

CUSTOMER EXPERIENCE PAST AND FUTURE



The Power of We™



It's not a coincidence that call centers and modern advertising simultaneously emerged about 50 years ago. In an overcrowded marketplace, both help businesses distinguish themselves and win new customers. This paper looks at customer service as it continues to evolve from early phone-in centers to tomorrow's customer experience management hubs.

How Early Technology Continues to Shape the Present

Technology has always shaped call center capabilities, making them more useful every year. Danish engineer Agner Krarup Erlang was the first to introduce the basic construct of telephony queuing in 1909, beginning the framework for an industry-standard model for addressing wait times. This led directly to call centers later using calculations to organize customer inquiries, determine wait and service time, and measure performance using metrics.

A primitive form of self-service was demonstrated to the public at the 1939 World's Fair in New York with the Bell Labs speech synthesis project known as "the Voder." This technology would eventually allow people to interact directly with computers using their voices. By the early 1970s, computers were able to handle basic requests into the contact center through Interactive Voice Response (IVR), freeing up agents to deal with more complex interactions and raising call volume capabilities.

From 1878 into the 1960s, telephone systems relied on manual switchboard operators. This all changed 50 years ago when the Private Branch Exchange (PBX) was introduced to serve individual businesses or offices. Today's Internet- and cloud-based systems owe their automated functionality and versatility to the PBX.

New Tools of the Trade

In just a few short years, we've moved from basic call centers to broad-reaching, holistic customer experience solutions that integrate multiple forms of communication and smart analytics. Let's take a look at how this evolution came about.

The basic purpose and structure of call centers began to radically change with the rise of the Internet in the late 1990s. For the first time, consumers were able to conduct their own product research as well as order products online. Facebook altered the trajectory further in 2007 with the introduction of brand pages, allowing customers to establish social relationships with companies for the first time.

Social media started like a bullhorn, with companies broadcasting information and talking points to customers and prospects. But this online audience wanted something else—people demanded personal, honest interaction and two-way communication with brands on all social channels. Today, over half of U.S. consumers now use social media to directly reach out to companies, express satisfaction, ask questions and lodge complaints.¹

Self-service dates back to the 1939 World's Fair with the Bell Labs invention called "the Voder."

New Tools of the Trade (continued)

In recent years, market demand has grown quickly for alternative communication channels. In the U.S., there has been a marked rise since 2010 in web self-service (12%), chat (24%) and message boards (25%), according to a Forrester report from early 2013.² However, 72% of U.S. customers still prefer to speak with a live person.³ This proves that emerging channels are not doing enough to replace phone calls just yet, and companies must continue to improve their communication and tactics across all channels—traditional and cutting-edge. Alongside their huge volume of calls and mailed-in inquiries, they must find a scalable and affordable way to accommodate social media, self-service, video, web, email, instant message, text and mobile solutions.

How Does This Come Together?

Contact center capabilities are improving all the time with the arrival of new technology. According to industry leaders, there are currently two major areas of innovation that forward-looking companies should pay close attention to: synchronous tools and contextual knowledge.

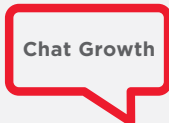
Real-time, “synchronous” communication tools that closely resemble in-person conversation could someday replace phone calls as the cornerstone of the customer experience. These high-tech tools can extend capabilities and increase customer satisfaction scores without cutting into live agent productivity. One such tool is today’s high-performance, highly mobile **video chat**. It connects customers to agents in real time, on virtually any network or device. Another emerging tool is Internet **“co-browsing;”** joint navigation through the Internet by two or more people in different locations at the same time.

Today’s customer experience management tools give agents access to more personalized customer data and greater contextual knowledge, across all media. **Relationship awareness** makes it possible for companies to maintain real-time, relevant context about their customers, including history, resources and process—across all channels. **Proactive outreach** helps contact centers deliver information to customers before they realize they need it. And **real-time matching** finds the optimal customer-resource match—instantly.

Real-time, or “synchronous” tools can extend capabilities and increase customer satisfaction—without reducing agent productivity.

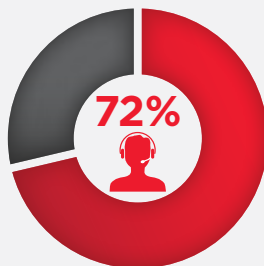
Demand for Alternative Communication Channels — Growth Since 2010

12%



24%

25%



72% of U.S. customers still prefer to speak with a live person

6 TRENDS AFFECTING THE CUSTOMER EXPERIENCE

Here are the six key contact center trends that can help you set priorities, improve service and lower costs.

Big Data: Predictive Analytics & Outcome-Based Metrics

Modern data servers enable contact centers to process huge amounts of customer information. If analyzed correctly, this data can help companies understand the “why” behind each interaction, leading to improved operations efficiency and a better customer experience.

Utilizing analytics to quickly process vast amounts of data (real-time vs. historical, structured vs. unstructured, internal vs. external) helps identify leading indicators that can be used to predict customer needs before they occur, enabling proactive responses. Making these types of analytics tools more easily accessible to customer experience management professionals can help drive implementation and positively impact business activities.

Metrics come in all forms, and Big Data enables more information than ever. Traditional contact center benchmarks like Average Handle Time (AHT) and first-call resolution do not go far enough in improving the overall customer experience. Complex problems might take several long interactions between a customer and agent, and will look inefficient. But if the customer is happy in the end, it's usually worth the time and effort. This is why implementing outcome-based metrics like net promoter scores are the most effective. They deliver better outcomes because they measure customer willingness to recommend the company to others, instead of just productivity, efficiency or regulatory compliance.²

Neuroexperience

Customers often cannot articulate their needs and desires in an actionable way for customer service providers. Fortunately, it will soon be possible to use customer behavioral data to analyze interactions at subconscious neuro-anatomical, -physical, -chemical and -physiological levels.⁴ Today, “neuroexperience” is a theoretical field, but advances in brain science like DNA mapping and brain imaging mean it's likely that future discoveries will help greatly improve customer experiences.

A good mobile experience alone can increase the likelihood of a purchase by 68%.



Knowledge Management

Giving agents and experts broad, collaborative access to the information they need is a must in the contact center. Improving overall awareness and access to actionable, relevant customer context (information, resources and processes) across all interactions and channels helps improve the customer experience. Contact centers aren't there yet, however, with 69% of U.S. consumers still complaining that they are often asked to repeat their account details on the same call.⁵ Clearly, companies must work harder to effectively transfer customer information and data-driven knowledge.

Gamification

Gamification is the use of game thinking or mechanics in a non-game context to solve problems and engage users. Research shows it's a great way to inspire anyone involved with customer experience management. Historically high staff turnover (averaging 33% annually⁶ in the U.S.) hurts morale and makes it difficult for knowledge management to thrive. Improving training and hiring processes doesn't go far enough to improve attrition rates, but using contests, games and recognition-based rewards can dramatically improve both employee outlooks and profitability.

The Cloud

More than 75% of companies in the U.S. with 1,000+ employees have now adopted the cloud in some way.⁷ In the contact center, it's enabling workers to telecommute and allowing companies to easily scale capabilities to branches around the world. Cloud computing solutions are also making it more cost effective to move data between relevant business units and the contact center in real time, promoting efficiency and productivity.

User Experience (UX)

Customers aren't just visiting physical locations to do business; they're also spending significant time online. This is why crafting an excellent website experience by adding mobile functionality, good content, relevant video and a strong social presence is essential. This can have a significant impact on reducing complaint volume and increasing bottom line profits. Just by offering a good mobile experience, U.S. retailers can increase the likelihood of a purchase by 68%.⁸ And retailers with in-store app functionality can see five times⁸ more engagement with their apps than retailers without.

PROVIDING AN EXCEPTIONAL CUSTOMER EXPERIENCE

Today, 82% of U.K. and U.S. customers buy more from companies who make it easier to do business with them.⁵ If you're making things difficult for consumers, they will take their business elsewhere. This means you must be prepared to do more to keep them.

Customers are less loyal and less trusting, and they have far more power and choice than ever. To craft a cohesive, efficient customer experience, companies must be proactive about adopting new technology. The good news: this can translate directly to an improved bottom line and can turn your contact center into a bigger profit center.

More than 80% of customers will buy more from companies who make it easier to do business.

Solutions from AVAYA

Avaya enables organizations to create outstanding experiences for every customer, every time. Our powerful suite of Customer Experience Management solutions allows you to turn satisfied consumers into loyal customers, and loyal customers into advocates for your brand. Because our solutions support contextual awareness and persistent conversation, you can be confident that every interaction with a customer, regardless of the media, will become part of a seamless, ongoing customer experience.

Learn why 45% of contact centers use Avaya solutions.

Visit us online or call 855.428.2922.

Footnotes:

1. Nielsen, *State of the Media: The Social Media Report*, 2012
2. Forrester, *Top 15 Trends for Customer Service in 2013*, 2013
3. Sift Media, *Customer Experience Expectations*, 2013
4. Beyond Philosophy, *The Futurist: DNA and Customer Experience*, 2012
5. British Telecom, *The Autonomous Customer 2013*, 2013
6. Cornell University, *The U.S. Call Center Industry: Strategy, HR Practices, and Performance*, 2005
7. Gigaom, *Rightscale Sees Uptick in Cloud Adaptation and Multi-Cloud Use*, 2013
8. Media is Power, *UX is the New Customer Service*, 2013

About Avaya

Avaya provides a powerful suite of contact center solutions, including analytics tools that help you study the customer experience in real time. A full 45% of contact centers use Avaya solutions. The 2012 Gartner Magic Quadrant recognizes Avaya as a contact center leader based on our 'ability to execute' and our 'completeness of vision.' For more information about Avaya contact center solutions, please visit avaya.com or call 1-855-428-2922.