

OMNI-CHANNEL CONTACT CENTER: THE SMARTER WAY TO ENGAGE CUSTOMERS

November, 2014

→ **Omer Minkara**, Research Director,
Contact Center & Customer Experience Management



Report Highlights

p3

Contact centers without omni-channel capabilities are twice as likely to incur increases in customer service costs.

p6

Omni-channel users are 45% more likely to empower agents with the ability to view historical interaction data across all channels.

p8

Omni-channel users are 28% more likely to be satisfied with their ability to use the customer channels of preference.

p12

Only 6% of firms are satisfied with their ability to make effective business decisions using customer data.

Omni-channel interactions fill the gap between the use of multiple channels and driving customer delight through superior service. They do so by helping firms ensure the consistency and personalization of the messages they deliver to their customer via each channel. This report will highlight how omni-channel contact centers compare to their multi-channel counterparts across key performance indicators, such as customer retention rates and first contact resolution rates. It will also provide an overview of the building blocks companies put in place to deploy a successful omni-channel customer care strategy.

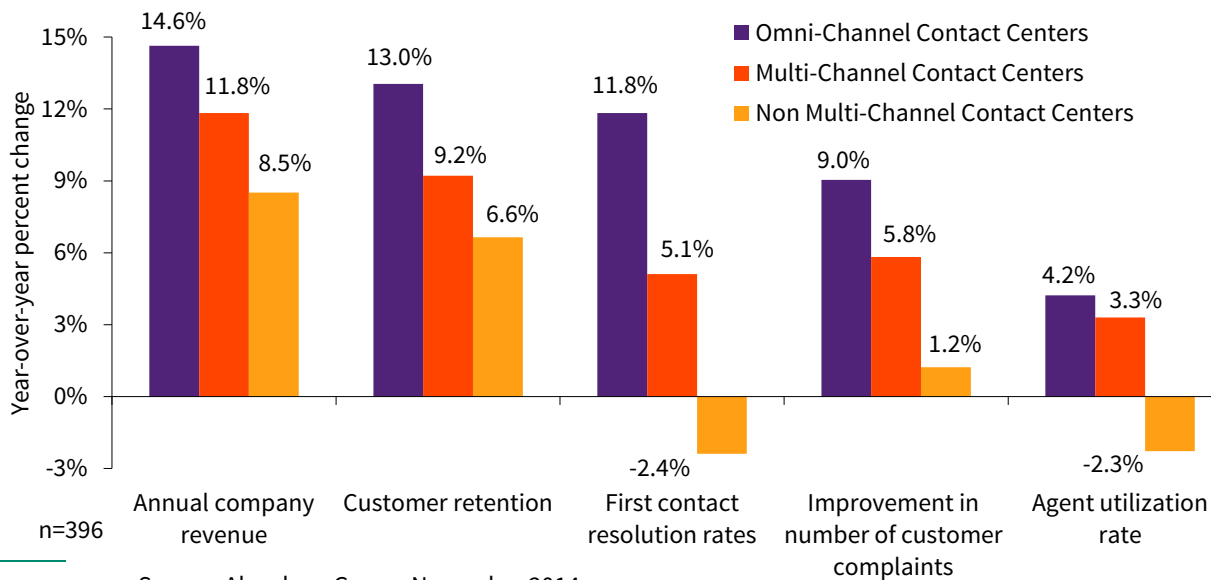
2

Using multiple channels to serve customers is no longer an option; it's a requirement.

Omni-Channel > Multi-Channel > Single Channel

Using multiple channels to serve customers is no longer an option; it's a requirement. Indeed, 99% of organizations within Aberdeen's October 2013 *Omni-Channel Customer Care: Empowered Customers Demand a Seamless Experience* study use at least two channels to interact with clients. This means that solely adopting multiple channels is no longer enough for businesses to differentiate themselves in the eyes of customers. This is validated by observing the year-over-year performance gains depicted in Figure 1.

Figure 1: Multi-Channel is Not Enough to Drive Success. You Need Omni-Channel



Source: Aberdeen Group, November 2014

Businesses without an omni-channel strategy are twice more likely to incur increases in customer service costs, compared to those with it.

As shown above, using a single channel to interact with clients is detrimental to organizational success. Non multi-channel contact centers are the worst performing businesses in the marketplace. Graduating from using a single channel to becoming a multi-channel contact center is good; however, it's not enough to reap maximum performance rewards – which are enjoyed by companies with an omni-channel strategy (see sidebar on next page).

3

Omni-channel contact centers achieve, by far, the best outcomes, compared to others in Figure 1. Specifically, they enjoy 55% greater (9.0% vs. 5.8%) annual improvement (*decrease*) in the number of customer complaints, compared to multi-channel contact centers. Fewer customer complaints means happier clients – a correlation validated by omni-channel contact centers increasing year-over-year customer retention rates by 41% more than multi-channel contact centers (13.0% vs. 9.2%). Businesses that lack an omni-channel strategy are also twice as likely to incur increases in customer service costs, compared to those with such an approach in place.

In addition to creating happy customers, businesses with an omni-channel strategy also enjoy superior operational outcomes. This is signaled by their annual improvement in first contact resolution rates by more than double, compared to multi-channel contact centers (11.8% vs. 5.1%). A more efficient operational structure coupled with happy buyers ultimately helps omni-channel contact centers pave the way for increased company revenue. Indeed, they outperform the multi-channel contact centers by 24% (14.6% vs. 11.8%) and businesses that use a single channel by 72% (14.6% vs. 8.5%) in year-over-year improvement of company revenue.

Now that we've illustrated that companies must implement an omni-channel strategy to move their performance from good to great, let's analyze some of the building blocks that help firms build a successful omni-channel customer care program.

Building Blocks of Omni-Channel Customer Care: Process, People and Data

Analyzing the capabilities adopted more widely by omni-channel contact centers reveals that these businesses focus on three core areas that help them ensure the consistency and personalization of their multi-channel messages: process, data and people.

Definition: Omni-channel Contact Center

For the purposes of this research, Aberdeen uses the term “omni-channel contact center” to define businesses that have a formal strategy in place to deliver personalized and consistent customer experiences across multiple channels (e.g., phone, social media, web, mobile, and email) and devices (in-store, laptop, and smart phone).

The end goal of these programs is to ensure that the context and experience from each channel and device carries over across all other touch-points to ensure consistency of conversations via multiple touch-points.

While multi-channel programs also focus on using multiple touch-points to interact with customers, by definition, they don't consider devices as a touch-point that needs to be optimized for consistency and personalization. Please read this [related blog post](#) for further insights on this topic.

4

Optimize Customer Interaction Process

Customer routing is traditionally considered a core attribute that contact centers must have in place. This is largely because organizations are expected to connect the right customer with the right agent who has the skills and knowledge to handle the relevant issues. After all, it's hard to assume that a client would contact a business solely to strike up a conversation. The process of matching the right customer with the right agent, often referred to as 'skills-based routing,' is an integral part of contact center workforce management programs as highlighted within Aberdeen's May 2014 [*Contact Center Workforce Optimization: Secrets to Unlock Agent Productivity & Performance*](#) study. Skills-based routing is beneficial as it helps firms increase the likelihood of timely issue resolution, hence a positive impact on client retention.

Add another dimension to your skills-based routing activities when using multiple channels to serve customers: technology skills.

When using multiple channels to serve customers, companies need to add another dimension to their skills-based routing activities: technology skills. This enhanced form of routing is often referred as '**contextual routing**' in reference to using the context (customer issue, interaction channel, previous contact, client social media influence, etc.) as a key factor in connecting the customer with the right agent.

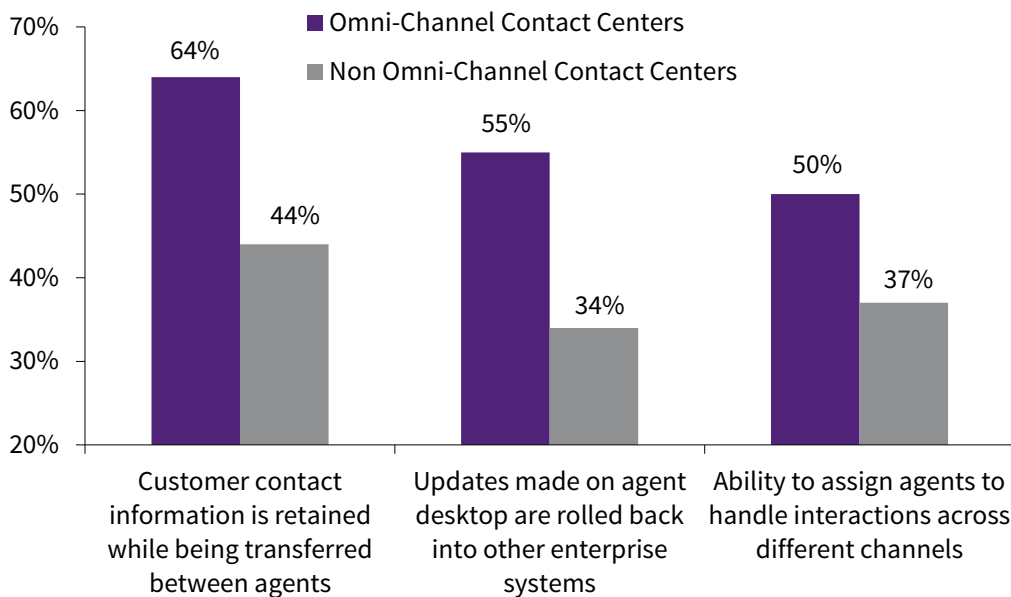
When discussing omni-channel, it's important to highlight agent technology skills as a key factor. Not every agent has the technology skills to be an expert user of social media, proficient in conversing over phone or a master in typing fast with no errors. Yet in an environment where businesses interact with customers across multiple channels, these are all the skills companies need to serve clients. Therefore, Figure 2 shows that omni-channel contact centers are 35% more likely than others (50% vs.37%) to adapt their customer routing processes by using agent technology skills as a criteria when routing clients.

5

Implementing this activity requires firms to build a competency profile of each agent, and ensure that it's kept up-to-date according to the evolving skills of the agent. Please read Aberdeen's June 2014 [How to Schedule Agents in a Multi-Channel World](#) study to learn more on how leading contact centers adapt their workforce optimization (WFO) processes to include this capability.

Establish and maintain processes that facilitate agents to easily access relevant account data to get ahead in omni-channel customer care.

Figure 2: Key Processes to Enable Omni-Channel Customer Care



Percent of respondents, n=396

Source: Aberdeen Group, November 2014

While contextual-routing enabled through a focus on agent technology skills is crucial, another important element is helping agents with **visibility into data captured as part of historical interactions**. As a reminder, omni-channel contact centers differentiate themselves by their ability to deliver consistent and personalized interactions across touch-points. This requires that agents are able to access data on previous customer conversations via the agent desktop, and use these insights to ensure the consistency of messages delivered through previous channels. Omni-channel contact centers are 45% more likely

6

Satisfaction from Analyzing Interactions across Different Channels

One of the primary reasons why omni-channel contact centers enjoy better results than their peers is due to their ability to analyze customer interactions taking place across different touch-points, and use the insights gleaned through those interactions to personalize future conversations while ensuring consistency in their messaging. To this point, below is an overview of the percentage of companies satisfied with their ability to monitor customer interactions by different channels:

IVR: Omni-Channel: 84% vs. Non Omni-Channel: 26%

Live chat: Omni-Channel: 80% vs. Non Omni-Channel: 59%

Email: Omni-Channel: 71% vs. Non Omni-Channel: 38%

Phone: Omni-Channel: 63% vs. Non Omni-Channel: 46%

Social media: Omni-Channel: 57% vs. Non Omni-Channel: 33%

Web: Omni-Channel: 50% vs. Non Omni-Channel: 38%

Text messaging: Omni-Channel: 50% vs. Non Omni-Channel: 25%

than others (64% vs. 44%) to enable their agents with this capability. They also ensure that **data captured within the agent desktop is seamlessly incorporated with account data across other enterprise systems**, such as customer relationship management (CRM) and enterprise resource planning (ERP). Please read Aberdeen's November 2014 [*Agent Desktop Optimization: Putting Agents in Charge of the Omni-Channel Customer Experience*](#) study to learn how businesses ensure this integration to create and maintain a single view of the customer data.

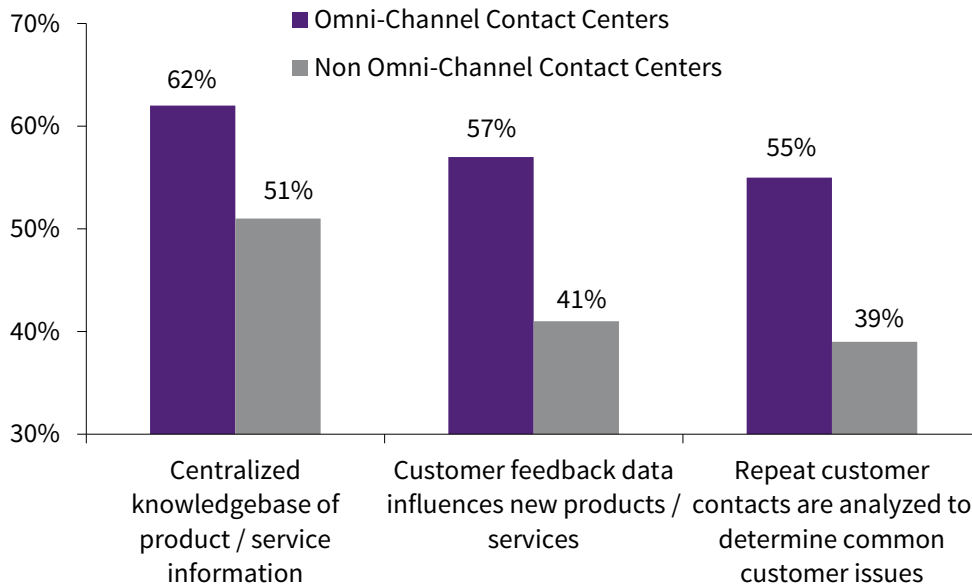
Make Better Use of Data to Address Customer Issues

Improving existing customer interaction processes via contextual-routing, and establishing a single view of the customers and agent empowerment, are important. However, companies will have a limited opportunity to ensure that the contact center processes evolve with changing client needs unless they **analyze the customer data captured across multiple interaction channels** – see sidebar. For example, a business using virtual agents as part of its self-service activities might use this data to route customers as well as provide agents with the self-service history of each client. However, if clients seeking support for a specific issue by interacting with a virtual agent interact with the business in the future for the same issue, this can cause problems with the virtual agent system. If the firm doesn't analyze repeat customer contact data via different channels, it would then run the risk of not identifying such issues, and fail to address them. Analysis of customer data captured across different touch-points is vital in helping firms capture such insights, and continuously improve the consistency and personalization of the messages they deliver across different channels. Figure 3 shows that omni-channel contact centers are

7

41% more likely (55% vs. 39%) to have this capability in place, compared to non-omni-channel contact centers.

Figure 3: Use of Data Unlocks Continuous Success



Percent of respondents, n=396

Source: Aberdeen Group, November 2014

In addition to benefits in pointing to areas of improvement when using different channels, analyzing customer data captured across different touch-points also reveals other insights. These include customer demand for new products / services, especially when customers share their feedback in numerous forms and across multiple touch-points. Among them are social media conversations, questions on online customer communities, answers to online surveys. They also share their voice by voting with their wallet, in other words product / service purchases. The contact center is uniquely positioned to capture these insights given the breadth of interactions they have with current and potential customers. Omni-channel contact centers are 39% more likely than others (57% vs. 41%) to **utilize the customer insights captured across different touch-points as part of their efforts to design and market new products and services.**

In addition to surveys and other feedback forms, customers share their voice with businesses by voting with their wallet, in other words product / service purchases.

8

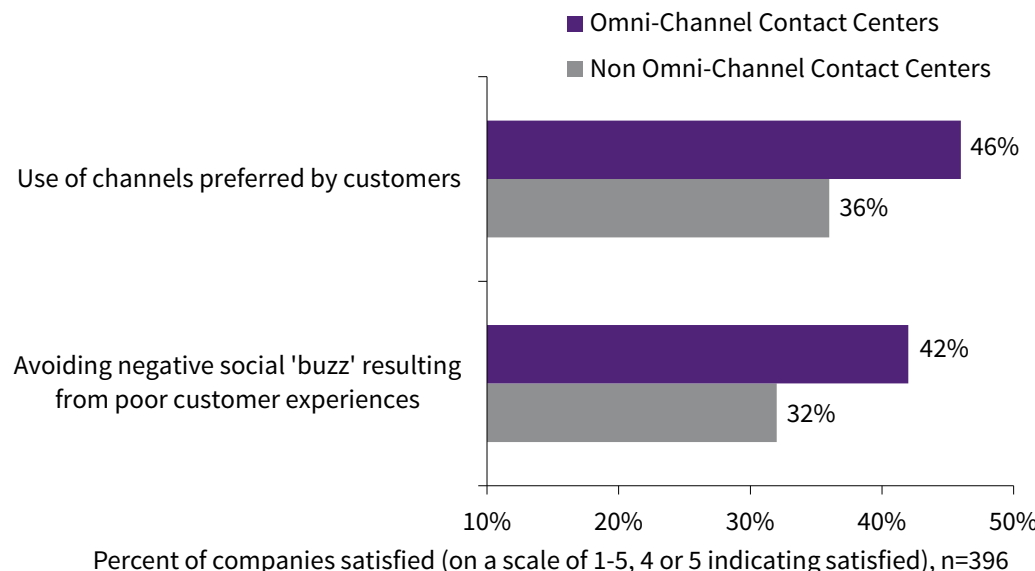
- [Read the full report, "Multi-Channel in the Contact Center: Channel Adoption Varies from Usage"](#)
- [Related Research "Flash Forward: 2015 Customer Engagement Channels Adoption"](#)

Companies must pay close attention to aligning customer preferences with both the adoption and usage of multiple channels.

Using an omni-channel strategy means that businesses re-engage clients through the most relevant channel to acknowledge receipt of their feedback.

The benefits of capturing and using the voice of the customer (VoC) goes beyond product / service design. It also helps contact centers **understand customer preferences on using specific channels to receive service**. There are numerous ways to capture this insight, ranging from focus groups to online surveys and interactive voice response (IVR) surveys. Capturing insights on customer channel preferences is crucial, as interacting with clients via channels of their choice maximizes customer satisfaction, and positions the organization as a trusted advisor in the eyes of its buyers. Figure 4 shows that omni-channel contact centers are 28% more likely (46% vs. 36%) to be satisfied with their ability to use the channels preferred by their clients.

Figure 4: Use the Channels Preferred by your Customers



Source: Aberdeen Group, November 2014

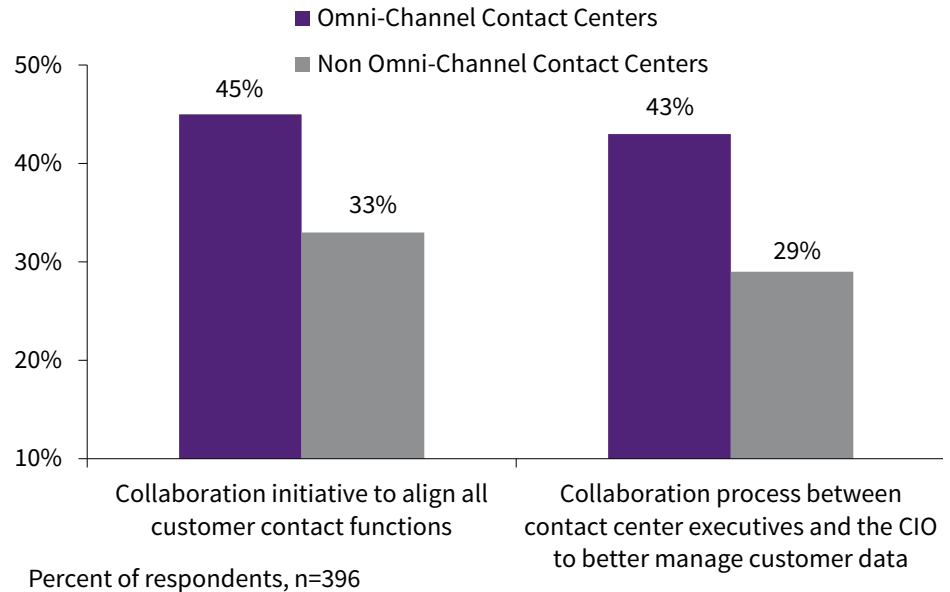
It's important to note that adopting a channel doesn't imply using it. In other words, one can't say that the more widely

9

adopted a channel is, the more frequently it's utilized. For example, while a company might incorporate live chat within its customer care channel-mix, if the solution is not actively used, this means customers are not able to take advantage of interacting with the firm through this channel. Therefore, it's important that **businesses focus on aligning customer preferences with both the adoption and usage of multiple channels**. Please read Aberdeen's November 2014 [*Multi-Channel in the Contact Center: Channel Adoption Varies from Usage*](#) study to learn the gaps we found between contact centers' adoption and usage of different channels.

Connect People via Collaboration

The third core area of focus for omni-channel contact centers is to connect different stakeholders in the business through an integrated process to manage data and customer communications. Many organizations are likely to have multiple stakeholders interacting with the same account across different or same channels. For example, a customer might interact with a contact center agent to seek resolution for an issue. The same account might receive a call from an inside sales representative looking to sell a new product. If the organization doesn't provide the contact center agent and the inside sales rep a view of the historical customer interactions, their conversations will likely not be put into the context of previous interactions, hence increase the likelihood of delivering conflicting and confusing messaging to the client. To this point, Figure 5 shows that omni-channel contact centers are 36% more likely (45% vs. 33%) than others to have a formal collaboration initiative to **align all customer contact functions via a collaboration strategy aimed to deliver consistent customer messages**.

Figure 5: Foster Collaboration to Improve Consistency of your Customer Messaging

Source: Aberdeen Group, November 2014

Aberdeen's January 2014 [*Enterprise Social Collaboration: Driving Customer Experience Excellence through Teamwork*](#) study shows that organizations that excel in fostering collaboration across all customer-facing departments do so by integrating the enterprise systems that capture customer data across all touch-points. This helps them establish a unified view of each account throughout the business, including the contact center agents, as well as other departments such as sales, marketing and even the back-office (e.g. collections and legal). The above figure shows that omni-channel contact centers are 48% more likely (43% vs. 29%) than others to **establish a strategic partnership with the IT team in order to build this capability.**

Recommendations

Today's empowered customers have disrupted the very nature of customer / company relationships. They've done so by assuming greater power via their use of technology tools and

Integrating customer data captured across all touch-points is a key necessity to establish a single view of the client across the business.

11

portals to access information that helps them make educated buying and loyalty decisions. Retaining clients, let alone acquiring new ones, means that businesses must be laser-focused on understanding the precise needs of each buyer and address them in a personalized fashion. However, equally important is that the messages delivered as part of these conversations remain consistent.

In an environment where 99% of contact centers use multiple channels of communication, buyers expect that businesses are aware of previous conversations that took place across any channel and are able to tailor the next interaction accordingly. In other words, omni-channel customer care is a core competency that helps firms differentiate themselves in the eyes of their clients. We recommend companies adopt the following initiatives to make the leap from a multi-channel strategy into an omni-channel strategy, as well as to build a foundation for continuous competitive edge:

- ➔ **Put customer preferences first when adopting and using communication channels.** Although a multi-channel strategy doesn't yield the same benefits as an omni-channel strategy, businesses using the former approach still outperform those that use only a single channel to interact with clients. However, a common mistake many organizations repeat when building a multi-channel customer care program is making decisions on behalf of clients. In other words, determining the channel-mix with no input from the customers. We recommend businesses build and regularly utilize a voice of the customer (VoC) program to capture client feedback and insight on channel preferences. Using such a customer-friendly approach

Don't pick the channels of interaction for customers; let them tell you what they want.

12

Only 6% of organizations are extremely satisfied with their ability to use existing data to make effective decisions when managing customer interactions.

helps firms using the customer's-preferred channels of interaction stand out through superior performance.

→ **Your performance is only as good as the quality of your data; integrate your enterprise systems for a holistic view of the customer journey.** Aberdeen's March 2014 [*State of the CEM Market 2014: It's All About Better Use of Customer Data*](#) study shows that only 6% of organizations are extremely satisfied with their ability to use existing data to make effective decisions to manage customer interactions. The primary reason why companies struggle with a lack of quality data is because the data captured across different channels that are not integrated. This means that contact center agents don't have enough visibility into historical customer conversations, and hence, run the risk of delivering inconsistent messages with the ones delivered to customers through previous interactions. Omni-channel contact centers reduce the impact of poor customer data quality by integrating their enterprise systems for a single view of their customer interactions, and empower their agents with these insights through the agent desktop in an easy and timely manner.

Don't underestimate the power of simplicity: focus on adapting your skills-based routing into contextual-routing. Another mistake often made by organizations looking to maximize their performance across different channels is overlooking how they can adapt core contact center processes to meet their evolving needs. To this point, while skills-based routing has been a key capability that served (and still serves) contact centers well, it must be reconsidered if companies aim to achieve success through an omni-channel strategy. If you haven't already done so,

13

determine the technology skills of each contact center agent and use this as a factor when connecting customers to the right agent. This will help you ensure that clients are served by agents who are best skilled in using a specific channel. Also, by empowering these agents with a view of historical client interactions across all channels, you'll maximize your ability to deliver personalized and consistent customer messages.

For more information on omni-channel and other contact center and customer experience management to <http://aberdeen.com/aberdeen/contact-center/CMAV/practice.aspx>.

Related Research

Multi-Channel in the Contact Center: Channel Adoption Varies from Usage; November 2014

Flash Forward: 2015 Customer Engagement Channels Adoption; November 2014

Contact Center Workforce Optimization: Secrets to Unlock Agent Productivity & Performance; May 2014

Streamlining the Agent Experience Reduces Unnecessary Costs; March 2014

Enterprise Social Collaboration in Customer Service: Better Teamwork Unlocks Customer Delight; January 2014

Advanced Case Management: Empower the Knowledge Worker; October 2013

Author: Omer Minkara, Research Director, Contact Center & Customer Experience Management (omer.minkara@aberdeen.com), [LinkedIn](#), [Twitter](#)

14

About Aberdeen Group

For 26 years, Aberdeen Group has published research that helps businesses worldwide improve performance. We identify Best-in-Class organizations by conducting primary research with industry practitioners. Our team of analysts derives fact-based, vendor-agnostic insights from a proprietary analytical framework independent of outside influence. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision making and improve business strategy.

Aberdeen's content marketing solutions help B2B organizations take control of the Hidden Sales Cycle through content licensing, speaking engagements, custom research, and content creation services. Located in Boston, MA, Aberdeen Group is a Harte Hanks Company.

This document is the result of primary research performed by Aberdeen Group. Aberdeen Group's methodologies provide for objective fact-based research and represent the best analysis available at the time of publication. Unless otherwise noted, the entire contents of this publication are copyrighted by Aberdeen Group, Inc. and may not be reproduced, distributed, archived, or transmitted in any form or by any means without prior written consent by Aberdeen Group, Inc.