Do your younger customers wish to carry out different transactions or interactions than your older customer base? If so, focus mobile functionality on the demographic that will use it most.
- If there is a problem with the app, or the customer cannot do what they wish to do, it is vital to offer a clear route into live customer service. This may be via a 'call me' button on the website, which can put the customer into a virtual queue, and can provide all the transaction-based information that the customer has already input, along with any of the other relevant customer details so that the agent does not have to start from scratch. A call-back option also means that the customer does not have to spend their own mobile minutes waiting in a queue.
- Businesses may use apps to proactively encourage customer behaviour. For example, an SMS message may be sent to a customer prompting them to take an action such as providing a meter reading, which can be done within the app. In this way, the only incremental cost to the business is through sending the original SMS.

Contextual data: the great mobile opportunity

The nature of mobile devices means that businesses potentially have the opportunity to know more about their customers and their specific requirements and preferences than ever before.

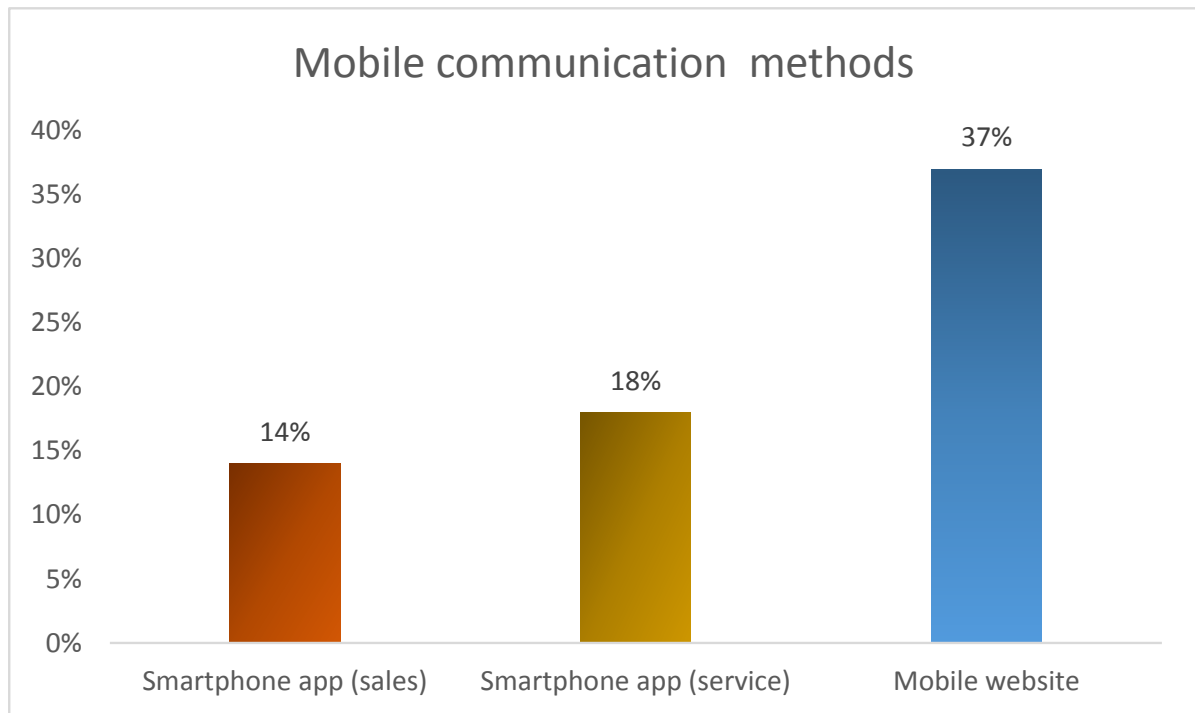
This includes:

- **Customer identity:** once the customer has identified themselves, such as by logging on, or through the mobile phone number, this allows the agent to access their existing customer history in the same way that would be done so on a phone call into the contact centre.
- **Geographical information:** smartphones are GPS-enabled, allowing agents to see where customers are, and to direct them to the nearest shop, for example.
- **Historical activity:** if the customer has been browsing a mobile website or app beforehand, the information that the customer browsed previously may be useful for the contact centre agent to have to hand, in order to see and understand what the customer has already tried to do.
- **Stored data:** the mobile device may have data stored that identifies the customer, such as account number, that can speed up the interaction and make it more effective.
- **Collected information:** the mobile device may also be used to capture and share information with the business such as photographs or videos. It may be possible to automate a two-way interaction: for example, a customer may use their mobile phone to scan a QR (quick response) code on a product. Using the information on the code, as well as the customer's input into the app about what they are trying to do, the customer may be directed to the correct place within business's self-service function in order to solve the issue that they have. This can take the contact centre out of the equation altogether, resulting in reduced costs for the business and a quicker and more effective customer experience.

Current use of the mobile channel

As the following chart shows, 37% of UK survey respondents provide their website in a 'mobile-friendly' format, for example by having the most popular elements available, speeding load times, optimizing graphics, improving readability and scrolling, etc.

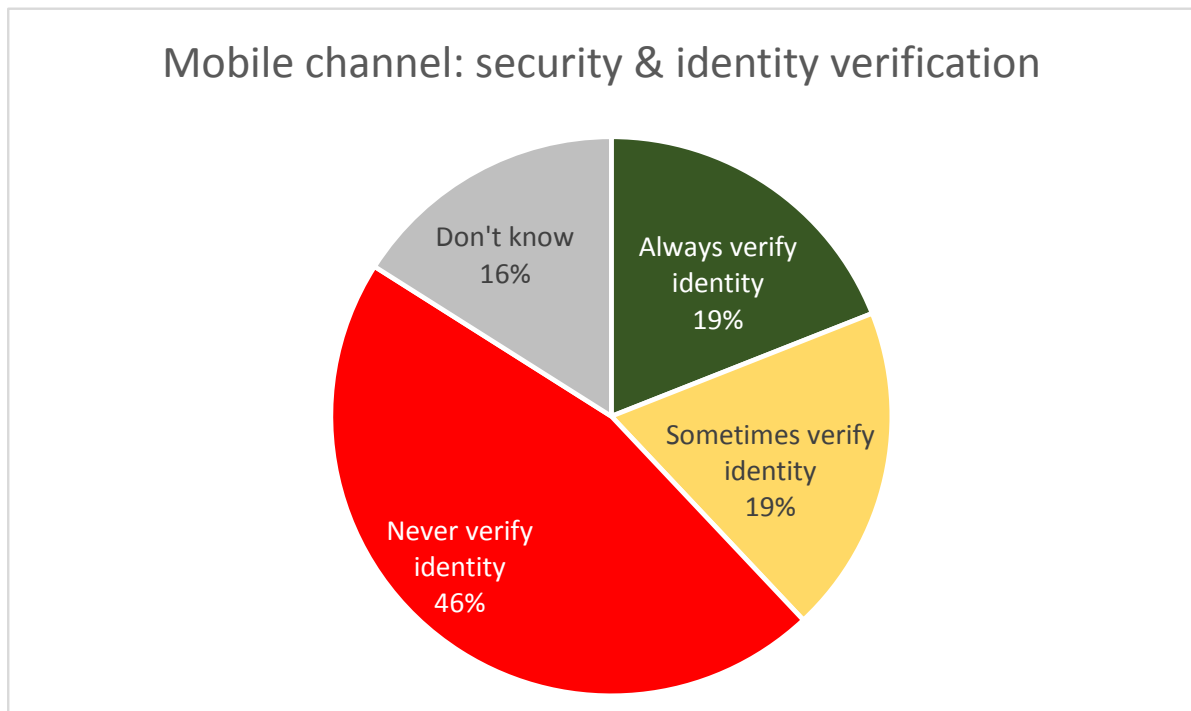
Figure 33: Mobile customer communication methods (by contact centre size)



However, fewer than 1 in 5 respondents have a dedicated smartphone app, either for sales or for service, although larger businesses were more likely to do so. This is likely to be a function of cost and budget, and also because smaller companies are less likely to get the numbers of downloads necessary to make this an economic success for them.

61% of inbound calls to a contact centre require some form of customer identification and verification process to happen. This figure is substantially lower for the mobile channel, suggesting that the functionality currently offered through an app or a mobile website is likely to be of a more generic, informational nature, rather than being specific to that particular customer.

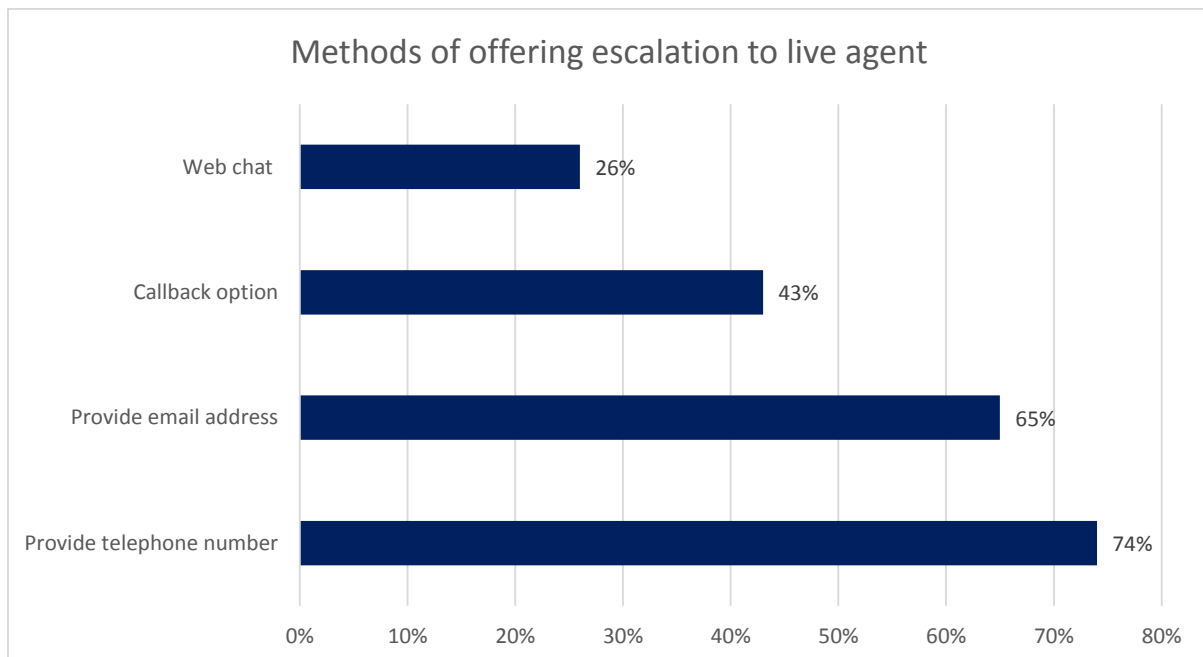
Figure 34: Security and identity verification via mobile channel



CROSS-CHANNEL ESCALATION

In cases where the user needs to pass through security - and also where other reasons mean that the customer cannot complete their interaction solely through mobile browsing or using an app - businesses should consider how they will keep the customer or prospect engaged with the business.

Figure 35: Escalation to an agent via the mobile channel



The easiest way to support cross-channel contact is to offer a telephone number on the mobile website or inside the app, yet only 74% of respondents do so. Even in the majority of these cases, the user/ customer must start again from the beginning, as respondents will not credit the security and identification process that the customer has already been through, nor will the browsing history be passed onto the agent. Effectively, the customer may as well not have used the mobile channel at all, which is a negative for them and their attitude towards this channel in future.

Providing an email address is the second most popular escalation method, which does allow the pre-population of fields in an email form (user details, account details, type of issue etc.) although only a few respondents do this. However, email is a slow medium even when done correctly, and the user will not get an answer in real time.

43% of respondents offering a mobile channel state that they offer scheduled call-backs to customers. While this is a positive and proactive response, the user is often left in the same situation as if they had called in the first place, as the agent will often have to take them through security first and then establish what the problem is.

Only 26% of respondents using the mobile channel state they offer a web chat option within the mobile site or app, despite this being the channel most closely resembling the activity the user is already undertaking (i.e. using the mobile device to look for information, using typing rather than speech). Web chat is more immediate than email, and offers a chance to move between self-service and assisted service seamlessly, with the agent being able to push links and video to the user in real-time.

A minority of respondents state that on escalation, an agent is provided with some information about the customer, most often only customer's name and sometimes the account information or location, rather than anything more closely linked and relevant to what the customer was trying to do. In reality, this information will rarely be used to provide a quicker customer experience (for example, by jumping a call queue or by having details of the mobile session already undertaken screen-popped onto the agent's desktop).

Figure 36: What information is passed to an agent after escalation from the mobile channel?

Is this information passed to the agent from the mobile channel?	Proportion of respondents
Customer name	44%
Customer location	26%
Account information	20%
Browsing history	10%

Looking to the future, it is not surprising that solution providers are keen to offer technology that ties the mobile channel in more tightly with the existing voice and data customer support channels, providing a single integrated user experience, regardless of initial channel choice or any cross-channel movement by the customer.

One of the key ways to do this is to offer live agent support more easily (for example, through clicking an icon within an app), which provides a context-relevant, geographically-supported and personalized customer experience. As we can see, the movement between self-service and live service is currently very difficult for many customers – it is certainly not seamless - and actually may involve abandoning the mobile channel entirely as a failure in order to start afresh with another channel. As the customer has chosen originally to use a mobile channel, even a successful outcome with another channel will risk leaving the customer dissatisfied with the company.

On moving from self-service to assisted service, mobile service applications must gather the browsing history, customer information and the context of the session in order to pass this to a live agent. Smartphones are enabled with GPS tracking, so businesses should look to leverage this capability to deliver even better customer experiences where possible and desirable.

SMS and outbound calling also offer opportunities for businesses to deliver proactive customer service through the mobile channel, creating a positive attitude towards it. Furthermore, location-specific device information also allows businesses to deliver timely service and relevant marketing messages which are positives for the customer at that time.

It is not just the customer interaction points that will become more integrated. Brick-and-mortar stores are also becoming more integrated with their digital component, in order to provide correct inventory levels at store- and company-wide levels, thus matching the capabilities of their dot-com competitors while being able to take advantage of being able to provide in-store services to customers.

Mobile ROI

Like any technology, application or channel, mobile service has to be seen to pay its way. Quite apart from the importance of fulfilling a customer demand, there are numerous elements to consider when looking at return on investment:

- Call avoidance due to increased use of self-service, although the difference made to the number of IVR sessions should be taken into account: customers may simply be swapping one self-service method for another, rather than avoiding expensive live calls.
- Increasing the accuracy of routing by leveraging mobile and customer data means that calls are more likely to go to an agent that can resolve them first-time.
- Decreased call handling time in cases where mobile browsing information and other contextual data is passed to an agent, enabling them to reduce effort duplication.
- Improved customer satisfaction, and decreased customer effort is likely to lead to improved loyalty, revenue and customer advocacy.
- Contextual information, such as geographical location, enables greater cross-selling and up-selling opportunities based on improved knowledge about the customer and their circumstances.

IMPLEMENTATION AND RETURN ON INVESTMENT

Marketing has traditionally owned initiatives around brand experience, but it is the service division that has to deliver on these promises. Social media is a fine example of this: in many cases, the marketing department started with an outbound Facebook and Twitter presence, but inbound service requests soon grew to a point that handling processes had to be put into place to deal effectively with this ad-hoc customer service channel, with the contact centre or service division offering its expertise and systems to do so. While this certainly means more work for the service division, it helps them to gain further credibility and visibility within the organisation, as many executives will probably be far more knowledgeable about social media than about the workings of the contact centre.

The initiator of the multichannel implementation is often the head of customer service or contact centre. Solution providers also report that the marketing department - particularly those heavily involved in social media - and the IT department also have significant power. By choosing a cloud-based implementation, rather than one that requires large amounts of internal IT resource to achieve its aims, any implementation may in theory be quicker and simpler than a CPE deployment. However, as one of the major barriers to a successful multichannel implementation is access to the various data sources required to get a complete review of the customer and the interaction history, it will certainly require the full assistance of your IT department.

A typical implementation begins with the telephone-based contact centre identifying a growing need to handle one or more text-based channels, with these non-voice channels being typically email, with white mail and/or SMS also popular. The contact centre may wish to bring the new media into a management environment that looks and feels like a traditional call centre: measuring queues, average handle time, time to complete, agent utilisation, contact outcomes, first-contact resolution, etc. In parallel, contact centres also wish to take advantage of blending, handling deferrable media such as white mail and email during troughs in inbound telephone calls, or less effective outbound calling times.


Quite apart from the necessary implementation of handling applications, the integration involved in being able to deliver a single view of the customer journey across all channels, and the recruitment and retraining (and possible changes in remuneration) of multichannel agents, businesses should also not underestimate the time and effort required to create and maintain consistent libraries of up-to-date and correct information, accessible through any channel. Without this, a successful implementation is almost impossible. Some solution providers state that over 80% of emails can be handled automatically, without any recourse to a live agent, in circumstances where the knowledge base has been well maintained. Such systems can be self-learning, depending on the success rate of the responses, but significant time and expertise must be spent on building this knowledge base in the first place.

Some solution providers report that many larger organisations are now running pilot implementations, mostly on web chat, rather than email, which is more likely to have been implemented some years ago and to have bedded down by now. These pilot schemes are often done on a departmental, or otherwise limited basis, so that businesses can get a feeling for

interaction volumes, best practices and understand other variables before taking the new channel into the full, live environment. Prioritisation is an issue: do you start by improving email, which has relatively large volumes, or social media, the high-profile nature of which means that budget may be easier to get from senior executives?

Businesses must ask themselves about the behaviours that they want to encourage by implementing multichannel. For example, it is very common to find users of social media are actually jumping the queue for service, as there is often an organisational aversion to washing their dirty linen in public, and complainers may find that they receive a superior and very rapid problem resolution by taking this 'nuclear option'. Customers who have sent numerous emails, but who only receive an immediate call-back after an angry tweet, will very quickly realise which channel they need to use in order to get their problem resolved immediately. This is unsustainable, and places huge strain on the customer service organisation.

END-USER QUESTION: “WHAT ARE THE BIGGEST MISTAKES ORGANISATIONS MAKE WHEN BUILDING A MULTICHANNEL CONTACT CENTRE?”

 **NEWVOICEMEDIA** The multichannel contact centre is providing a solution to the increasing personalisation demands from the customer. It provides an answer to their questions, on their terms, within their chosen channel, within an appropriate time. Customers expect the same level of service regardless of the channel they choose, so having a contact centre platform that allows you to integrate and manage multiple touch points is vital.

Not maintaining the same level of customer service and continuity that you can achieve with your telephone interactions is a common yet avoidable mistake. It results in reduced customer satisfaction – the exact opposite to what you are trying to achieve. Channel interactions should be tied to a customer contact or account record so that regardless of who handles the individual case, the agent is fully aware of what has happened previously. In fact, for customer support, agents should be assigned to cases once they have begun working on them. This gives customers a sense of continuity and can really help with the speed of case resolution.

Assuming flexible cloud technology, a multichannel contact centre boils mostly down to agent and skills management. Over-estimating the amount of multitasking an agent can achieve is a natural pitfall. It is unlikely that an agent can successfully manage the same number of customer interactions as they can telephone calls, so it is a mistake to expect call centre resolution statistics to increase following the installation of multichannel communications.

The focus for a successful multichannel contact centre must be on skills management; the right person, available at the right time for the right interaction. An agent who is warm and friendly on the phone may not necessarily have the skills to respond to short and concise Twitter interactions. Conversely, agents who excel in written communications may come across a bit short and sharp on the phone.

This balancing act for managers can be tricky.

1. Recognise the individual skills of your agents is the first step, who is best at juggling webchats? Who is the most empathetic with customers over the phone?
2. Start slowly - gradually increase an agent's workload so they can get used to handling multiple interactions
3. Quiet times, when the phone isn't ringing, is a great time to get agents working on the asynchronous contact (email and webform enquiries) – instantly boosting agent productivity.

It is a natural mistake to assume an agent that is great on the phone will be as great in written communications. They may also be an expert in a certain product or service which adds value in other areas. Mapping this and building a call plan that uses this information is essential. Easy to use workforce management and uncomplicated knowledge management is the solution here.

Tips for implementation

- Before deciding on any multichannel-supporting technology, understand how your customers wish to communicate with your business in as much detail as you can manage. This will include understanding the changes in the contact requirements at each stage in the customer lifecycle, how age, gender and demographics alter channel preferences, the relative expertise required and cost per interaction associated with each channel.
- The majority of complaints with which the contact centre deals are not about the contact centre's own processes or failures at all. Simply adding more channels, if the underlying broken processes have not been addressed, will simply lead to more complaints across more channels. Analysis of why customers are contacting your organisation will give you a good idea of where to begin.
- In order to be a success, new channels or ways of doing business must be 'win-win' for both business and customer. Any changes must improve the customers' experience, but also have to be cost-effective for the business, whether actually reducing cost or increasing profitability. Carry out effective customer research before committing to any IT or business process transformation.
- Understand the opportunities that technology allows for right-channelling. It may not be necessary or cost-effective to offer all channels to all customers at all times. This is not simply about offering the cheapest channel to everyone except the most premium customers, but also taking into account the occasions on which customers will appreciate having the greatest choice of channels, such as when there is an emotional investment connected with the interaction.
- Be wary of focusing too much on an agent's technical ability to handle a particular channel. Of more interest to the business, and certainly the customer, is having agent teams divided along skill lines, such as product knowledge. A fast typist with limited product knowledge may not be the best person to put onto a web chat channel.
- Do not underestimate the power of reassurance, especially when a channel is new or unfamiliar to a customer. Talking to a live agent is the gold standard for customer communication, as customers over many years have found that this is the most likely channel to give the correct information and to get the job done. Outbound Email or SMS is a cheap and effective method of reassuring the customer that the issue about which they contacted you has been dealt with or is in progress.
- In a business with IP-based architecture, solutions exist so that the contact centre does not have to stop at the boundaries of the physical building. Presence technology allows experts elsewhere within the organisation to assist when necessary. While it may not always be appropriate for an expert to be patched into a telephone conversation, sending an instant message to ask them to partake in a three-way chat conversation is something else entirely.

- View the mass of information surrounding every customer interaction as an opportunity rather than a problem. Contextual information, including what a customer has tried to do before initiating a live contact, gives the business an opportunity to serve the customer better.
- A common knowledge base is vital to providing a truly effective multichannel contact centre. Consistent, accurate information must be available regardless of channel, and this should be rolled out to self-service applications wherever possible.
- It is better to support a single new channel effectively, than to offer two or three new channels, none of which work particularly well. Initial customer research will give a good idea on the types of interaction that can be successfully migrate at a to a new channel. Look for opportunities to divert expensive, long calls to a cheaper channel, or to improve sales conversion rates by offering web chat at the point of checkout.

Pricing and Return on Investment

As a multichannel contact centre consists of numerous solutions, working together in a unified environment, it is almost impossible to compare pricing for each element of this.

However, having talked to solution providers across the board, pricing is most frequently done on a per-concurrent-seat basis. It is interesting to see that the various deployment models – whether CPE or cloud - will tend to have similar pricing options, in that upfront payment is becoming increasingly rare, and a pay-as-you-go or deferred payment is becoming the commercial norm.

There also tends to be an initial set-up services cost, which is priced as a function of the complexity of the system, independent of the number of users. Differences in pricing can be significant depending on the use of legacy technology and the integration required. Most solution providers work with customers to deliver paid for proof-of-concept exercises in order to reduce the risk for the customer.

Pricing variations are also dependent upon the number and type of media to be used: for example, an email and SMS management system is priced differently from an email and telephony system.


Return-on-investment (ROI) varies massively. For example, it can be a real challenge to prove ROI in the public sector, where interactions do not have a potential revenue value. However, a business case based around the productivity improvements for moving from manual processes to automated can often be convincing.

At an early point in the adoption curve, results are derived from simple productivity and business effectiveness measures. For example, if email handling is moved away from answering each email individually, and brought into a traditional 'call centre style' process, 300% productivity gains have been achieved. Using multichannel contact for debt management has shown significant increases in cash collection at very low cost: for example, 6-7% of debtors contacted via SMS or email then paid without any further intervention.

Solution providers further report that moving an outbound call to an SMS reduces the work time required by 2 minutes, and of course blending inbound calls with IVR shortens the average time of the call considerably as well.

It is worth mentioning that the fact that agents know that they are being monitored regardless of channel creates a productivity gain in itself.

END-USER QUESTION: “HOW CAN I JUSTIFY INVESTMENTS IN MULTICHANNEL TECHNOLOGY, BEARING IN MIND VOLUMES ARE SO MUCH LOWER THAN TELEPHONY?”

 **NEWVOICEMEDIA** Whilst the volume of calls into contact centres still outweighs that via other channels the nature of these contacts is changing. People are increasingly turning to voice to solve the complex and emotional problems as self-serve channels enable them to find out the answers to the simple stuff. This is where the rationale for investment lies.

By providing customers with alternative contact channels for the simple enquiries you are freeing up agents to deal with the complex, emotional and ultimately more valuable interactions. Indeed, it may be via IVR that transactions are carried out but it is via the telephone that relationships are built.

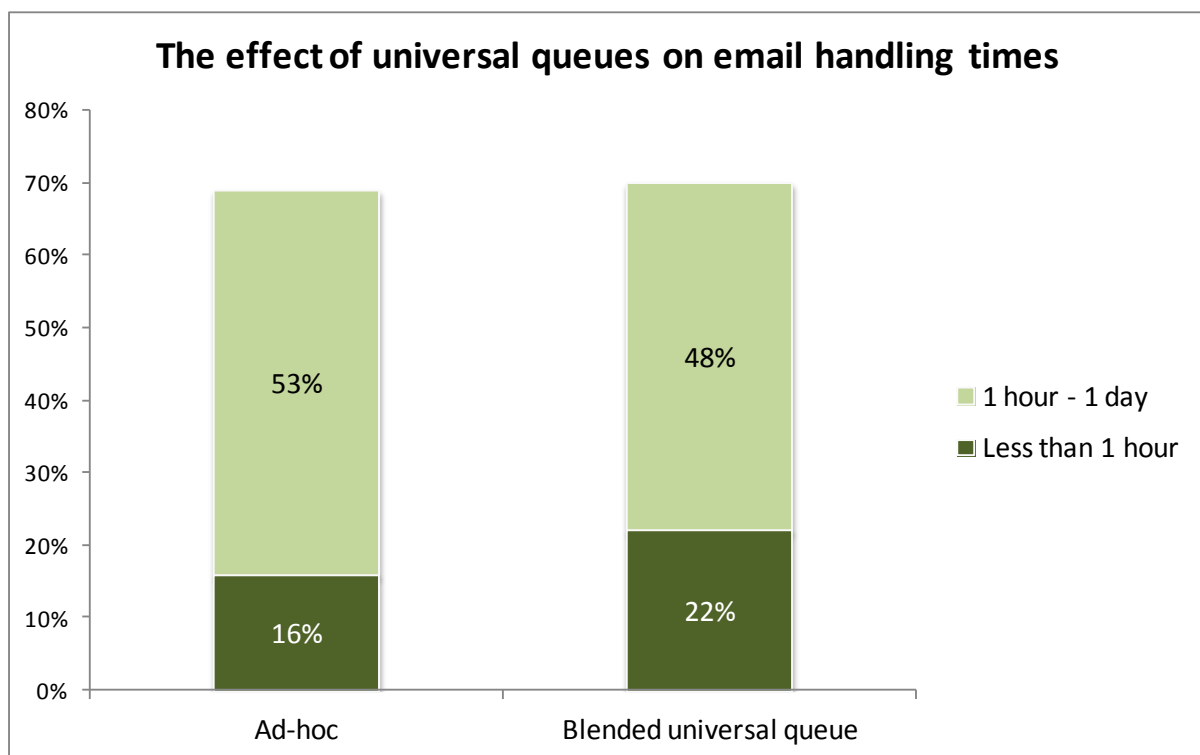
As a rule, multichannel contact centres are likely to see positive results based around the following variables:

- Shorter call length: if an agent has the customer interaction history and context to hand, there will be less time spent explaining what has already happened.
- Improved customer satisfaction: customers have historically tended to choose the phone channel not because they like to talk, but because this has been the quickest and most effective way to get their tasks done. Offering quicker and more convenient options is a win-win for both business and customer.
- Improved revenue: making live agent assistance available at a point of crisis, such as when a customer cannot seem to make up their mind up whether to check out, can hugely improve sales conversion rates.
- Reduced cost of supporting email: five years ago, over 80% of emails were handled without automated or assisted responses, meaning an email was as expensive to handle as a phone call. Some businesses now manage to answer most of the emails automatically, without having to put it in front of an agent at all. Other companies have benefited hugely through their ERMS's ability to suggest a possible answer, and to add to it through a wide library of templatised stock responses.
- Improved first-contact resolution rate: dealing with an interaction first-time through the initial channel has a positive impact throughout the enterprise. If realistic service levels are publicised and maintained, there should be many fewer instances of people calling in to ask about an email that they sent.
- Improved agent morale and productivity: many agents enjoy having variation in the working day. Agent attrition rates have been significantly lower over a number of years in contact centres which allow them greater variety of work.
- Reduced time to serve: if there are a wide range of channels available to a customer, it is in their own self-interest to choose the one which should take the least amount of time. A web chat can provide the necessary information in a matter of seconds, whereas a phone call might take several minutes, without providing the customer with any incremental benefit. As the following chart shows, using a formal universal queue, rather than managing channels manually, is likely to improve service levels.

While the wide range of multichannel solutions, and the uniqueness of each business environment make it difficult to promise general productivity gains, the following chart seems to indicate that a formalised blending environment, such as a universal queue, has a beneficial effect on email response times. Respondents using a formal blended environment report that 22% of emails are handled within 1 hour, with a further 48% being dealt with inside a day.

The ad-hoc approach is less successful at rapid response, with only 16% of emails having an average handle time within 1 hour, although 53% are handled in a day.

Figure 37: The effect of multimedia blending on average email handling time



As detailed earlier, there is evidence to suggest that staff attrition is eased by multimedia blending.

- In contact centres where fewer than half of staff were involved in multimedia/call blending, the average attrition rate was 22%. In contact centres where more than half of staff answered multimedia and calls, average attrition was 16%.
- This pattern is more pronounced when looking at contact centres which do not allow **any** agents to deal with both telephony and multimedia. In such environments, average annual attrition was 21%, compared to 14% in operations where all staff dealt with both email and telephony.
- This correlation has been seen over many years, despite attrition rates changing.

Solution providers' focus

Many solution providers state that extending the number of channels to include social media support is a priority for them, with those involved in workforce management provision looking to develop their workforce optimisation competency by including all other channels, allowing them to monitor and report fully on each channel and each agent's full activity, rather than just telephony. Once service levels across channels are better understood, and management reporting can happen on a real-time basis across all channels, it gives businesses the chance to offer live service level updates to their customers, who can choose which channel will provide them with an acceptable level of service in the time that the customer believes to be appropriate. In theory, this should provide a self-management and levelling-out of service requests across channels, removing call spikes and blockages, as customers will be able to see that overused channels will not be able to provide them with an acceptable level of service. Business may also promote or remove the option to use certain channels as appropriate to their current service levels.

There is also a particular requirement acknowledged across the board to integrate much more closely with legacy systems, particularly to strengthen the capabilities of interaction analytics. There is also a strong agreement from all solution providers that the market is demanding new ways of licensing and pricing solutions, including charging for CPE implementations as if it were a cloud-based solution, or having burst licencing options for peak periods, so as to avoid having to pay for full licences.

Some solution providers see the plethora of new channels as being a further opportunity to enhance their understanding of the voice of the customer as they go along a customer journey. This includes IVR sessions; the details of the buying decision-making process; what happened in terms of delivering the product or service; what back-office processes had to happen, etc., by tracking and logging of calls, emails and other interaction types. This mass of information allows analytics to discover what really happens on the customer journey, and to improve broken processes within the organisation which may not appear obvious at the time. This "big data" offers businesses an unparalleled chance to understand their customers if they so desire. What makes customers dissatisfied or happy? Why do customers leave? What actions, processes or behaviours actually change sales, profits or call volumes?

Despite being unglamorous forms of communication, letters and faxes are finding their way out of the back-office and into the contact centre environment as well. This makes sense: if other forms of customer communication are having consistent levels of processing and analytics put upon them, then white mail can also benefit from this. This concept fits in well with what the market is telling us about understanding the entire customer experience - not just what happens within a single phone call - that everything needs to be taken into account when understanding the customer journey.

SUPPLIER PROFILE

NewVoiceMedia's solution, ContactWorld, provides contact centre technology as a service through the cloud. ContactWorld - available as 'ContactWorld for Sales and Marketing' or 'ContactWorld for Service' depending on the end-user's focus - is a true multi-tenant contact centre solution providing full contact centre functionality that requires no capital outlay, has feature updates every two weeks and is supported by a 99.999% availability guarantee. Apart from its multichannel capability, functionality includes ACD, outbound dialling (preview and progressive), call recording and archiving, supervisory reports, advanced analytics and real-time reporting, CRM integration, workforce management, and quality monitoring.

The multichannel elements of ContactWorld include email, chat, social media, SMS and the recently launched mobile call recording functionality, enabling field staff to make outbound calls to customers, with full call logging capabilities. ContactWorld integrates fully with the agent desktop (for example, Salesforce.com) and applies the same logic to multimedia routing as it does to phone calls, changing the agent state accordingly and moving them between channels as appropriate.

Founded in the UK, the company now has offices in North America, Australia, Belgium and France servicing agents in 30 countries. With over 200 companies now using its solution it has a wide target, with implementations in the 20-500 seat bracket, although the 20 to 200 seat sector is perhaps of particular interest.

NewVoiceMedia is ISO 27001 compliant as well as having PCI DSS level 1 certification. Amongst its largest customers are Parcelforce, DPD and Totemic Group, numbering in the many hundreds of agents. Other referenced customers include Lumesse, a global leader in talent management solutions; Cunningham Lindsay, one of the largest loss adjusting claims management companies in the world; QlikTech, cloud based BI solutions; and SHL, a global provider of talent management and psychometric testing.

NewVoiceMedia owns its own code - it does not use any third-party functionality - and implements mini-releases every two weeks. Its product roadmap moving forwards includes adding real-time workforce management (which will link automatically to the current routing functionality), more sophisticated multichannel management, and smartphone apps that will schedule call-backs and provide real-time queue information. Routing capabilities will also be improved, and there is a goal to support end-users' desire to reduce queuing through a greater use of call-back functionality.

Longer term, its workforce management capabilities will become more about workforce optimisation, with the Cloud-based nature of the solution lending itself to feeding insights around agent experience into the routing engine on a real-time basis. By linking customer and agent data together, this allows the solution to take action automatically, such as prioritisation and routing to the next-best agent. This is supported by ‘cognitive routing’, which determines the likely queue and interaction time for each interaction type, allowing more sophisticated routing or the offer of alternate channels. As more interactions than ever are non-voice, the use of Erlang C to predict queuing is breaking down, as it was not designed for this purpose. Adding simultaneous and ‘what if’ planning to work out probabilities, skills, SLAs and routing strategies means that real-time optimisation becomes more available at a reasonable price.

STRATEGIC ISSUES AND ROADMAP


The following tables show the most recent responses of over 200 UK contact centres to the question: "What are your top three short-to-medium term investment priorities?", with the multichannel-focused answers marked in red.

- As has been the case for many years now, moving to an IP environment has been a very popular priority amongst respondents, with 13% of respondents stating that upgrading their telephony system was the most important area of expenditure, with a further 11% putting it as their second priority. This is down on past years, suggesting that the move to IP has happened already for many. As was seen earlier, a IP/SIP environment is a strong enabler for unified multichannel processes.
- CRM (taken to indicate an improvement to the core customer management and case management systems as well as company-wide CRM) is back to no.1 position, with 34% of respondents putting it as one of their top 3.
- Workforce management, especially in smaller contact centres, has risen greatly this year, being a top 3 priority for 28% of respondents. As multichannel increases, solution providers are rushing to add and improve functionality that can measure, forecast and schedule based on the different requirements of each channel.
- The movement to support multichannel - perhaps made more urgent by the enthusiasm for social media management, which itself appears very high on the list - looks likely to attract the required funding, with 13% of respondents putting this as a priority and 15% mentioning social media. Perhaps most dramatically, web chat features in the top 3 priorities for 21% of respondents, a huge jump.
- Although self-service (usually IVR) maintains its importance in this year's survey, only 5% of respondents put this as their no.1 IT investment priority, although a further 21% rate it as no.2 or no.3. Web self-service is often not included in this, as it may be 'owned' by a department outside the contact centre.
- Speech analytics continues a strong showing, with 9% of respondents making this a top 3 priority, although this is down on last year's 16%.

Figure 38: Most important areas of proposed IT expenditure in 2013 & 2014

Expenditure type	1st	2nd	3rd
CRM	18%	8%	8%
IP telephony	13%	11%	6%
ACD / call routing	8%	3%	2%
Workforce management	7%	10%	11%
Web chat	6%	9%	6%
Social media	6%	6%	3%
Multichannel / universal queue	6%	4%	3%
Self-service / IVR	5%	4%	17%
Homeworking and virtualisation	4%	2%	5%
Speech analytics	3%	3%	3%
CTI	3%	3%	2%
General technology refresh	3%	2%	2%
Cloud	3%	2%	0%
Call logging / case management	3%	1%	0%
Call recording	3%	1%	0%
Integration with existing systems	2%	4%	2%
Speech recognition	2%	2%	3%
Unified desktop	2%	1%	3%
Reporting and management information	1%	2%	6%
Automated outbound dialling	1%	2%	5%
Workflow	1%	2%	2%
Call monitoring	1%	1%	0%
PCI compliance	1%	1%	0%
Other hardware purchase	0%	6%	2%
Training	0%	2%	0%
Customer satisfaction survey software	0%	2%	0%
Call blending	0%	1%	5%
Queue call-back	0%	1%	2%
SMS	0%	0%	3%
Knowledge management	0%	0%	2%
Performance management	0%	0%	2%

END-USER QUESTION: "WHAT WILL BE THE NEW MULTICHANNEL 'GAME CHANGER' OVER THE NEXT FEW YEARS?"

 NEWVOICEMEDIA It could well be WebRTC, which potentially opens up new ways of communicating and exciting possibilities which we believe will be very important for the contact centre.

WebRTC is an API that is currently going through standardisation with the W3C to provide standard means of voice, video and peer-to-peer communication from a web browser without the need for plug-ins. There are currently competing versions of WebRTC; the strongest contender being implemented in Google Chrome and Firefox, with an alternative being presented by Microsoft, CU-RTC-Web.

WebRTC could therefore enable agents to seamlessly move between channels and adopt a video contact centre. It's still early days, but NewVoiceMedia is following it closely. We want to ensure we can support it when it becomes more widely available and are experimenting with the best way to provide value to consumers.

There have been some important changes in the ways customers are choosing to contact organisations, and these trends are gathering pace:

- Social media is now a *de facto* customer service channel, even if the business only originally intended to use it as an outbound channel, or to 'dip a toe in the water'
- Self-service will grow through the visual rather than audio media – IVVR, videos pushed via text chat, on-demand online support and e2e virtual intelligent personal assistants will develop (see below)
- Web chat will take some of the work away from the phone and email channels, and email will take work away from the letter and fax channels
- Telephony still the no.1 channel, with great potential for insight through interaction analytics
- Businesses can only suggest new channels – it is for customers to decide whether they will be successful or otherwise.

Despite the growth in non-traditional channels, telephony will remain the key channel for the foreseeable future. People speak to agents because they can handle complex and multiple requests quickly and accurately: web or voice self-service will only ever be able to cope with a fraction of these types of request. Agents will require knowledge bases, dynamic scripting and access to the rest of the organisation's experts in order to deal with generally more difficult queries.

It should also be noted that telephony is a rich mine of information: analysis of interaction recordings can deliver huge business insights: the vital thing to understand about analysing interactions is that it gives contact centres the answer to 'Why?', not just 'What?'. Why are average handle times so different across agents? Why are customers of this product upset? Why are people calling the contact centre? With high quality data inputs, mixing audio information with data such as call outcomes and revenues, analytics also identify patterns which the business had no idea even existed, suggesting best practice and identifying areas for improvement at agent, contact centre and process levels. With this level of insight available, not only is it not practicable for most businesses to reduce phone calls to a minimum, but it is actually not desirable.

It's probably fair to say that the interactions with the customer of the future will be a highly-polarised mixture of the automated and the personalised.

Moving a large proportion of interactions onto self-service will work for businesses, and having a VIPA (see below) or other third-party seek out the best deals on offer will appeal to many customers. This leads to the conclusion that many customer-agent interactions will be exceptional, such as a complaint, an urgent or complex issue or a technical query that an FAQ or customer community couldn't solve. It is also likely that whole segments of the customer base who don't want automation will be handled directly by live agents in many cases.

The VIPA is something which isn't yet widely available, but which is inexorably on its way, being driven by improvements in technology and the desire of the customer of the future to get the best deal with the least effort.

'VIRTUAL INTELLIGENT PERSONAL ASSISTANTS'

Most self-service scenarios suggest a world in which customers speak directly to 'intelligent' systems. The world of the 'virtual intelligent personal assistant' (VIPA) - turns this idea on its head, postulating an e2e world where the customer delegates many business interactions to a pseudo-intelligent device.

Storing information on a VIPA device - such as personal preferences, financial details and individuals' physical profiles - is the first step, and one which is possible to do today. Customers of the future will then instruct the device to research the best deals for products and services, and to come back to the device's owner with the best selection. The VIPA would 'call' the relevant contact centre (which would in fact be either a number of back-office company systems or even a live agent) and could even purchase the best deal without having to involve the owner in any way.

VIPAs may be used in association with knowbots and smart assistants (also called intelligent agents), which roam the web for answers to questions or situations, and could act as a third-party broker between the customer and a business. Price comparison sites act today as a type of first-generation smart assistant, but are entirely reliant on accurate and complete data inputs being provided by suppliers and the site's owners.

At first glance, VIPAs seem like a gimmicky type of idea, which might be nice to have and would save a bit of time, but isn't really the sort of thing to change the way we look at things. However, if VIPA technology could be relied upon to work, and standards of interoperability between VIPA and businesses were implemented, then this immediate and extensive market knowledge could create a 'perfect market' for commoditised products and services, with major impacts on existing businesses.

It is also fair to predict that businesses will get much more clever about understanding why customers are calling (currently, most operations are too busy dealing with what is put in front of them to wonder if they could be reduced). John Seddon¹² uses the term "failure demand" to describe calls that are created by the inability of the business's systems to do something right for the customer:

"A failure to do something - turn up, call back, send something...causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organisation's control, and it is a major form of suboptimisation."

¹² *Freedom from Command and Control: A better way to make the work, work*, John Seddon, 2005

Seddon cites the instance of the UK bank where failure demand created almost half of the calls which they had to deal with. Another classic example of failure demand in the multichannel world is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand. Redesigning and restructuring the way in which work flows around the organisation, putting the contact centre at the heart of it, rather than treating it as a separate silo, will go much of the way to reducing unnecessary contacts. The customer ends up getting a better service from the whole company, not just the contact centre.

Information on failure demand can be gleaned fairly easily from the contact centre, which also holds huge amounts of knowledge about what customers' views of the products, services, competitors and company are. Feedback loops will be established in leading contact centres to push information and insights upwards to those who can make a difference in product development, process improvements and customer strategies. It is vital then to act upon this knowledge, proving to both customers and agents that the business takes them seriously.

The customer of the future, cynical, connected and knowledgeable, will still have the same requirements as the customer of today - pay bills, buy clothes, get a mortgage, fix their broadband. The business of the future will still be a profit-making entity, looking to cut costs and increase revenues.

The main difference is that the ways in which the customer and the business will interact will be polarised. Most of the time, the customer and business will hold each other at arm's length. The customer will deal with automated systems far more useful and flexible than anything around today, doing business through a channel and at a time that suits them. The business will support its customers through a powerful and accurate knowledge base, which its agents also have full access to, whenever they need it, keeping its costs low.

Live customer service will become a reason for people to stay with a company, and through customer communities and peer review sites, will become a reason to purchase in the first place. Currently, exceptional service relies on actual word-of-mouth, but with customer communities and peer review, businesses' customer service standards can be checked out straightaway.

Once the majority of customers live in a world where their direct interactions with contact centre agents are much-reduced, this will have an impact on the business's ability to grow a profitable long-term relationship with the customer. One of CRM's main aims is to increase customer loyalty, but in a future environment where knowledge of other companies' costs and products is so easily available, reducing customer defection will be critical to a company's success, especially when the customer has fewer requirements to talk directly to the incumbent. Each live call that the customer makes will become a precious opportunity for the business to treat them well, learn more about them and to build that all-important long-term loyalty. On paper, it should be a great time to be a customer...

ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact centre strategies and talk to the right prospects. We have shown the UK government how the global contact centre industry will develop and change. We help contact centres compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact centre industry, perhaps we can help you.

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